

AID FOR FIRMS HIT BY U.S. SURCHARGE

Grants to support Canadian plants affected by the United States import surcharge and similar trade-restricting measures are made possible through a bill introduced in the House of Commons recently by Mr. Jean-Luc Pepin, Minister of Industry, Trade and Commerce. "In the context of U.S. measures, the level of grants will generally be up to two-thirds of the surtax applicable to the plant's U.S. exports, based on 1970 export levels," Mr. Pepin said. The grants will be calculated and paid on the basis of periods of three months, effective August 16. They will be related to the operations of individual plants rather than to the general activities of the firms or corporations who own them, "as the primary objective of the program is to mitigate labour dislocation in various parts of Canada", said Mr. Pepin.

ELIGIBILITY

To qualify for assistance a company will have to meet the following three criteria, as envisaged in the context of the U.S. measures:

- (a) the surcharge has caused or is likely to cause significant layoffs at the plant;
- (b) at least 20 per cent of the plant's production during 1970 must have consisted of exports now subject to the surcharge;
- (c) the company undertakes to maintain employment and production at a satisfactory level.

FINANCING AND ADMINISTRATION

Funds for the program will be made available from the Consolidated Revenue Fund. Up to \$80 million has been earmarked for grants for the remainder of

the current fiscal year, together with \$300,000 for administration. If the surcharge continues beyond this period, additional funding will be sought through the regular estimates of the Department of Industry, Trade and Commerce.

The program will be administered by a seven-member Employment Support Board, three members of which will be from industry. "This is consistent with the current government practice to involve well-known people from commerce and industry in the administration of our programs, particularly those involving a large degree of discretion and judgment," Mr. Pepin said.

He emphasized that, in the context of the U.S. measures, the enabling legislation was temporary, and would end when the U.S. surtax ended.

"The program requires the manufacturer to bear a part of the burden of the surtax. In our view, it would not be a responsible step for the Government to offset the full effect of the surtax at public expense," Mr. Pepin added. "There are risks in export trade and our producers are aware of such risks."

Each case will be judged on its own merits. The need and the level of assistance will be determined on the basis of actual circumstances, taking into account the type of restrictive measure and its potential impact on employment in Canada.

"This is a new program which has been developed quickly to deal with a special situation. The combination of statutory provisions with regulations makes it possible to adjust the various features of the program in the light of experience and circumstances. We stand ready to do so," Mr. Pepin stated.

SPECIAL NATO MEETING

Mr. A.E. Ritchie, Under-Secretary of State for External Affairs, will be the Canadian representative at a special meeting of the North Atlantic Council in Brussels on October 5 and 6, to discuss mutual and balanced force reductions in Europe. The meeting, which will be attended by deputy foreign ministers or senior officials of member countries, will review the results of exploratory contacts with the Soviet Union and other interested governments, and consult on substantive and procedural approaches to force reductions. NATO foreign ministers, at their regular spring meeting in June, agreed to the holding of this special meeting, in the context of their expressed intention to move as soon as may be practical to negotiations.

Mr. Ritchie will be accompanied by advisers from the Department of External Affairs and the Department of National Defence.

SOVIET CONSTRUCTION TEAM VISIT

Seven Soviet specialists in prefabricated construction, led by Vladimir Mitrofanovich Ventslavsky, Deputy Minister, Ministry of Timber and Woodworking, arrived in Montreal on September 16 for a 15-day tour of Canada. Under the sponsorship of the Department of Industry, Trade and Commerce, the group is visiting Montreal, Toronto, Woodstock, Niagara Falls, Calgary, Canal Flats (British Columbia), Vancouver and Ottawa.

The Soviet delegation includes specialists in the design of industrialized homes, commercial buildings and institutions, the technology of industrialized building production and the management of construction in rural and northern areas. During their Canadian tour they will visit plants producing sectional of modular housing, transportable and mobile buildings and components manufacturers, as well as building sites.