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LABOUR PROBLEMS IN THE TECHNOLOGICAL REVOLUTION

The following is part of a recent address by Mr. John R. Nicholson, Minister of Labour, to the thirty-fifth Regular Convention of the Brotherhood of Maintenance of Way Employees in Montreal:

...For the benefit of our American visitors, let me spend a moment reviewing Canada's position in the world today.

Compared to your 200 million people, Canada has a population of only 20 million. Yet these 20 million have brought our country into world prominence in many areas.

In the processing of natural resources, we are the second largest producer of gold in the world, we supply 80 per cent of the free world's nickel, and 37 per cent of the free world's uranium. I might add that we also rank high in production of such other minerals as iron ore, copper and asbestos.

In fact, it was our iron-ore riches in the Labrador-Ungava region that led to one of the best examples of continuing Canadian-American co-operation. In order to get this iron ore, as economically as possible, to both American and Canadian steel mills, the St. Lawrence Seaway had to be built so the mighty ore-carriers could travel up the St. Lawrence River into the Great Lakes. I don't have to tell any of you how vital that Seaway is today to the economy of both the United States and Canada.

And American needs have helped Canada in other ways. We produce well over 40 per cent of the world's newsprint, while your country imports, for her own needs, more than 80 per cent of this production.

You can understand how important our natural resources are to Canada's growth when I tell you that about 55 per cent of all our merchandise exports

are derived from products based on our forests, mines and water resources. So, it should come as no surprise to learn that last year we spent approximately \$2.5 billion in new resources facilities....

As in the United States, we, in Canada, are mounting intensive and extensive campaigns to wipe out poverty and raise the standards of our more unfortunate people through special educational and job-training programmes, as well as assisting workers and their families in moving to suitable jobs and work areas.

As much as this is of vital importance, we are just as concerned with the people now gainfully employed.

Governments, industries and unions, in both our countries, are currently faced with immense problems never even envisaged by our fathers. We are faced with technological and scientific advances which have changed our whole conception of work.

NEW WORK METHODS

In my opinion, we are now on the threshold of what might, in time, be known to the historians as "the technological revolution". Continual breakthroughs in the sciences, and particularly in the field of electronics, are changing work methods and techniques much faster than we can adapt our social philosophies.

But adapt we must. We must accept these new work conceptions in order to retain and increase our competitive status in the world markets. Unless we can produce with both quality and efficiency, we stand to lose all those higher standards of living and security that we have all worked so hard to gain.

However, there is one most vital factor here that none of us can afford to lose sight of - and that is the worker.

If we must adapt, then this adaption to newer methods must be made with as many safeguards and as much security as possible for our most important resource - our people - our workers and their families.

Today, we in Canada are deeply involved in this many-sided problem. I say many-sided because - to the worker - it involves such matters as job security, retention of union seniority, job reclassification, retraining, upgrading and, in some instances, re-location of displaced workers.

As automation is affecting almost every segment of every industry and commercial enterprise, I believe that this problem has become one of utmost national importance. It calls for the concerted efforts of governments, industry and unions to confront it together.

LABOUR-MANAGEMENT RELATIONS

In my Department of Labour, we have been strongly encouraging management and unions to discuss together and find solutions for these problems brought about by technological change, before any action is taken.

As Minister of Labour, I should prefer to see such voluntary joint consultation, between unions and management, carried out on a continuing basis rather than waiting for a potential crisis....

In my opinion, it is no longer feasible for unions and management to meet only to negotiate contracts. With so many changes coming rapidly, it is impossible to build all the necessary safeguards, for future unknowns, into a two or a three-year agreement. Therefore, I should like to see unions and management, everywhere, agree to meet on a regular basis to discuss present-day problems and possible future changes....

I am proud to say that Canada had the world's first federal government department dedicated completely to labour-management relations and to labour legislation. It was formed in 1900....

During the Second World War, to improve production of essential war goods, our Department of Labour set up a system of voluntary union-management committees in industry. From these has grown our Labour-Management Consultation Branch, servicing such committees in all types of industry representing more than 620,000 union members.

It is a matter of considerable pride for me, as Minister of Labour, to be able to say that, in this field of union-management consultation, Canada is again a leader with the greatest number of such committees, *per capita*, in the world....

As you are well aware, the railway unions were among the first to undertake joint consultation with management, as early as 1921. I recognize that such consultation was, to a large extent, concerned with safe working conditions, and there are some who feel that this form of consultation is not suitable for

dealing with major issues in the labour-management field. However, the Canada Department of Labour is of the opinion that labour-management joint consultation committees can make a very real and worthwhile contribution to current labour-management relations.

We have not changed our opinion in any way on the desirability of free collective bargaining, but because of the tremendous complexity of the problems arising out of technological change - and the rapidity of such change - it seems obvious to us that some form of continuous consultation must be encouraged. Since there are more than 2,000 labour-management joint consultation committees in existence in Canada (114 of them in the Canadian railways alone), it seems equally obvious to us that we should promote the idea of continual consultation by this route....

LABOUR STANDARDS AND SAFETY

...I should like to touch briefly on the Canada Labour (Standards) Code which was brought into being just a little more than a year ago. This Code ensures a reasonable minimum hourly wage, maximum hours of work, overtime pay and paid holidays for all workers under federal jurisdiction, including all those employed in the railway, highway transport, telegraph and telephone, radio, television, air-transport industries....

In the case of hours, where difficult adjustments are involved, many more employers have applied for temporary deferments, and, in dealing with these deferment requests on hours of work, I am trying to avoid any serious loss of take-home pay for the workers or sharply increased costs for the employers, by having the parties directly involved in each industry, work out a practical accommodation to the requirements of the Code within a reasonable period of time....

Another section of our Labour Code was introduced during the current session of Parliament. This will be known as the Canada Labour (Safety) Code and will apply to all industries covered by the Canada Labour (Standards) Code.

This new legislation will complement safety regulations already in force with respect to the operation of railways, ships and aircraft. It will apply, for example, to their workshops, maintenance of way, and other sections of these, and other industries, which, as Canadians present realize, have not been covered by federal safety legislation....

The union movement has sought for, fought for and accomplished much. In Canada, we now have unemployment insurance, workmen's compensation, safety legislation, many types of factory inspection, maximum hours of work, minimum rates of pay, vacation and holiday rights, full recognition of unions and their rights to collective bargaining. But what of tomorrow? What will we do over the next 30 years to match the achievements of the past 30? It is up to all of us, labour, management, government....

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CANADA-SWEDEN TAX AGREEMENT

Mr. Paul Martin, the Secretary of State for External Affairs announced recently that he and the Ambassador of Sweden, His Excellency Per Lind, had exchanged instruments of ratification for the Supplementary Agreement between Canada and Sweden for the avoidance of double taxation. This brought the Supplementary Agreement, which had been signed in Stockholm on January 21, into force on July 14.

The purpose of the Supplementary Agreement is to amend the existing tax convention between Canada and Sweden by deleting a provision that prevents a non-resident withholding tax of more than 5 per cent from being levied on dividends paid by a controlled subsidiary company in one of the countries to its parent company in the other. The deletion of this provision will leave the general rule that Canada will not impose a non-resident withholding tax in excess of 15 per cent on dividends derived from sources within Canada by residents of Sweden. The same maximum rate will apply to dividends derived from sources within Sweden by residents of Canada.

CENTENNIAL COINS

A special sterling-silver version of Canada's centennial medallion is being offered for sale by the Royal Canadian Mint, it was announced recently by Mr. Mitchell Sharp, Minister of Finance.

The public may also purchase a Centennial Medallion Coin Set containing the silver medallion with a set of selected uncirculated Canadian coins containing the six denominations from one cent to one dollar. The coins will carry the new centennial designs of Canadian wildlife announced last April 20.

The single silver medallion and the Medallion Coin Set now bring to three the number of commemorative centennial items that the Mint will be offering for sale to the public. The Minister announced on May 6 that a Mint presentation set, containing a \$20 gold coin with the six centennial-design coins of normal denomination, would be distributed.

DESIGN OF MEDALLION

The centennial medallion will carry the design recently approved by the Cabinet for the medals that will be given to Canadian school-children during the centennial year. The obverse side carries a shield and crown with the word "Canada", and the reverse depicts the maple-leaf centennial symbol surrounded by a bilingual representation of the word "Confederation" and the dates 1867 and 1967.

The sterling medallion will be approximately 1½ inch in diameter, will be packaged in a plastic case and will sell for \$3 in Canadian funds.

The Centennial Medallion Coin Set will be packaged in a red pigskin-leather case with the Canadian shield embossed in silver on the cover. The price is \$12 (Canadian). Distribution of these sets involves

not only costs of packaging and shipping but extra costs incurred for special production and handling to ensure a high quality of medallion and coin.

EXPORT RESTRICTIONS

Orders in any amount and from any address in Canada or other countries will be accepted for either the silver medallion singly or for the Medallion Coin Set. As announced on May 6, the Mint will not accept orders from persons in the U.S. or Britain for the Gold Coin Presentation Set because of restrictions in the laws of those countries prohibiting the importation of gold coins of this nature.

RCAF NATO UNITS TO GERMANY

Prime Minister Pearson announced recently that units of the 1st Canadian Air Division stationed in France would be transferred to the two existing Canadian air-bases at Zweibrucken and Baden-Soelingen in Germany. The move is taken as a result of the French Government's notes to the Canadian Government dated March 10 and 29.

The decision to relocate these units in one of NATO's other European member countries reflects the importance the Canadian Government, in common with other members of the alliance, continues to attach to its participation in NATO's integrated defence structure. Canada's allies and the NATO military authorities have been informed of the Canadian Government's decision.

Canada maintains at present a total of eight squadrons in France and Germany - six squadrons of CF-104 strike aircraft at the two bases in Germany, and two squadrons of CF-104 reconnaissance aircraft at Marville, France. The base at Marville is also used as the main European terminal for Canadian forces air-transport operations.

REDUCTION IN NUMBER OF CF-104s

Consolidation on the two bases in Germany will mean stationing a larger number of CF-104 aircraft there, regrouped into six augmented squadrons, of which two will be assigned to reconnaissance and four to a strike role. There will, however, be some reduction in the total number of CF-104 aircraft operated by the Air Division. It has been recognized for some time that, for technical reasons, such a reduction will be necessary by 1967.

Canadian headquarters of the Air Division at Metz, France, will be streamlined when transferred to one of the two bases in Germany. Additional facilities will be constructed at Zweibrucken and Baden-Soelingen if necessary, to accommodate the operational units and personnel transferred from France.

The Department of National Defence will seek the necessary terminal facilities for the Canadian forces air-transport operations at a civil air-field in Germany, or possibly at a military air-field occupied

by one of the other NATO countries having forces in Germany.

It is expected that the transfer of all elements of the Air Division out of France will be completed in 1967. Negotiations between the Canadian and French Governments concerning questions arising out of the relocation of the Air Division, including detailed questions of timing, are to open in the near future.

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ADD VITAMIN D TO MILK

The Food and Drug Directorate, of the Department of National Health and Welfare, expressed concern recently that reports of the harmful effect of too much Vitamin D would discourage the production and consumption of milk to which it has been added.

The need for Vitamin D by infants and children is well established; the Canadian Council on Nutrition has recommended a daily intake of 400 International Units. The lack of Vitamin D in children produces rickets, and more than 100 such cases were observed at the Montreal Children's Hospital in the past year. In all instances these children had been fed cow's milk and no vitamin supplement.

In the hope of reducing such cases to a minimum, food and drug regulations were recently amended to permit the addition of Vitamin D to milk. As milk is consumed regularly by children, it offers a particularly appropriate and reliable means of distributing the vitamin. The amount that may be added is limited to the daily requirement of 400 International Units in 1½ pints.

Most children can tolerate, without ill effect, much more than their requirement of Vitamin D. However, a very small percentage appear to be particularly sensitive to this vitamin. In an attempt to ensure that these children do not receive excessive amounts of Vitamin D, restrictions were placed on the amount which may be added to foods and the number of foods to which it may be added.

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BIRTHS, MARRIAGES AND DEATHS

According to preliminary figures released recently by the Dominion Bureau of Statistics, fewer births were recorded in Canada during 1965 than in the previous year, while the number of deaths and marriages increased.

A total of 418,595 babies were born in 1965 compared to 452,915 in 1964. The national birth rate for 1,000 of the population dropped from 23.5 in 1964 to 21.4 in 1965, the lowest since 1939. The annual number of births has declined steadily from the high of 479,275 registered in 1959. Almost all infants born in 1965 were delivered in hospital.

The number of marriages rose from 138,111 in 1964 to a record high of 145,519 in 1965. The nation-

al marriage rate for 1,000 population rose from 7.2 in 1964 to 7.4 in 1965, the highest since 1959.

Deaths totalled 148,939 in 1965, compared to 145,850 in 1964. The rate for 1,000 population remained unchanged from the low record of 7.6 in 1964.

CAUSES OF DEATH

Of the 148,939 deaths recorded in 1965, 75,542 or 50.7 per cent, were due to diseases of the heart and circulatory system; cancer accounted for 26,050 or 17.5 per cent of all deaths; accidents caused 10,979 or 7.4 per cent. The corresponding 1964 figures are 72,786, 25,637 and 10,564 respectively. These have been the three leading causes of death since 1951 and there was very little change in their relative importance in 1964 and 1965. The number of tuberculosis deaths increased slightly, from 760 in 1964 to 697 in 1965. The number of fatalities from major types of accident, with 1964 figures in parentheses, is as follows: motor vehicles, 5,049 (4,862); falls, 1,635 (1,583); drownings, 1,119 (1,072); fire, 656 (657); and poisonings, 415 (421).

Of the 148,939 deaths recorded in 1965, 9,862 were infant deaths, equivalent to a rate of 23.6 for every 1,000 infants born alive. The infant-mortality rate has been declining steadily and the 1965 rate is the lowest on record.

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TELECOMMUNICATIONS PROFIT

The increased demand for all types of overseas telecommunication service has shown a net profit of over \$2,500,000 for the 12 months ending March 31 in the sixteenth annual report of the Canadian Overseas Telecommunication Corporation released in the House of Commons recently by Transport Minister J.W. Pickersgill. This not only represents a 15 percent increase over that of the previous year but also keeps intact the corporation's record of consecutive years of annual net profits.

In his report to the Transport Minister, President Douglas F. Bowie, of the COTC, stressed the continuing need for expansion and additional facilities in order to "keep pace with the increasing demand" for all types of overseas telecommunications service, and also referred to the use that had been made of satellites for some of the corporation's transatlantic services.

The report referred to the commissioning of the icebreaking cable repair ship CCGS *John Cabot*, and indicated that she had successfully undertaken various tasks under all conditions and in all assigned locations.

Mention was also made of the improved service between Canada and islands in the eastern Caribbean, which will begin in September. With the completion, early next year, of a telephone cable system throughout Southeast Asia, high-quality communications will have been established into four major areas of the world - North Atlantic countries, Australia and New Zealand, Japan and Southeast Asia, and West Indies.