



CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION • DEPARTMENT OF EXTERNAL AFFAIRS • OTTAWA, CANADA

Vol. 22 No. 49

December 6, 1967

CONTENTS

Canada and Collective Security.....	1
Comment on Statement by President de Gaulle	3
Recent Awards.....	3
Stratford Box Office '67	4
Regional Wage Gaps	4

Toronto Lights Up.....	4
Young Climber Undaunted	5
Aircraft for the Netherlands.....	5
Soviet Oil Experts Visit.....	5
New Technical Journal.....	5
Dairy Factory Production.....	6

CANADA AND COLLECTIVE SECURITY

The following excerpts are from a recent address by Mr. Paul Martin, Secretary of State for External Affairs, to the Canadian Club, Toronto:

For the first time since the Canadian Government decided to join in advocating the establishment of a peacetime alliance of North Atlantic states almost 20 years ago, Canada's participation in and contribution to collective-security arrangements have come under some questioning by some responsible and serious-minded Canadians. This development has not been unique to Canada; it has been manifested in most NATO countries. This questioning is healthy. We must and do regularly re-examine our foreign policy and defence commitments to determine whether they continue to serve Canada's evolving national objectives. We have recently reassessed with special care the grounds for participating in collective-security arrangements.

We seek for Canada an independent foreign policy attuned to developing world conditions and carefully calculated to promote our many and varied national interests. To this end, we still hope for the eventual fulfilment of our postwar hopes that we might entrust our security to the United Nations. As a step in this direction, we support the growth of the United Nations peacekeeping role and are ourselves prepared to contribute to it. But we also consider that Canada must continue to participate in collective defence arrangements which represent the pursuit of peace and security through interdependence.

Western relations with the Soviet Union have been gradually improving ever since the death of Stalin. But the process has been uneven. Think back only five years. Khrushchov was still making threatening speeches. The Soviet Union has been trying for

four years to cut West Berlin off from West Germany. Soviet missiles had been secretly set up in Cuba and provoked the most dramatic East-West confrontation of the postwar era. Few questioned then — only five years ago — the importance of collective-security arrangements for the preservation of our common security. Indeed, Western governments responded at that time by increasing their forces in Germany — and this included Canada.

WELCOME DEVELOPMENTS

How much the atmosphere has changed in five years — and I am pleased to say, for the better. We now look forward with justified confidence to the possibility of achieving an eventual European settlement by agreement with the Russians. NATO has made and is making an essential and constructive contribution to this process by facilitating and furthering the relaxation of tension which is now generally recognized as the necessary prelude to a settlement in Europe. A nuclear test ban treaty has been signed, and we are well advanced in negotiations with the Russians over a non-proliferation treaty which will restrict the "Nuclear Club". It is reassuring that our satisfaction at these developments is shared by our NATO allies. We are all agreed on the importance of working for improved relations with the Communist countries.

But in some quarters, in all NATO countries, the implications of these welcome developments have, I believe, been incorrectly assessed. It is being argued that the Western alliance can afford to reduce its defences because the Soviet Union has shown that it will not attack the West. One variant of this argument is the United States' strategic forces.

NATO DISMEMBERMENT RISKY

We have, in the Government of Canada, carefully considered this argument in its various manifestations. We have concluded that dismemberment of NATO's forces in Europe at this time would be risky and even dangerous. In spite of improved relations with the West, the Russians have continued, and are still continuing, to develop their already formidable military power. NATO's defence arrangements in Europe have obliged the Soviet leaders increasingly to accept that there can be no alternative to settlement in Europe. We cannot be sure that their earlier appetite for expansion would not revive if NATO were to lower its defences.

And what would be the political effect in Germany, if the German Government could no longer point to the military support of its allies represented by the forces of the seven NATO nations which are stationed in Germany? In such circumstances, could we expect a German Government to agree to the non-proliferation treaty?

Nor can we overlook the danger of conflict arising out of accident or miscalculation. The continent of Europe remains divided; and Berlin is isolated 100 miles within Communist territory. In spite of this potentially explosive situation, peace and stability have prevailed in Europe during a period in which wars large and small, have broken out with distressing frequency in most other areas of the world. This remarkable – and to us essential – peace in Europe is due, in very large measure to the stabilizing influence of NATO and the Warsaw Pact. And NATO's strength continues to deter the Soviet Union and its ally, East Germany, from exercising their local military superiority to choke off Berlin.

Last summer, Alastair Buchan, speaking at the Banff Conference on World Affairs, expressed his concern over the danger of Western troop reductions in the following terms:

“...It means not only the end of any flexibility in dealing with European crises; it also means the end of any pretension on the part of NATO that it can protect the security of German citizens in the event of any form of aggression against Germany, with a consequent lowering of German confidence in the alliance. It also means a distinct loss of bargaining power with Eastern Europe, since there are no signs of reductions of military forces in the Warsaw Pact....”

After a careful re-examination of the whole problem since last August, can there be any doubt that, for the present, strong allied forces continue to be required in Europe: first, to preserve stability in that divided continent; and secondly, to promote continuing movement toward improved relations with the Soviet bloc countries? NATO's prudent defensive stance in Europe has contributed to the increasing normalization of East-West relations, and we look forward ultimately to Soviet agreement to a settlement in Central Europe which could be sustained without the presence of Soviet forces. We believe that to achieve these several ends a balance of forces must be maintained in Europe.

Such an approach does not exclude working for balanced force reductions, either by agreement with

the Russians or by mutual example. Such reduction could be undertaken without disturbing the present balance and Canada would welcome any progress which could be made in this direction. Indeed, we shall be discussing this matter in Brussels at the NATO meetings in December. If the war in Vietnam were to end, we could make progress toward mutual reductions. Until then and the end of such problems as the Middle East, we shall have to pursue our present policies.

FORCES BASED IN CANADA

We have also examined the suggestion that Canada consider restricting its contribution to NATO to forces based in Canada. The argument in favour of such a course of action has its attractions. The European nations have grown in military and economic power and are no longer totally dependent, as they were when NATO was founded, on outside aid. Canada's contribution is now, in consequence, relatively far less important to the defence of Europe than it was. But this approach ignores the fact that most of the smaller NATO countries are in roughly the same position as we are; making small contributions which alone are not essential, and under pressure, as we are, to find new sources of revenue for other government activities.

The basis of an alliance is that all members contribute in an appropriate manner. And, since we believe in the continuing importance and promise of the alliance, we see no alternative to continuing to make an appropriate contribution, at the present time, to NATO's forces in Europe.

We are, of course, aware of the attractions of contributing forces to NATO from Canadian territory. In fact, our anti-submarine forces in the Atlantic already represent such contribution, in that at the same time they are committed to NATO and also are an important element in North American defence. With the development of new means of transport, it becomes increasingly possible technically to contribute land forces based in Canada. Moreover, air-transportable forces would fit in well with strategic defence plans which are being developed for the defence of Europe. However, I do want to add a word of caution. Our existing capacity to transport forces to Europe within a meaningful time-period is limited and sufficient air-lift capacity to transport a brigade group such as we now have in Europe – even with light weapons only – would be expensive to acquire. Moreover, any decision to contribute forces solely from Canada rather than to maintain some in Europe must be worked out in a responsible manner with our allies so that the cohesiveness of the alliance and the confidence of its members will not be jeopardized by our action.

NORTH AMERICAN DEFENCE

Although Europe remains in an important sense our first line of defence, we have had to be concerned about the direct defence of our continent ever since the development of a significant Soviet bomber threat to North America. The main point here – the inescapable fact – is that geography has linked us inextricably with the United States. It is almost incon-

COMMENT ON STATEMENT BY PRESIDENT DE GAULLE

Prime Minister L.B. Pearson made the following statement in the House of Commons on November 28:

...I said in my statement of July 25, 1967, commenting on some earlier remarks of the President of the French Republic, that Canada has always had a special relationship with France, which is the motherland of so many of her citizens. I said we attached the greatest importance to our friendship with the French people; that it had been and remained the strong purpose of the Government of Canada to foster that friendship. I should like to confirm those words today.

I do not propose to deal in any detail with General de Gaulle's statement of yesterday - a statement very carefully prepared and made to the press. General de Gaulle's statement will obviously arouse discord in Canada. I am sure the people of this country will be restrained in their response to it, as I am in mine today, so as not to serve the purposes of those who would disunite and divide our country.

INTERVENTION REJECTED

I believe the statement distorted some Canadian history, misrepresented certain contemporary developments and wrongly predicted the future. This statement was not merely a commentary on Canadian domestic or foreign policies, which could have been ignored; it was an intervention in those policies by the head of a foreign state. As such it remains unacceptable. Indeed, in this case it is intolerable that a head of a foreign state or government should recommend a course of political or constitutional action which would destroy Canadian confederation and the unity of the Canadian state.

The future of Canada will be decided in Canada, by Canadians.

I have confidence, and I know all members of this House have confidence, in the ability and good sense of all Canadians, French speaking or English speaking, to make the right decision. They will do it in their own way and through their own democratic process. I believe this decision will require further constitutional changes to bring our federalism up to date and to ensure, among other things, that French-speaking Canadians who form one of our two founding

cultural and linguistic groups, or societies if you like, will have their rights accepted and respected in Canada.

FRANCO-CANADA CULTURAL TIES

I agree also that the Federal Government - any Federal Government - should encourage and promote special and close cultural relations between French-speaking Canadians and France and other French-speaking countries. Indeed, we are doing that. There should be no argument on this score except with those who wish to use these relations to destroy the Federal Government's responsibility for foreign affairs, and that we do not accept.

Canada is a free country and its people govern themselves. Canadians in Quebec and elsewhere in Canada have the right to exercise fully their political rights in federal and provincial elections. Self determination is no new discovery for us. We do not need to have it offered to us. To assert the contrary is an insult to those who discharge their democratic privileges as Canadian voters and to those who serve their country in this House or in provincial legislatures.

To those who would set us free, we answer "We are free". To those who would disunite us, we answer "We remain united, in a federal system which is being brought into line with the requirements of our time and of our origins and history". On April 19, 1960, the gallant and illustrious head of another state, speaking in Ottawa, had this to say - I quote from his speech:

"And now, how do you Canadians appear to us? Materially, a new country, of vast size, mighty resources, inhabited by a hard-working and enterprising people. Politically, a state which has found the means to unite two societies, very different in origin, language and religion; which exercises independence under the British crown and forms part of the Commonwealth: which is forging a national character even though spread out over three thousand miles alongside a very powerful federation; a solid and stable state."

I agree with those words of General de Gaulle in 1960. I disagree with his words in November 1967.

RECENT AWARDS

The Atoms for Peace Award for 1967 was presented last month to Dr. W.B. Lewis, Senior Vice-President, Science, Atomic Energy of Canada, at the Rockefeller University, New York City.

This award, which is given in recognition of contributions made to international co-operation in developing possibilities for beneficent uses of nuclear energy, was shared with Dr. Bertrand Goldschmidt of France and Dr. Isidor I. Rabi of the United States. Each received a gold medallion and an honorarium of \$30,000.

Dr. Lewis has worked as a member of the Scientific Advisory Committee of the IAEA and as Canadian representative on the United Nations Scientific Advisory Committee. He joined the National Research Council in 1946 as director of the Division of Atomic Energy at Chalk River and, when AECL was formed in 1952, he became Vice-President Research and Development. Dr. Lewis was appointed to his present position in 1963.

Last year, Dr. Lewis was the first recipient of the Outstanding Achievement Award of the Public Service of Canada.

PUBLIC SERVICE

Mr. Robert Bryce, Deputy Minister of Finance, has won the 1967 Award for Outstanding Achievement in the Public Service of Canada, the highest award that the Government can make to a public servant.

The award, which was presented by the Governor General on December 4, in the form of an illuminated address signed by the Governor General and the Prime Minister, and an honorarium of \$5,000 was introduced by the Government of Canada in 1966 to honour exceptional accomplishment in the national interest and for the public good which has brought distinction to the public service.

In a letter to Mr. Bryce, advising him of his selection as winner of the award, the Prime Minister said: "My colleagues join me in extending to you our warmest congratulations and our sincere thanks for the devotion you have shown over a long period in the service of Canada. You are well aware that I consider that Canada's Public Service has no equal. The Public Service unmistakably bears your imprint. This award for outstanding achievement is some recognition of your incomparable work."

STRATFORD BOX OFFICE '67

During the centennial year, the Stratford Festival played 11 productions in ten months, including two on a pre-season tour of Canada and two at Expo 67 after the season closed. The Festival Company was kept together for 38 weeks, the longest on record and played to more people in more places than ever before.

In a recent report to the annual meeting of the Stratford Shakespearean Festival Foundation of Canada, Mr. Floyd S. Chalmers, the Foundation's President, said that, with the completion in 1967 of the Avon Theatre, buildings and other fixed assets reached a total of \$4,018,621. Donations, not including grants, totalled \$186,039 during the year.

Box-office sales for the 18-week season at Stratford reached \$1,215,079, \$21,442 more than in 1966. This does not include receipts for the six-week national tour last February and March under the auspices of Festival Canada, nor the two weeks in October at the World Festival in Montreal. The plays presented at the Festival Theatre this summer established a box-office record.

The loss for the year was \$262,449, before donations, which were applied to the cost of capital assets. A loss of \$216,575 was recorded in 1966. The 1967 expenses included \$114,000 for depreciation.

The Festival Theatre's 1957 debenture issue originally was \$650,000 and, during this year an additional payment of \$39,000 was made to reduce this amount to \$242,100.

"Festival officers knew that centennial year was going to be a challenging and difficult one for Stratford. We faced a very powerful counter-attraction in Expo," Mr. Chalmers said. "Last year," he went on, "we set an objective of having all the invest-

ment in theatres and equipment paid off in five years. Due chiefly to the expensive character of the centennial year programme, we did not make our target for this year."

REGIONAL WAGE GAPS

A publication just issued by the Canada Department of Labour on Canadian wage trends since the last war indicates that the gaps are widening between manufacturing earnings in the various regions of Canada and also between hourly earnings in the main groups of manufacturing industries.

Hourly wages in manufacturing in British Columbia increased the most. The increase was 120 per cent from 1949 to 1965, compared to the national average of 114 per cent. In 1965, they were the highest in Canada, standing at 24 per cent above the national average.

Manufacturing wages increased least in Nova Scotia and New Brunswick - 1949 data are lacking for Newfoundland and Prince Edward Island - and the Atlantic region as a whole ranked lowest in 1965.

Among the manufacturing industries, most of those with below-average hourly earnings in 1949 were even further below the average in 1965, while those with earnings above the average increased their lead during the period.

The publication entitled *The Behaviour of Canadian Wages and Salaries in the Postwar Period*, shows that the steady narrowing of skill differentials evident in the decades before and after the Second World War - that is, the difference between wage rates of skilled and unskilled workers - has slowed down in recent years or even reverses itself. The greatest narrowing occurred during the Second World War but the premium for skilled work is beginning to increase in many cases.

While the total of wages, salaries and supplementary income payments continues to be greatest in the business sector of the economy, the new publication shows that the total payments in the personal and government sectors increased almost twice as much between 1949 and 1965 as the total in the business sector.

TORONTO LIGHTS UP

Toronto's Parliament Buildings will be ablaze with coloured lights during the coming holiday season, following a centennial tree-lighting ceremony that will take place in the Ontario capital on December 6. Climaxing centennial celebrations, the other provinces and the Yukon and the Northwest Territories are sending an evergreen tree apiece for Toronto's year-end festivities. The 12 trees will be lighted one by one to the accompaniment of a choir of 2,000 voices leading the onlookers in the traditional Christmas carols.

Six Christmas trees will line either side of the main pedestrian walk through the grounds leading to the steps of the Parliament Buildings. Each will be identified by the coat-of-arms of its province or district placed in front of it. Two giant 30-foot trees from Ontario's own forests will sparkle at the head of the pedestrian walk, strung with over 600 twinkling lights on each.

YOUNG CLIMBER UNDAUNTED

Though ten-year-old Ottawa mountain-climber Erik Sheer conquered only a part of 19,565-foot Mount Kilimanjaro, Africa's highest peak, during his centennial ascent last summer, he set a record. Erik and his father, Frank Sheer, were forced to halt their climb at the 16,000-foot level by heavy snow; Tanzanians believe, however, that the boy is the youngest ever to have reached such a height on this mountain. Erik is not interested in such a record, declaring that "our purpose was just to climb". We ran into snow four to seven feet deep and that's too deep for me," the four-foot, eight-inch redhead said. The guide who led the party refused to allow Erik to continue. It is thought that no climber has conquered the mountain this year.

PLAN TO TRY AGAIN

Since it was only because of the deep snow that the centennial project had to be abandoned, Erik Sheer is planning a return assault on the mountain in five years, with two younger brothers, who will then be ten and eight years old.

Father and son described their reception by the people of Tanzania as "tremendous". The Canadian centennial flag and the Expo 67 flag, which the Sheers had hoped to carry to the peak of Kilimanjaro, were presented to President Nyerere of Tanzania by the Office of the High Commissioner for Canada in Dar-es-Salaam.

AIRCRAFT FOR THE NETHERLANDS

Mr. C.M. Drury, Minister of Industry, has announced the signing of a contract between the Governments of the Netherlands and Canada covering the purchase of 105 CF5 aircraft modified to meet special requirements of the Netherlands Air Force.

While the amount of the aircraft purchase is about \$120 million, the programme provides that, in addition, Canada will supply logistics and spares support to an approximate value of \$30 million. Canada has undertaken to continue this support for ten years.

Because the aircraft was designed in the United States, the industries of the U.S., Canada and the Netherlands are all participating in the redesign of the Netherlands configuration and in the production programme.

Canadair Ltd., under licence from Norair, as the prime contractor, will be responsible for the final

assembly and testing of the planes, as well as for the production of the major components. Orenda, under licence from General Electric, will produce all the engines for the Netherlands as well as for the Canadian programme.

Delivery to the Netherlands is expected to begin in late 1969 and completed by the end of 1971.

SOVIET OIL EXPERTS VISIT

Fourteen officials from the Soviet Union arrived in Canada recently to familiarize themselves with automated oil field gathering-systems and tracked vehicles that might be used in the Tyumen region of Siberia. B.P. Martynov, president of V/O Machinimport, the Soviet state-trading corporation for export and import of machinery, heads the Soviet delegation.

The Department of Trade and Commerce, which organized the tour, has arranged talks for the visitors with Canadian industrialists in Montreal, Toronto, Calgary, Edmonton and Ottawa.

PROGRAMME

The three-week visit will include detailed tours of plants manufacturing electronic equipment and automated gathering-systems in Montreal and Toronto. The last 17 days will be spent in Alberta, examining oil-gathering operations and touring plants in the areas of Calgary and Edmonton. The visitors will return to Ottawa before departing for the U.S.S.R.

Trade Minister Robert Winters, who has frequently endorsed increased trade between Canada and Eastern Europe, welcomed the decision of the Soviet delegation to consider Canada as a potential source of supply for its requirements. "The Soviet Union's interest in Canada's electronic industry demonstrates the growing recognition of our rapidly-developing capability in this highly sophisticated field," he observed.

NEW TECHNICAL JOURNAL

The Northern Electric Company has released the first issue of a new technical magazine, *Telesis*. This publication, which will be issued twice a year in May and November, will be directed to the engineering staff of telecommunications companies in Canada and overseas, and to universities and persons throughout the world concerned with telecommunications.

FIRST ISSUE

Volume one, number one of *Telesis* contains a feature article on antenna couplers for satellite ground-stations, as well as a brief history by Dr. A.B. Hunt of Northern Electric Laboratories. Other articles cover such subjects as a novel cable-strander, Northern Electric's new SF-1 switching system for telephone central offices and an experimental "electret" microphone.

DAIRY FACTORY PRODUCTION

Production of creamery butter in Canada was higher in October 1967 than in October 1966, but the January-to-October total was lower than for the same period last year. The month's output totalled 28,708,000 pounds against 27,527,000 pounds last year, bringing the ten-month total to 290,396,000 pounds compared to 298,681,000 pounds last year. Production of cheddar cheese was lower in both the October and the January-to-October periods. Cheddar cheese produced in October reached 14,350,000 pounds against last year's 15,590,000 pounds, placing the January-to-October total at 140,411,000 pounds compared to 147,507,000. Evaporated whole-milk production, at 22,608,000 pounds, was down from last year's October total of 24,716,000. During the cumulative period, it dropped to 249,183,000 pounds from 273,887,000. Output of skim milk powder totalled 28,198,000 pounds, up from 22,217,000 in October 1966. During the ten-month period it rose to 281,263,000 pounds this year from 235,262,000.

CANADA AND COLLECTIVE SECURITY

(Continued from P. 2)

ceivable that a Soviet attack would be mounted on the U.S.A. without Canada being involved. In any event, as we cannot know Soviet plans, we cannot, in making our preparations, ignore Soviet capabilities. No responsible government could do otherwise....

Questioning in Canada about the continuing validity of our air-defence arrangements for North America has recently focused on missile development. Some have argued that with missiles, against which there is yet no effective defence, having replaced the bomber as the main threat to North

America, a bomber defence is now meaningless. Others claim that it is impossible to separate bomber and missile defence, and that, to avoid becoming involved in the latter, we should withdraw entirely from the air defence of the continent.

It is interesting, I think, to note that, with respect to North American defence, in contrast with NATO arrangements in Europe, our participation is debated primarily on technical issues rather than on calculations of Soviet intentions. Being technical arguments, however, they are more susceptible of refutation. The bomber threat - to take the first argument - is no longer serious because our defences are extremely effective. But the Soviet Union retains over 150 bombers capable of attacking North America. And bombers carry larger loads of nuclear weapons. For example, one bomber could destroy Toronto and go on to destroy Montreal. Therefore, as long as the Soviet heavy-bomber force remains in being, it could become, in the absence of continuing air-defence arrangements for North America, a greater threat than Soviet missiles now are. For this reason, as Secretary McNamara tells us and the other NATO countries, the United States Government will continue to maintain a bomber-defence system. Unless one is prepared for a complete transformation in our relations with the United States, Canada has two options: to make some contribution to the bomber-defence system - and thereby exercise some control over it - or to give the United States freedom to defend North America, including use of Canadian territory. I, for one, am not prepared to accept the second....

As for the separation of bomber and missile defence arrangements, now that Mr. McNamara has unveiled American plans for a light anti-missile system, I believe the argument of the critics can no longer be sustained. The American system is to be deployed entirely on American territory and Canada can, if it wishes, remain outside the system, while continuing to co-operate with the U.S.A. in a bomber-defence system....

Mr. C.M. Druy, Minister of Industry, announced the signing of a contract between the Government of the Netherlands and Canada covering the purchase of 105 C75 aircraft modified to meet special requirements of the Netherlands Air Force.

While the amount of the aircraft purchase is about \$120 million, the programme provides that in addition Canada will supply logistics and spare support value of approximately \$30 million.

Canada has undertaken to continue this support for the aircraft because the aircraft were designed in the Netherlands and the production of the aircraft is being carried out in the Netherlands. The Netherlands will be responsible for the production of the aircraft and the Netherlands will be responsible for the maintenance of the aircraft.