



CANADA

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## DEPARTMENT OF INDUSTRY, 1966

An expanded automotive industry, a more comprehensive Area Development Programme and strong emphasis on industrial research and development for greater technological achievement highlighted the operations of the Federal Department of Industry in 1965.

### CAR INDUSTRY

The Canada-U.S. Automotive Agreement, announced last January by Mr. C.M. Drury, Minister of Industry, though a long-term programme, has already produced a marked effect. It is designed to achieve greatly expanded production and employment and to enable the industry to improve its competitive position by providing access to much larger markets. As a result of the Department's efforts to assist the industry, 187 firms have announced plant expansions or acquisition of new facilities. Of these, 71 say the expansion will increase employment by about 15,000 workers, and 99 firms report the value of new investment to be nearly \$402 million.

Canadian exports of motor vehicles and parts in the first nine months of 1965 amounted to \$220.8 million, an 83 percent increase over the figure for the corresponding period in 1964. Exports to the United States during the first nine months of 1965 were \$123.9 million, more than double the figure for the same period in 1964. Imports from the United States have shown an increase of 18 per cent - from \$427.4 million in the first seven months of 1964 to \$541 million in the corresponding period this year.

As a result of the automotive programme, the average differential in prices of comparable popular

volume models in Canada and the United States was reduced very substantially.

In August, an Adjustment Assistance Board was established by the Government to administer a programme of loans for manufacturers of auto parts and transitional assistance benefits for auto workers. The Board has so far made loans of approximately \$5 million to manufacturers of auto parts.

### AREA DEVELOPMENT PROGRAMME

In June, a new and expanded Area Development Programme was introduced. During its first three months applications were received for 103 projects, representing \$135 million invested in buildings and equipment and providing 6,000 new jobs. In June, capital grants for new manufacturing and processing facilities in designated areas, as well as for firms already located in those areas undertaking significant expansion, were introduced as an alternative to the three-year tax exemption plan previously in effect.

The number of designated areas in all Canadian provinces was increased to 81, following the broadening of the criteria for designation. The 35 areas that were designated under the original act contained only 7.5 per cent of the Canadian labour force; the new designated areas contain 16 per cent. All the designated areas are characterized by high and chronic unemployment and low non-farm family incomes.

Since the introduction of the new programme, 35 applications have been made for projects in the Atlantic Provinces. They represent an investment of \$35 million and almost 2,400 new jobs. There were 26 applications from Ontario, representing an investment of almost \$39 million and more than 2,100 new

jobs. Twenty-three were from Quebec, representing an investment of almost \$57 million and 1,200 new jobs. There were 19 applications from Western Canada, representing an investment of over \$5.25 million and 325 new jobs.

#### INDUSTRIAL TECHNOLOGY PROGRAMME

The Programme for the Advancement of Industrial Technology (PAIT), launched by the Department of Industry in July, is designed to promote the growth of Canadian industry by the application of scientific and technological advances to the development of new products and processes. Costs are shared by the Government and the participating firms.

Almost 100 applications have been received to date, and nine projects, representing a total development effort of more than \$12 million have already been initiated under PAIT. Individual projects range from \$40,000 to several million.

The budget speech of 1965 revealed the Government's intention to continue providing a general incentive for scientific research and development after 1966, when the present tax provision expires. Like the current incentive, the proposed new one will be in addition to the normal deduction of all research and development expenditures for tax purposes. The new incentive will be administered by the Department of Industry.

#### DEFENCE EXPENDITURES

In addition to the PAIT programme, the Department of Industry continued to initiate projects under the terms of the Defence Development Programme. During the year, assistance to a value of about \$16 million was approved.

Expenditures to the end of the 1965-66 fiscal year (April 1, 1965, to March 31, 1966) will amount to \$25 million. Because of the programme's relation to defence exports, the bulk of expenditures have been made in the electronics and aircraft industries, for such programmes as the *AN/USD/501 Reconnaissance Drone*, *V/STOL* aircraft and advance communications and navigation equipment.

#### DESIGN PRACTICES

In co-operation with the National Design Council, the Department has undertaken a programme to assist in the development of a Canadian design capability, make the industrial and household consumer familiar with well-designed Canadian products and help manufacturers who may require advice and guidance on design matters. The National Design Branch of the Department is the administrative arm of the Council.

Canadian Design '67 was launched to further develop industrial design practices and help designers and manufacturers take full advantage of the business opportunities created by Expo '67 and the centennial celebrations. So far, more than 1,000 existing products from nearly 500 Canadian manufacturers have been submitted. There have been almost 650 new product designs submitted by about 400 manufacturers and designers.

During 1965, a Structural Steel Awards Programme was held in co-operation with the Canadian Institute

of Steel Construction to give recognition to the most noteworthy Canadian achievements in the creative use of structural steel for buildings and bridges. It was sponsored by the Department of Industry and the National Design Council.

#### ELECTRONICS RESEARCH

In the Department's Electrical and Electronics Branch, extensive studies are in progress to determine world trends in automation and the specific needs of Canadian industry that will result, both from the user and supplier point of view. Particular emphasis in this study is being placed on determining the future role of the computer. The impact of colour television in Canada has undergone considerable study in preparation for its expected appearance during the latter part of 1966.

#### AEROSPACE SYMPOSIUM

In June 1965, the Aircraft Branch of the Department of Industry organized an aerospace-industry symposium for the purpose of acquainting the industry with a newly-developed programme in management technique which has been adopted by the United States Department of Defence. A briefing was given by senior United States defence officials to assist Canadian firms wishing to participate in the Canada-U.S. defence production sharing arrangement. The symposium also served as a medium for reviewing trends in design and manufacturing technology for the aircraft of the future. Representatives of almost 80 companies in the Canadian aerospace complex were present for these sessions which were held in Toronto and Montreal.

In co-operation with the Air Industries Association of Canada, the Branch also organized a four-day manufacturing forum in October for the purpose of providing Canadian aerospace companies with the latest data on manufacturing and machine tools. The meetings were held in Los Angeles and Seattle, with the support of the Boeing Company and the Northrop Corporation.

The Branch was represented on the Air Industries Trade Mission to Latin America in November and the prospects for future aeronautical equipment sales by Canadian firms to that continent appear to be promising.

#### TEXTILE MISSIONS

Missions to Europe organized by the Apparel and Textiles Branch of the Department have made Canadian footwear industrialists aware of many of the new technological developments there.

Commenting on the work of the Department in 1965, Mr. Drury said: "We feel we have made significant progress in carrying out the Government's mandate to help Canadian industry help itself. However, we recognize that it is only a beginning and that a great deal more must be done.

"We live in an age where the vigorous application of science and new technology in industry has become the dominant force in economic and commercial advancement. Canada's future as an industrial nation lies in our ability to not only keep pace, but to become leaders in the development and practical application of the new technology."

## HEALTH AND WELFARE IN 1965

Among the 1965 highlights for the Department of National Health and Welfare were final arrangements for the Canada Pension Plan, discussions on national medical insurance, the creation of the National Council of Welfare, and the appointment of a new Deputy Minister of Health and five directors-general.

### PENSION PLAN

Finishing touches were put to the Canada Pension Plan, the Department's most ambitious programme to date. Under the terms of the Plan, which received Royal Assent on April 3, 1965, contributions began on the first day of the year. Through these contributions insured persons will accumulate protection in the form of retirement pensions, survivors' benefits — such as those for widows and dependent children — and disability benefits. The Plan represents the most comprehensive social-insurance measure ever undertaken in Canada.

### FEDERAL-PROVINCIAL CO-OPERATION

In July, the Prime Minister announced the willingness of the Federal Government to make a fiscal contribution to any province initiating a plan for medical-care insurance that would meet certain minimal conditions. These are: that the plan cover all residents of a province; that it provide for the payment of services rendered by physicians; that its benefits be transferable or portable between provinces; and that it be publicly administered. The size of the federal contribution was announced as being approximately half the average national *per capita* cost of payments made to physicians.

At the time of the federal-provincial conference of health ministers in September, the Prime Minister announced the setting up of a Health Resources Fund amounting to \$500 million over a 15-year period beginning in 1966. Its purpose is to support the construction, renovation and equipping of institutions engaged in the training of personnel for the health professions.

### SMOKING AND HEALTH PROGRAMME

The summer of 1965 revealed the degree to which the Canadian Smoking and Health Programme had succeeded in informing the public of the health hazard involved in smoking. A survey showed that 90 per cent of Canadians over the age of 15 are

aware of the issue involved and that 60 per cent were convinced of the hazard.

The significant place of the teenager was demonstrated at the Canadian Youth Conference on Smoking and Health, held in Ottawa in May. Seventy provincially-selected student delegates from every part of Canada prepared to carry the programme into their own areas, and their deliberations and convictions received national attention through the various news media.

National Health Grants totalling \$41 million were made for research projects, hospital construction, home-care programmes, cancer treatment and a wide variety of other health services.

The Emergency Health Services Division, as part of its programme of preparation for peacetime or wartime disasters, has issued packaged emergency units from the National Emergency Medical Stockpile to Canadian municipalities.

### POLLUTION STUDIES

The Public Health Engineering Division has undertaken to participate in pollution studies of the waters of Lake Erie, Lake Ontario and the international section of the St. Lawrence River. Industrial waste studies with the Atlantic Development Board were initiated. They are aimed at an abatement of industrial pollution in Maritime waterways.

### ASSISTANCE PLAN

Initial planning of the Canada Assistance Plan was undertaken. The Plan will provide a framework for federal-provincial co-operation, through a co-ordinated approach to public assistance, to aid those who need the most help. Basically, this new Plan will make available a comprehensive general assistance programme which, while recognizing the various requirements of such groups as the older persons in need, the blind and the disabled, will meet these requirements within one programme and one administrative framework.

### SPORT

An agreement was signed by the Department's Fitness and Amateur Sport Directorate, the province of Manitoba and the city of Winnipeg on sharing costs of the Pan-American Games. The Pan-American Games Society is responsible for the staging of this event in Winnipeg in 1967.

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### YOUNGEST PENSIONERS QUALIFY

Mr. Allan J. MacEachen, Minister of National Health and Welfare, said recently that, at the end of January, 100,000 Canadians would become the first persons aged 69 eligible for the \$75-a-month Old Age Security pension. Throughout 1966 those who reach 69 will become eligible for pension to begin in the month following their birthday.

Legislation to lower the eligible age for Old Age

Security was passed in 1965. The pension was formerly available to persons 70 and over, but the age requirement is being lowered annually by one year. Beginning in January 1967, pension will be paid at age 68, and by 1970, at age 65.

Mr. MacEachen said that an additional \$90 million would be paid in Old Age Security pensions in 1966, bringing the annual total to nearly \$1 billion for more than 1,100,000 recipients.

## MORE FOOD TO INDIA

The Prime Minister announced recently that Canada would provide \$15-million worth of additional food aid to meet the emergency situation in India. The shipment of items of the highest priority will be made as rapidly as transportation can be arranged.

This emergency assistance will be in addition to \$10-million worth of wheat already shipped to India under the 1965-66 food-aid programme.

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## CANADA'S UN CONTRIBUTION

On behalf of the Government of Canada the Canadian Permanent Representative to the United Nations, Mr. Paul Tremblay, recently turned over to the UN a cheque for \$3,642,948.35 (U.S.). This represents eleven-twelfths of the voluntary contribution to the United Nations of \$4 million (U.S.) as pledged by Canada on June 21, 1965 to help solve the Organization's financial difficulties. The balance will be forthcoming as soon as Parliament votes full supply for the current fiscal year.

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## UN TRAFFIC CONVENTION

On December 23 Canada deposited its instrument of accession to the 1949 UN Convention on Road Traffic with the Secretary-General. This instrument, which has already been ratified or acceded to by 75 countries, will enter into force for Canada on January 22. Its provisions cover all aspects of international road transport, including basic rules of the road, certain signs and signals, registration of motor vehicles, technical specifications to which roads and vehicles used by international traffic must conform, and distinguishing signs for vehicles.

### INTERNATIONAL DRIVING PERMITS

The main reason for Canadian participation in the Convention is the difficulty Canadian motorists experience abroad because they do not have internationally-accepted driving licences and registration plates. One of the purposes of the Convention is to enable motorists travelling in foreign countries to obtain driving permits valid in the territories of all contracting states except those issuing the permits. Automobile associations throughout Canada have urged the ratification and implementation of the Convention.

### PROVINCES INVOLVED

Since the subject matter of the Convention relates to matters within provincial jurisdiction, before taking final steps to accede on behalf of Canada, the Federal Government obtained from the provinces assurances that, if required, they would be prepared to implement its provisions.

The Government considered it particularly fitting that Canada should become a party to this multilateral Convention during the twelvemonth chosen as International Co-operation Year.

## IMMIGRATION AND MANPOWER

Mr. Jean Marchand, Minister of Citizenship and Immigration, said recently that, by the end of 1965, Canada would have welcomed 2.5 million newcomers since the end of the Second World War.

From January to the end of November, 1965, 136,996 immigrants had entered Canada an increase of 32,063 or 30 per cent over the total for the same period in 1964. About half entered the labour force, the great majority being skilled or semi-skilled workers.

Mr. Marchand said that a survey of immigration during the first ten months of 1965 indicated clearly the contribution that immigration makes to the economy. Of the 63,493 immigrants entering the labour force, 39,882 were classed as skilled and 11,513 semi-skilled.

From January to October, 1965, the skilled classes included engineers 1,924, physicians and surgeons 654, economists 72, nurses 2,355 and machinists 4,384.

Immigration Department officials estimate that it would have cost Canada an additional \$17,040,100 to provide university education for the 1,924 engineers who came to Canada in the first ten months of 1965. Similarly, for the 654 physicians and surgeons it would have cost Canada at least \$7,416,360.

Even more impressive are the totals of skilled immigrants in the entire post-war period. Representative of these are, from January 1, 1946 to November 30, 1965, engineers 22,500, physicians and surgeons 7,222 and graduate nurses 22,322.

### MONETARY BENEFITS

Canada's economy has also received a large-scale injection of hard cash and business knowledge from immigrants who have bought or opened their own business or farming enterprises.

During the first nine months of 1965, the Department received reports of 1,171 immigrants who had established their own businesses or farms, providing employment opportunities for many Canadians. The total financial value was \$22,823,130, of which \$10,192,525 had already been paid in cash. It is estimated that these statistics represent only about 25 per cent of those who have established businesses, and about 50 per cent of those who invested in agriculture.

The immigrants who arrived from January to November 1965, brought with them funds totalling at least \$130 million, a significant addition to the Canadian economy.

"Selective immigration," said Mr. Marchand, in concluding his statement, "is a dynamic force in an expanding economy, provided that it is coupled with a manpower policy designed to make the fullest use of our existing human resources. The association of immigration and manpower services in one department will further this purpose."

### COPPER PRICE RAISED

The International Nickel Company of Canada, Limited, has announced that, following similar moves by other Canadian producers, it has raised the domestic price of its copper to 45¢ a pound, effective January 6. This brings the company's Canadian price into conformity with its European overseas price and the prevailing world price of copper. International nickel sells all its copper in Canadian and European markets.

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### FEDERAL-PROVINCIAL WELFARE CONFERENCE

Mr. Allan J. MacEachen, Minister of Health and Welfare, said recently that he hoped the meeting of federal and provincial ministers of welfare, held in Ottawa recently, would complete federal-provincial discussions on the Canada Assistance Plan so that the proposed federal legislation could be introduced early in the coming session of Parliament. The Canada Assistance Plan represents a joint endeavour by the provincial and federal governments to develop a modern integrated plan of public assistance.

The Minister pointed out that the provinces would have some \$60-million worth of new financial resources with which to improve the existing assistance rates and to provide additional income for old age pensioners who needed to have their pension supplemented. These additional funds result from the lowering of the age to 69 under old age security, thereby relieving the provinces of old age assistance costs, and from new payments under the Canada Assistance Plan to aid in the cost of mothers' allowances and health care.

### CANADA ASSISTANCE PLAN

The Canada Assistance Plan was first brought before Parliament in the Speech from the Throne last April. It is one of the group of measures presented at that time as part of the concerted effort to increase opportunity and reduce poverty. The Plan represents federal recognition that public assistance and associated welfare services have an important and positive role to play in attacking poverty and the effects of poverty on the economic and social well-being of Canadians. Seen in this context, public assistance takes on a new and more constructive role - that is, it is designed not only to relieve need, but also to provide the services and support required to enable the individual to attain or regain the fullest measure of self-support and independence of which he is capable.

### CHIEF ITEMS

The main features of the Plan, designed to achieve this objective, are: a comprehensive approach, mothers' allowances, assistance on the basis of need, medicare, administration and welfare services, supplementation of income, Indian welfare and work-activity projects.

Mr. MacEachen emphasized that, though the Federal Government would contribute, through the Canada Assistance Plan, to the costs of assistance and

welfare services, responsibility for determining the exact form of the programmes and for administration, rested with the provinces. This means that programmes can be designed by each province to meet its particular circumstances. The Plan, however, will help to ensure that all Canadians can have access to needed assistance.

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### HEART CARE FOR THE UNBORN

A team of doctors from the National Research Council and the Ottawa Civic Hospital has developed a simple low-cost preamplifier to help obstetricians keep a closer watch on the development and condition of unborn children. It is hoped that the machine will become as popular among physicians as the stethoscope.

Used in conjunction with any standard electrocardiograph, the machine enables physicians to record the faint heartbeats of an unborn child which cannot be recorded by a standard electrocardiograph as they are masked by the mother's heartbeat, her muscular electrical activity or by external electrical interference.

In 1964, the Instrument Section of NRC's Radio and Electrical Engineering Division developed a special electrocardiograph for recording the heartbeats of unborn children. However, this machine is expensive, costing about \$2,000.

In an effort to encourage wider use of fetal electrocardiography, Dr. Graham Schuler of the Instrument Section, has developed a simple pre-amplifier to pick up fetal heartbeats and feed them into a standard electrocardiograph. This machine produces a graph that distinguishes the fetal heartbeat from that of the mother.

### SIMPLE AND INEXPENSIVE

Dr. Schuler said it is not claimed that this device has any virtue other than its simplicity of operation and very low cost which will make the benefits of fetal electrocardiography more widely available.

The preamplifier, which is about the size of a donut, can be manufactured and sold for about \$60 to \$100. It was displayed for the first time by Canadian Patents and Development Limited, a subsidiary of NRC, at the Canadian Electronics Conference in Toronto recently.

The new machine will be useful in determining whether an unborn child is alive or dead. It will help doctors to determine how a baby is getting along and whether it is in trouble due to labour, knotting or occlusion of the umbilical cord or because the mother is hemorrhaging. In addition, the machine will be useful in indicating the position in which a baby is lying in the uterus, monitoring the baby's heartbeat during labour, determining the best time for performing a Caesarean section or inducing labour in incompatibility conditions and in testing an unborn baby's heart condition by temporarily lowering the mother's supply of oxygen.

### DOMESTIC EXPORTS

Canada's domestic commodity exports were valued at \$701,036,000 in September of last year, a decrease of 3.2 per cent from the September 1964 total of \$724,022,000. This placed the value in the January to September period at \$6,058,278,000, a slight (0.9 per cent) rise from the comparable total of \$6,003,946,000 a year earlier. The decline in the month was due primarily to a drop in volume as that index (1948=100) fell 4.5 per cent to 206.4 from 216.1 a year earlier, while the price rose 1.4 per cent to 133.8 from 132.0.

### CHIEF RECIPIENTS

Among the principal destinations, exports were higher in value in September and January to September

compared to the value a year earlier for shipments to the United States, the Netherlands, Norway and the Republic of South Africa, while values were lower in both periods for Britain, Japan, Federal Republic of Germany, and Communist China. Values were down in the month and up in the cumulative period for shipments to Australia and Belgium and Luxembourg.

Exports of newprint, wood pulp, and crude petroleum were greater than those for a year earlier both in September and January to September, while those of wheat, softwood lumber, and aircraft and parts were smaller in both periods. Shipments of iron ores and concentrates, aluminum and alloys, nickel and alloys, and copper and alloys were down in the month and up in the nine months.

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Mr. Allan J. MacEachern, Minister of Health and Welfare, said recently that he hoped the meeting of federal and provincial ministers of welfare, held in Ottawa recently, would complete federal-provincial discussions on the Canada Assistance Plan as the proposed federal legislation could be introduced early in the coming session of Parliament. The Canada Assistance Plan represents a joint endeavour by the provincial and federal governments to develop a broader integrated plan of public assistance. The Minister pointed out that the provinces would have some \$200-million worth of new financial resources with which to improve the existing assistance rates and to provide additional income for old age pensioners who needed to have their pension supplemented. These additional funds result from the lowering of the age for unemployment, age security, thereby relieving the provinces of old age assistance costs, and from new payments under the Canada Assistance Plan to aid in the cost of mothers' allowances and health care.

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The main features of the Plan, designed to achieve this objective, are: a comprehensive approach, mothers' allowances, assistance on the basis of need, medication, administration and welfare services, supplementation of income, and work-activity projects. Mr. MacEachern emphasized that, through the Canada Assistance Plan, the cost of assistance and

A team of doctors from the Ottawa Civic Hospital has developed a simple low-cost machine for recording fetal heartbeats. Used in conjunction with any standard electrocardiograph, the machine enables physicians to record the fetal heartbeats of an unborn child which cannot be recorded by a standard electrocardiograph as they are masked by the mother's heartbeat, but muscular electrical activity of external electrical interference.  
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