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## PRODUCTIVITY – THE KEY TO OUR FUTURE

The following is part of a recent address by the Minister of Industry, Mr. C.M. Drury, to the Seminar on Automatic Process Control at McGill University, Montreal:

...The period from the peak of the Egyptian civilization to the first industrial revolution spanned 45 centuries, whereas only one century elapsed between the first and second industrial revolutions. Technology has been improving and diversifying our processing and manufacturing industries for over 150 years, but it is only with the last decade that we have seriously begun to automate industrial operations....

Tonight I should like to suggest to you that there is a vast untapped potential for the application of computers to controlling production processes in our manufacturing industry, which may rival their use for data-processing both in terms of numbers and importance. This is especially significant for Canada, where such an important sector of our industry is concerned with the extraction and processing of the products of our mines, forests and farms.

### ISSUE OF UNEMPLOYMENT

Before proceeding with my main thesis, however, I should like to deal with the issue of unemployment resulting from technical change, which may deter progress toward the introduction of automatic process control. An exhaustive survey by the National Commission of Technology, Automation, and Economic Progress in the United States in 1965 showed that technological change is not a primary factor in the

volume of unemployment. The fundamental forces are the growth in the labour force, the growth of total demand for goods and services, and the increase in output per man hour.

This is not to deny that technological change along with other forms of economic change have caused, and will continue to cause displacement and temporary unemployment of particular workers at particular times and places. However, experience with the introduction of electronic computers for processing business data may offer some reassurance on this score. Over the decade from 1955 to 1965, during which the number of computer installations in Canada increased almost a hundredfold to 850, the proportion of clerical workers in the labour force actually rose from 11.7 per cent to 13.5 per cent. Thus we find that almost 300,000 new jobs were created, many of which may be attributed to the exploitation of the vast potentialities of the computer in the worlds of commerce and industry.

In speaking to the Canadian Chamber of Commerce in Edmonton earlier this month, I suggested that our economic expansion must be closely geared to increased productivity, which in the post-war period has averaged about 3 per cent *per annum*. Last week, Dr. Herbert A. Simon of the Carnegie Institute of Technology, speaking at the University of Toronto, expressed the view that, if the full potential of automation could be exploited, the rate of growth of industrial productivity might be doubled to almost 5 per cent *per annum*. To emphasize the significance of this factor, such a rate of productivity increase