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BIRTHDAY HONOURS FOR THE ARCHITECT OF CONFEDERATION

Prime Minister Lester B. Pearson visited Kingston, Ontario, on January 11 to attend ceremonies marking the one hundred and fifty-second birthday of Sir John A. Macdonald, Canada's first Prime Minister. Before leaving, Mr. Pearson placed a wreath on the grave of Sir John. "I don't think that we are as aware or do as much as we should to honour the men who built Canada," Mr. Pearson said.

Earlier, the Prime Minister addressed a meeting in Queen's University. Part of his speech follows:

It is my belief that the Canada of Sir John and the Founders 100 years ago is crystallizing and maturing into an ideal of nationhood which will confound the doubters and scatter the Jeremiahs.

I know that we have been going through some heavy national seas and that we are in the midst of great upheavals.

We share this experience today with practically every country in the world and we are far better equipped to deal with it than the great majority of them.

INDICATIONS OF CHANGE

I see in current developments not intimations of national disaster but indications that we are undergoing change and growth; that we are continuing to go forward — and with a speed that is bound to create some dislocations and disturbances.

Change has become the only enduring condition.

In Canada, where more than half of our population is now under 25, the impatience to get on with change is more likely to increase than to diminish.

The prospect of change does not alarm me; there is always room for the kind of change that

means improvement — especially in the opportunity for human development. I only ask that our impatience does not lead to change which is not improvement.

I share with many others a belief that youth will provide most of the encouragement for constructive progress in Canada as we enter our second century....

So far as material progress is concerned, the circumstances in which we live today far surpass the vision of Sir John and the other Founders — and they were men of vision.

We have won the basic struggle for existence in Canada, the fight for survival against the hostile forces of nature and for protection against disaster and misfortune.

Now our challenge is turning inward toward the needs and the longings of the human spirit for meaning and purpose to life in the bewildering new social patterns of our era.

We have already begun, often without fully appreciating this fact, to meet some of these challenges.

While various social welfare measures have been giving Canadians greater freedom from basic wants than ever before, other measures have begun to expand equality of opportunity for personal achievement and development.

But there is so much more to do. That is why, as we look back with pride over the last 100 years, we should look forward with faith, but also with realism, to the testing times ahead. I believe our history has uniquely prepared us for the changing social and economic and political conditions we face today....

Material achievements are important. But the better part of any nation is what lives in the hearts

of the people. So we must never forget that social and economic and political systems are not ends in themselves, but the means to serve the needs and the dreams of Canadians as individuals, whatever their condition, whatever their racial origin, whatever their language, whatever their creed.

Today, we not only acknowledge the Canadian dream of 100 years ago. We are hailing its present reality, and accepting the new problems, as well as the new opportunities it presents. We have our traditions from the past. We have our attachments to language and culture arising from our origins. But we are also a people of today — a nation of the here and now — but eager to move forward.

As Prime Minister, I recognize more than most that we still have many problems in Canada: economic, political and social.

But only the faint in heart and timid in spirit among us believe the challenges of the Canada of today are beyond the powers of this generation of Canadians. Where Canada is concerned, I am a militant optimist.

LESSONS OF HISTORY

We can meet our tests and we can solve our problems as long as our will remains strong and our patience and civility toward each other endure. Sir John A. Macdonald could not have done his great work without these two things: patience and civility.

History teaches us many lessons, including the importance of profiting in the present from the experience of the past. Confederation was not forged from bullets and bloodshed. But neither did this country come into being because of motives that were purely emotional or altruistic and oriented only to some distant tomorrow. Canada was established by reasonable men who, in sensible concern for their own current interests, chose to be reconciled rather than divided by the hard realities of their time. They had dreams in their hearts but they were not unaware of the material possibilities in the future for the nation they were forging out of mature and honourable compromise. They built Canada primarily out of their concern to settle the problems and to meet the challenges of their own present.

No one better exemplified this than the great man we are honouring today. By securing the present in 1867, Sir John and his colleagues laid the foundations for the Canada of *their* future; the Canada of *our* today.

The way of life we enjoy in Canada today and the expanded dimensions of our individual freedom and opportunity we can trace back to determination and dedication of the Fathers of Confederation to meet the challenges of *their* times.

We remember today, especially, that pre-eminent among those Founding Fathers was Sir John A. Macdonald, who showed his faith in Canada even before there was a Canada as we know it.

As we celebrate their centennial, we can most effectively ensure a continuing Canadian future by dedicating ourselves to facing and solving the problems of the Canada of *our* times. That is the way in which we can best honour Sir John A. Macdonald and the men who, with him, made Canada.

RECORD WHEAT YEAR

Mr. Robert H. Winters, the Minister of Trade and Commerce, tabled a statement in the House of Commons recently, which had been issued by the Canadian Wheat Board, regarding the final payment on wheat delivered to the Board during the 1965-66 crop year. The following is a partial text:

...Producers delivered a total of 559,790,073 bushels of wheat to the Board in the 1965-66 crop year, which included 18,932,369 bushels of Durum wheat.

The amount of the final payment to be distributed to producers is \$270,028,575 — which is \$70 million higher than last year's payment and is exceeded only slightly by the record payment of \$272 million made on the 1963-64 pool account, when a larger volume of wheat was marketed. Of this amount, \$9,948,861 will be distributed to producers who delivered Durum wheat.

These sums are not a final payment by the Government of Canada, but represent the net returns of the Canadian Wheat Board in the marketing of Western Canadian wheat for the 1965-66 crop year.

The average final payment for wheat other than Durum is 48.087 cents a bushel. The average final payment for Durum wheat is 52.549 cents a bushel. The overall average of 48.237 cents a bushel is the largest average final payment in the history of the Canadian Wheat Board.

The Board will commence issuing final payment cheques to producers on January 17, 1967. This is the earliest date on which final payments have been made in the last 14 years....

The accounting for the oats and barley pools for the 1965-66 crop year is under way, and distribution of the cheques will follow the distribution of the wheat payments.

It is expected that the total of the payments for wheat, oats and barley will be at a record level.

Congratulations are due to all concerned in the growing, handling, grading, transporting and selling of wheat for their contribution to a most successful marketing year....

LOFTY CENTENNIAL PROJECT

A mountain climb, co-ordinated by the Yukon Territorial Government, the Alpine Club of Canada and the Arctic Institute of North America, and helped by a grant from the Centennial Commission, will enable some 260 of Canada's most experienced alpinists to try and reach the peaks of the St. Elias Icefield Ranges, near the Alaska border, as a centennial project.

Swirling curtains of snow that suddenly cut off vision, unpredictable winds, jagged knives of rock, hidden crevices and "thin" air are some of the descriptions of conditions that prevail in the wind-swept ranges in the Yukon, the place that poet Robert W. Service described as "The land that God forgot." The bleak and lonely St. Elias Ranges are surpassed in height and grandeur only by Mount McKinley in Alaska, the Andes and the Himalayas.

Teams of four, representing each province and territory, will climb 14 unnamed peaks, ranging from 10,000 to 12,500 feet. When they reach the top they will raise a provincial or territorial flag and name the mountain. A separate team of the best climbers will tackle the most outstanding mountain, 12,300 feet high, to be called Centennial Peak.

Another major peak of 15,700 feet, on the Alaska-Yukon border, will be climbed by a joint team of Canadians and Americans to mark the long friend-

ship between Canada and the U.S.A. and the coincidental centennials of the purchase of Alaska and the Confederation of Canada. Assault on the international peak will begin on June 19 and on June 8 or 9 on the others, with the expedition ending on July 22 or 23.

A ski-equipped de Havilland Beaver, a three-seat and a ten-seat helicopter will transport the climbers and their supplies, and will be available for any emergencies.

CANADA DEPOSIT INSURANCE CORPORATION PROPOSED

The Minister of Finance, Mr. Mitchell Sharp, recently proposed to the House of Commons a resolution to authorize the introduction of a Bill to establish the Canada Deposit Insurance Corporation. Part of the Minister's statement follows:

...During the past few months, in the course of preparing legislation to establish deposit insurance, we have studied the system of deposit insurance which has operated very successfully in the United States for more than 30 years, and have given provincial authorities an opportunity to express any views they might have, in particular as to how they thought the proposal might affect institutions operating under provincial supervision.

The Government realizes that deposit insurance is not the answer to all the problems involving the supervision of financial institutions in this country. Discussions are going ahead in other fields which are closely related to the objectives of deposit insurance. In this connection, I might mention securities regulations which were recently the subject of a conference between federal and provincial representatives. Finance companies are in another category, partly in the field of securities regulations, but to some extent also posing problems of a distinctive institutional character. It seems clear that action on a number of fronts will be necessary in the public interest. As I have already mentioned in the House, I have asked my Department officials to look at the more general questions surrounding the adequacy of control that now exists in the general field of finance companies and I have indicated that we are willing to confer with the provinces in this matter if they so wish. I might add that I believe that improvements designed to protect the public interest are not only a responsibility of governments. There is a useful role for those in the business to play with a view to achieving higher standards.

In the meantime, it seems desirable to get ahead with deposit insurance, which is a major step in itself. One of the reasons for wanting to proceed now with this measure is that it is of interest in relation to the banking legislation being considered by the Standing Committee on Finance, Trade and Economic Affairs.

OBJECTIVES

It is expected that the proposed system of deposit insurance will achieve three important objectives:

- (1) The primary objective, of course, is to ensure the safety of the deposits of small investors who are usually not in a position to judge for themselves the financial soundness of the institutions to which they entrust their savings.
- (2) The Canada Deposit Insurance Corporation will also have power to function as a lender of last resort for deposit-accepting institutions, providing needed liquidity at times of crisis when such institutions may not have access to their normal sources of liquidity.
- (3) Member institutions will be subject to inspection. It will be an objective to bring about a gradual improvement in the minimum financial standards of deposit-accepting institutions across the country. There will be a genuinely sympathetic and helpful attitude towards institutions which wish to co-operate in this objective.

MEMBERSHIP

Membership in the deposit insurance plan will be obligatory for chartered banks, Quebec savings banks and those federal trust and loan companies that accept deposits from the public. Provincially-incorporated trust and loan companies that accept deposits from the public will be eligible to apply for membership if they have the consent of the province concerned.

It is not proposed that deposit insurance be available to credit unions and *caisses populaires*, which are co-operative institutions dealing with their members rather than public deposit-accepting institutions. To a considerable extent, mutual insurance schemes have already been established for the local credit unions. At the Federal level, there is the Co-operative Credit Associations Act which provides for the incorporation by special Act of the Parliament of Canada of co-operative credit societies. Amendments to the Co-operative Credit Associations Act are presently under consideration. Among the matters that will be reviewed is whether or not a lender of last resort facility is needed in connection with the operation of these societies.

Deposits of the public will be insured up to a maximum amount of \$20,000 a deposit account, an amount which seems enough to cover the type of depositor needing this kind of protection. It has been thought best to leave some room for flexibility in the definition of insurable deposits. It is quite

likely that new instruments will appear from time to time and it seems very desirable to be able to rule whether or not they should be regarded as insurable deposits. It is proposed, therefore, to define the kinds of deposits eligible for insurance under by-laws of the Corporation, which will require the approval of the Governor in Council, but they will, of course, include all the usual forms of savings and deposit accounts.

It is expected that the greatest need for the lender of last resort function of the Deposit Insurance Corporation is likely to arise in relation to the demand or quite short-term deposits of insured institutions. To the extent to which the liabilities of financial institutions are of a long-term character, given good management they should be able to protect themselves by holding an appropriate distribution of assets. However, in the case of institutions with very short-term liabilities, it is difficult for them both to make any profit on their operations and to keep enough short-term assets to protect themselves against all emergencies. Even if they maintain high standards of financial management, events taking place elsewhere in the financial system — perhaps outside Canada — can have repercussions that produce serious liquidity problems for them.

MAJOR FEATURES

Turning now to specific measures involved in the proposal to establish the Canada Deposit Insurance Corporation, I shall just mention the major features:

- (1) It is proposed to establish a new crown corporation to be called the Canada Deposit Insurance Corporation. It will be under the management of a board of five directors, including a chairman of proven financial experience from outside the public service to be appointed by Governor in Council. The other four directors will be the Governor of the Bank of Canada, the Deputy Minister of Finance, the Superintendent of Insurance and the Inspector General of Banks.
- (2) Parliament is asked to provide the \$10-million share-capital of the Corporation, and a deposit insurance fund will be built up out of premiums of one-thirtieth of one per cent per annum on the insured deposits of member institutions. When the fund has reached adequate proportions, it is provided that the rate of premiums may be reduced under certain circumstances.
- (3) The Corporation will invest its share-capital and the deposit insurance fund in securities of the Government of Canada. Earnings on these investments will be available to meet operating expenses and, if there is sufficient net income, to pay dividends on its share-capital.
- (4) To enable the Corporation to act as lender of last resort to its members in case of need, either by lending on the security of members' assets or purchasing such assets when that is appropriate, the Government will be authorized to make advances to the Corporation up to a total of \$500 million. Any such advances would be expected to be repaid by the Corporation from recoveries of the assistance provided to its members or from the deposit insurance fund...

ONTARIO INDIANS MEET MINISTER

When Indian Affairs and Northern Development Minister Arthur Laing met recently with a delegation from the Union of Ontario Indians, Chief Wilmer Nadjiwan said that Indians had an agreement with the Canadian Government, which had been signed before the Migratory Birds Convention Act and that, as a centennial project, rights under this treaty should be restored. In reply to another questioner, the Minister said that when the treaty with the United States was signed in 1916, there was a "serious and clumsy oversight" that had the effect of denying Indian rights guaranteed under earlier agreements. Mr. Laing said that discussions were now under way with a view to determining whether the Canadian Government should enter into discussions with the United States to amend the treaty.

The restrictions imposed by the treaty were the main subject of the brief submitted by the Indian group, who also raised with the Minister questions of Indian poverty. Mr. Laing told the group that he accepted their figures on living conditions and said they closely matched departmental figures submitted to the Federal-Provincial Conference on Poverty in the autumn of 1965. He said that education was the key to rising standards and that no Indian living on a reserve today was denied the opportunity of a full education right through university level because of the lack of funds. Mr. Laing said that, in 1945, there were 16,000 Indian children in school and today there are 62,000, including 5,000 in high school of which only 100 Indians were attending in 1945.

EDUCATION

The Minister said that the Department had been able to enhance its programme substantially because the people of Canada were now willing to make budget allowances for the Indian Branch, which, in earlier years, they had been unwilling to do. He reported that the 1966-67 expenditures of the Department would total \$98,600,000, of which \$48 million would be spent for education. He said that in 1945-46, the budget was just over \$6 million and that this sum included Indian health services, which are now paid from other appropriations. A key item in the programme, he said, was to ensure that valuable Indian reserve land is to put its highest economic use to the benefit of the Indian bands. Citing the Musqueam Reserve in his own riding, Mr. Laing told the meeting that, in addition to apartment houses, there were many homes valued at more than \$45,000 being built on the reserve and that this development would assist enormously the Musqueam Indians.

HOUSING

Better housing conditions are another primary need, the Minister said, and we are making progress here too. He told the group that \$112 million in public funds would be spent in the next five years in assisting Indian housing programmes and on roads, electrification and sanitation projects. Mr. Laing said that 1,722 new housing units would be added in this fiscal year, making a total of over 3,000 units.

The Minister said he welcomed the information that three Indian bands have now assumed full direction and management of their own housing programmes, including the bands' share of the Government appropriation. They are the Oneidas of Thames, the Chippewas of Kettle and Stony Point and the Chippewas of Sarnia, all in Ontario.

"I hope other bands will follow their example", Mr. Laing said, "we are looking forward to a general trend in the direction of band administration of reserve housing as time goes on."

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TRADE PROMOTION PROGRAMME

Mr. Robert H. Winters, Minister of Trade and Commerce, said recently that his Department planned a five-year trade promotion programme to give "Canadian exporters the guidance and assistance" needed for expansion of international sales.

Speaking to the Toronto Chapter of the American Marketing Association, Mr. Winters said that long-term planning, market research and evaluation was needed to insure constant broadening of Canada's export base.

Mr. Winters called for the "help and co-operation" of industry to carry out this "mammoth undertaking," complicated by complex and rapid changes in world requirements.

ADVISORY COUNCIL

As a means of obtaining assistance, the Minister of Trade and Commerce is forming an Export Advisory Council which will have some 30 members - representatives from industry, education and major national trade associations from across Canada. "To compete in the space age, Canada must have a comprehensive and sophisticated marketing programme," he said. He pointed out that traditional promotions, trade fairs and missions would not be "cast aside" but would undergo close inspection as new ideas and techniques are investigated.

Mr. Winters outlined the export advances of last year and emphasized the prominent role played by manufacturers. He said that the increase in this area was due in no small part to the results of the automotive agreement.

He predicted further advances in 1967 as prospects for favourable market conditions exist in most parts of the world.

The Minister reminded the Association about the Canadian Government's 1967 export goal of \$11.25 billion, an objective that "will not be easy - but, with a determined effort and ingenuity" can be reached.

Mr. Winters was optimistic about the outcome of the "Kennedy round" of trade negotiations at Geneva that could "open major new horizons for Canadian producers". He suggested that any resulting reductions in barriers to trade would come at an opportune time for Canada as "a growing number of producers are now reaching sufficient maturity" to go beyond the confines of the domestic market.

NEW WIND TUNNEL FOR NRC

Four contracts valued at \$4,529,491 have been awarded by the Department of Public Works for the construction of a huge wind tunnel at the National Research Council's National Aeronautical Establishment.

The tunnel, to be located at NAE's main site near the Ottawa International Airport, will be used by the Canadian aircraft industry for industrial research and development of vertical and short take-off and landing aircraft.

The structure, the largest wind tunnel in Canada, will have a 30-foot square working section for the testing of model aircraft of up to 20 feet in wing span. It will take the form of a rectangle air circuit with a length of 400 feet and a maximum width of 170 feet. Most of the tunnel will be an exposed steel structure, with only the 30-foot working section housed within a laboratory building. A settling chamber 82 feet in diameter will ensure that air will flow smoothly into the working area and simulate actual flight conditions.

A large working area is essential for research on V-STOL aircraft. A main characteristic of this type of aircraft is that huge quantities of air must be forced downward by the aircraft's power plant and wing to permit vertical or short take off. This can only be simulated in a large working area.

The tunnel is expected to be completed in 1968.

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LABOUR FORCE FIGURES

Employment in Canada declined by an estimated 17,000 to 7,173,000 between November and December. The decrease, which was less than seasonal, followed an unusually large decline between October and November. Unemployment showed a smaller-than-seasonal increase, rising by 28,000 to 266,000 between November and December.

The labour force, at 7,439,000 in December, was 254,000 or 3.5 percent higher than that of a year earlier. Employment was up 240,000, or 3.5 per cent, over the year. Unemployment was 14,000 higher than the figure for a year earlier.

EMPLOYMENT

Total employment in non-farm industries declined slightly from November to December. Decreases during the month were chiefly in construction and manufacturing; increases occurred in trade and in community, business and personal service.

During the past year, job opportunities for women have increased substantially. In December, the number of employed women was 129,000, or 6.2 percent higher than last year's figure; employed men increased by 111,000, or 2.3 per cent.

Manufacturing accounted for more than half of the year-to-year increase in total employment. Large increases also occurred in community, business and personal service, in trade and in transportation and other utilities.

All regions shared in the year-to-year advance in employment; the largest percentage increases were in British Columbia and Quebec.

UNEMPLOYMENT

Unemployment increased by 28,000 to 266,000 between November and December, a relatively small increase for this time of year.

Compared to the figure a year earlier, unemployment was up 14,000. Of the 266,000 unemployed in December, some 215,000 had been unemployed for three months or less. The remaining 51,000, or 19 per cent of the total, had been unemployed for four months or more.

Unemployment in December represented 3.6 per cent of the labour force, compared to 3.5 per cent in December 1965 and 4.1 per cent in December 1964. Seasonally adjusted, the December 1966 unemployment rate was 3.6 per cent.

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STRIKES AND LOCKOUTS

According to a preliminary summary of strikes and lockouts released recently by the Minister of Labour, Mr. John R. Nicholson, there were 82 work

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stoppages in Canada during November 1966, compared to 94 in October but with more workers involved and a greater loss of time.

The November stoppages involved 28,333 workers and a time-loss of 222,190 man-days, compared to 25,006 workers involved in strikes in October when there was a time-loss of 195,600.

AREAS AFFECTED

Six of the stoppages were in industries under Federal jurisdiction. Of the rest, 34 were in Ontario, 28 in Quebec, four in Nova Scotia, three each in Alberta and New Brunswick, two in British Columbia, and one each in Manitoba and Saskatchewan.

Thirty-six of the work stoppages involved 100 or more workers. Of these, 19 were terminated by the end of the month.

A breakdown by industry of the month's work stoppages shows 43 in manufacturing, 17 in construction, nine in transportation and utilities, five in service, three in mines, two each in trade and public administration and one in forestry.

Based on the number of non-agricultural wage and salary workers in Canada, the number of man-days lost in November represented 0.15 per cent of the estimated working time, compared to 0.16 per cent in October, and 0.08 per cent in November 1965.