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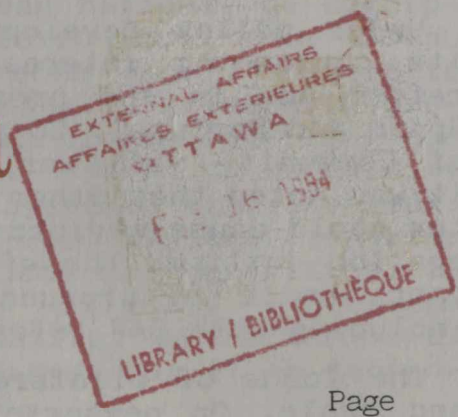
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Canada

newsletter



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THE LATEST ROUND OF CANADA/EC CONSULTATIONS

At the end of November a high level delegation from the European Commission travelled to Ottawa for the 22nd round of semi-annual consultations between Canada and the EC, on November 23-24. At the same time, meetings were held of the Sub-Committee on Industrial Cooperation and the General and Preparatory Sub-Committee established under the Canada/EC Framework Agreement for Commercial and Economic Cooperation, signed in 1976.

The semi-annual meetings have three aims: (a) to exchange information and perceptions on economic prospects and multilateral developments of common interest, (b) to discuss policy developments in Canada and the Community and (c) to review bilateral issues.

The discussion of economic matters focused primarily on the prospects for recovery. It was noted that economic recovery in Canada, as in the USA, is considerably more advanced than it is in the EC, but that a number of problems, notably rigidities in economic structures, would need to be overcome if the recovery

is to be sustained. The two delegations reviewed progress in implementing the GATT work programme, and recent developments aimed at achieving some degree of multilateral trade liberalization.

Under policy developments, the Canadian delegation indicated its continuing interest in the process of Community and CAP reform and in the prospective enlargement of the EC to include Spain and Portugal. EC proposals to bring about a closer alignment of Community with world agricultural prices were welcomed, but it was noted that other aspects such as the proposed oils and fats tax could cause serious problems for Canadian exports. The EC delegation outlined the efforts which had been made since the Stuttgart summit to produce a package covering a series of elements including both CAP reform and enlargement.

The focus of bilateral discussions was on newsprint, fisheries and seals. On newsprint, the Canadian delegation emphasized the importance of maintaining duty-free access to the European market, noting that further discussions were scheduled in December. On the bilateral fisheries agreement, it was noted that discussions on outstanding difficulties would be pursued early in December, and both sides underlined the need to reach a mutually acceptable agreement as soon as possible. On the question of seals, the Canadians reiterated the view that the Community's import ban on seal products is unjustified and should be revoked. The EC delegation suggested that further discussions take place in anticipation of the expiry of the current directive in 1985.

The two Sub-Committees, meeting under the Framework Agreement, reviewed current projects and discussed future activities. Their recommendations on the future directions of Canada-EC industrial and scientific cooperation will be made to the next meeting of the ministerial-level Joint Cooperation Committee, scheduled to take place in Canada in 1984.

EN ROUTE VERS 1990: LE DEVELOPPEMENT TECHNOLOGIQUE

Au début de l'été, le Ministre d'Etat canadien chargé des Sciences et de la Technologie, l'honorable Donald Johnston, a présenté au Parlement une politique de la technologie nouvelle pour le Canada, dotée d'un budget supplémentaire de \$700 millions. Le Ministre a souligné que dans ce domaine qui évolue si rapidement, les objectifs nationaux ont un rôle important à jouer. Ils offrent des lignes directrices pour les politiques et décisions des gouvernements, des universités et instituts de recherche et des industries. L'objectif principal est d'assurer la coopération et la planification conjointe entre secteurs différents, tels que la main-d'oeuvre et la gestion, les universités et l'industrie, et les gouvernements de différents niveaux.

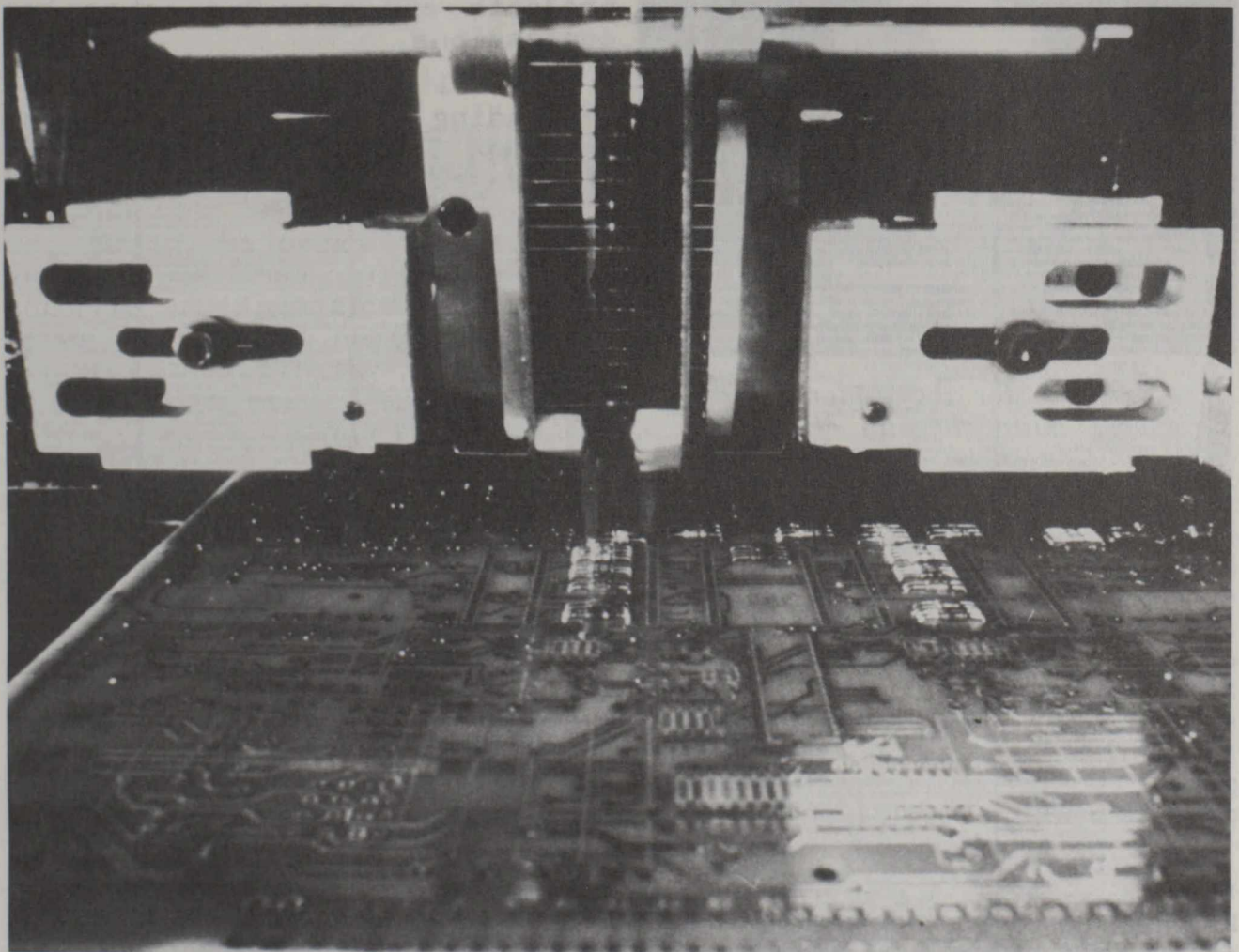
C'est dans cette optique que le Ministre a annoncé la mise sur pied d'un Sous-comité du Cabinet au développement technologique qui veillera à ce que les suites données à la politique de la technologie soient coordonnées, cohérentes et mises en application. M. Johnston a également annoncé plusieurs nouvelles initiatives qui seront lancées prochainement.

Le gouvernement a projeté un grand nombre d'initiatives visant à encourager ces objectifs, tels que les stimulants fiscaux, les subventions, les aides techniques directes, l'appui par le biais de l'acquisition gouvernementale et les programmes d'adaptation de la main-d'oeuvre. De plus, quinze nouveaux centres de recherche seront construits au cours des quatre prochaines années. Trois

domaines feront l'objet d'efforts particuliers: la micro-électronique, la biotechnologie et les communications.

Afin de promouvoir la micro-électronique, le gouvernement mettra sur pied à partir des universités, un réseau national de conception, de recherche et d'épreuve micro-électronique. Ce réseau est la suite de travaux présentement menés par l'Université Queen's et la Société Northern Telecom Canada. L'université propose à la société de nouveaux designs pour microplaquettes, que Northern Telecom fabrique pour elle sans frais et qu'ensuite l'université vérifie et utilise dans des systèmes expérimentaux. Sous l'égide du nouveau réseau qui sera informatisé, une trentaine d'universités participeront à de tels projets de coopération. Le Ministre a également annoncé une stratégie nationale en biotechnologie, et la création prochaine d'un institut de recherche et de développement en communications, en informatique et en technologie spatiale avec les mêmes buts.

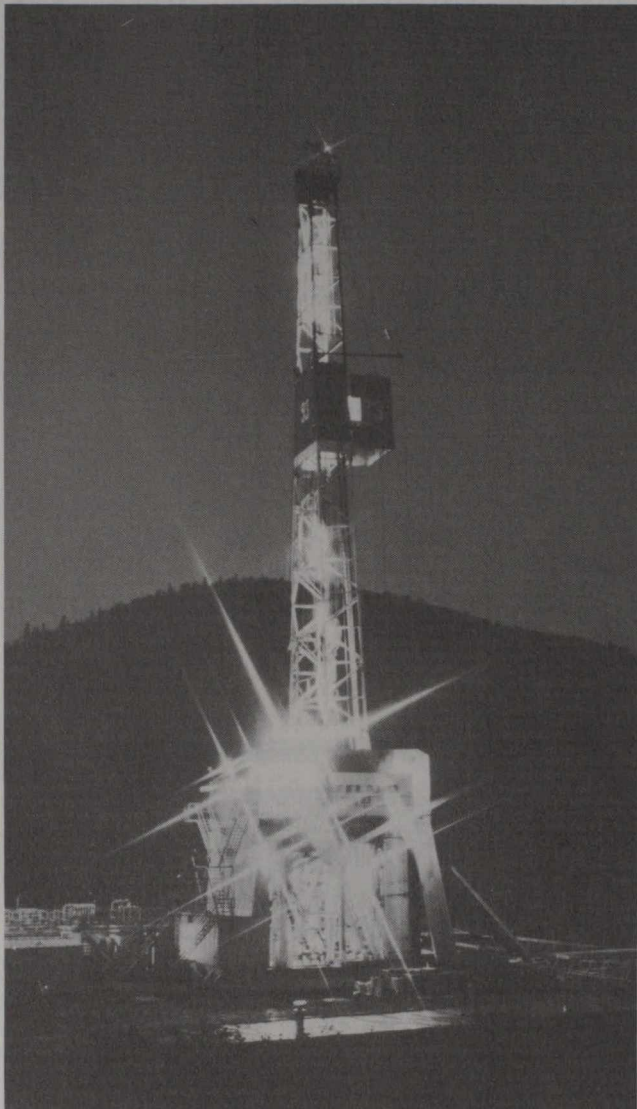
Le Canada et la Communauté européenne ont un forum commun de consultation en matière de science et technologie dans le cadre du Comité de coopération conjoint. Les deux sous-comités qui en dépendent se réunissent une ou deux fois par an, et mettent en contact des experts ainsi que des représentants des Etats membres de la CE et des provinces canadiennes. En plus des multiples échanges d'experts et des séminaires, deux accords formels de coopération en recherche technologique ont été conclus depuis 1980.



La Northern Telecom - la mise de transistors sur microplaquettes par robot.

NEW PROJECTS AND INVESTMENTS IN CANADIAN OIL AND GAS

During the last year the Canadian Government has made special efforts to ensure stability in the energy sector and to give industry the confidence and opportunity to lead the economic recovery.



*Drilling for oil under the
midnight sun of
Canada's far north*

Part of the plan has been to cushion the impact on the oil and gas industry of uncertain conditions in world markets, and amendments have been brought to the pricing and revenue sharing agreements with some producing provinces. Oil producers now receive the world price for all oil discovered after 1973. This measure alone should raise industry's cash flow by as much as \$250 million by December 31, 1984. Gas producers are expected to benefit from the increase in domestic natural gas prices which took place on August 1, 1983, and from the additional increase planned for February 1, 1984. Furthermore, in its latest budget, the Canadian Government announced tax relief for Enhanced Oil Recovery projects and provided other tax concessions.

The oil and gas industry is responding positively to these changes. The Government's review of mid-year investment intentions indicates that the oil and gas industry is expected to be one of the main sectors showing strength. Investment in oil and gas is expected to grow by about 9% in 1983, significantly above the level of investment in the economy as a whole.

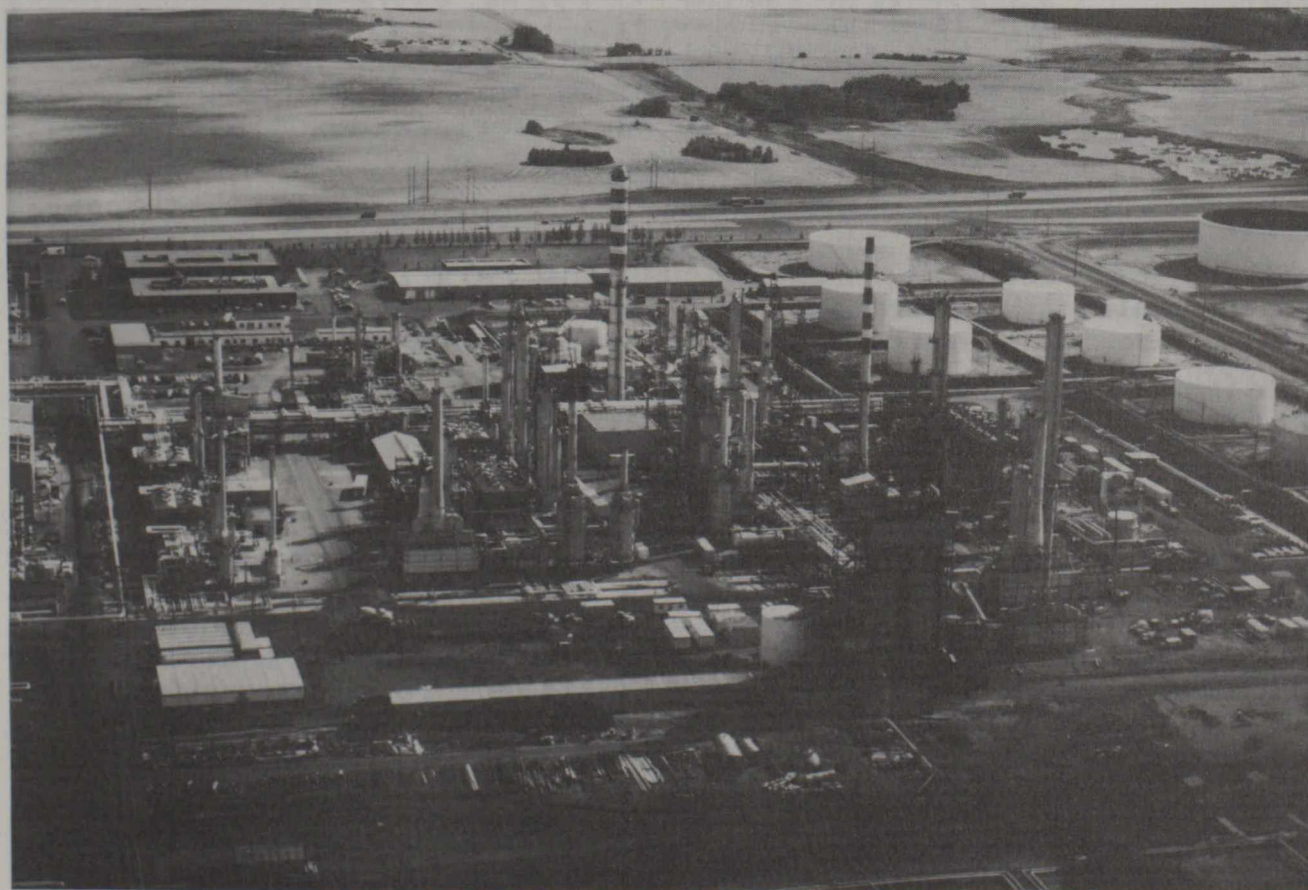
The potential for growth in this sector is illustrated by several major investment projects underway across Canada. New projects recently announced include: a \$600 million heavy oil upgrader in Saskatchewan, and two projects costing a total of \$500 million to extract oil from the tar sands in Alberta. Major new investment in the Syncrude oil sand project, amounting to \$1200 million over the next five years, was also announced following the amendments to the pricing and revenue sharing agreement with Alberta. These projects are an indication that the initiatives taken by the Canadian Government and the producing provinces are providing industry with an attractive environment for continued energy development.

Investment activity is also proceeding rapidly in the North and the East Coast offshore, in the areas known as the Canada Lands. Exploration and development in these areas - about twice the surface area of Canada's ten provinces combined - remains a major objective of the Canadian Government. In all, more than \$8000 million will be spent to drill about 140 exploration wells in the

Canada Lands over the next six years.

These new projects provide promising opportunities for both Canadian and foreign investors. In a recent address to the Canadian Society of New York, Canada's Minister of Energy, Mines and Resources, the Honourable Jean Chrétien, made this point very clearly. He stated: "The participation of foreign-owned companies and foreign capital is welcome in Canada's oil and gas industry. Clearly, a major federal government objective is to increase Canadian participation in frontier activity. But we know that foreign-owned companies have contributed to that objective in a major way. These companies are developing plans to employ Canadians and give Canadian businesses a full and fair opportunity to compete in providing products and services for offshore resource activity. Our Canadianization objective does not prevent foreign suppliers in any way from competing with Canadian firms for work related to resource activity in the Canada Lands. We want a slice of the pie, but we do not want the whole pie. The pie is growing; the industry is expanding; and there is plenty for everyone.

Together with industry, we are looking forward to a period of renewed stability in which to plan and invest. The number of projects already underway or being studied, coupled with improving balance sheets, give me confidence that the outlook for investment in the Canadian oil and gas industry is bright."



A new oil refinery in the Province of Alberta.

L'INVESTISSEMENT ETRANGER AU CANADA, 1982-1983 - UNE ANNEE DE
RATIONALISATION

La loi sur l'examen de l'investissement étranger prévoit l'examen par le Gouvernement de deux catégories d'investissements étrangers afin d'assurer l'apport d'avantages appréciables pour le Canada: la plupart des cas d'acquisition par des étrangers d'entreprises établies au Canada, et la création de nouvelles entreprises au Canada par des étrangers qui n'exploitent déjà aucune entreprise au Canada ou qui n'exploitent, au Canada, aucune entreprise qui est ou pourrait être liée à la nouvelle.

En 1982-1983, le Gouvernement avait deux priorités relatives à la Loi sur l'examen de l'investissement étranger: d'en améliorer l'application et d'en clarifier l'interprétation. C'est en raison d'un arriéré croissant de cas sous examen que l'on a conclu que des modifications importantes à l'application de la Loi s'imposaient. Et, en ce qui a trait à l'interprétation de la Loi, l'Agence d'examen de l'investissement étranger a, au fil des ans, indentifié un certain nombre de dispositions et d'expressions dans la Loi qui se sont avérées difficiles à interpréter. A l'étranger, la Commission européenne, entre autres, avait demandé des clarifications, surtout en ce qui concerne la définition des "avantages appréciables pour le Canada".

A l'occasion du Budget de juin 1982 le Gouvernement a annoncé son intention de rationaliser l'application de la Loi par le biais de mesures qui permettraient à un plus grand nombre de demandes d'investissement d'être admissibles à la procédure plus courte et plus simple. Aussi, on a haussé les seuils d'admissibilité à la procédure abrégée de \$2 millions en actifs et 100 employés à \$5 millions et 200 employés pour les demandes impliquant des acquisitions directes et la création de nouvelles entreprises. De plus, les acquisitions indirectes - soit celles qui impliquent le transfert de contrôle d'entreprises canadiennes à la suite de fusions ou d'acquisitions de sociétés-mères à l'étranger - sont maintenant admissibles à la procédure abrégée quand elles impliquent des actifs de \$15 millions et moins de 600 employés.

Le Gouvernement a aussi annoncé que, conformément à son engagement de veiller à ce que les procédures prévues par la Loi soient rapides et efficaces, les discussions relatives aux engagements des investisseurs seraient limitées à ceux qui touchent les éléments clés d'une proposition d'investissement.

L'impact des changements budgétaires et de la rationalisation du processus d'examen s'est manifesté de plusieurs façons en 1982-1983. Le nombre de cas décidés a augmenté de 66 pour cent depuis l'année précédente. L'accélération du processus décisionnel a permis au Gouvernement d'examiner promptement les propositions reçues durant l'année financière même si le nombre de demandes reçues a augmenté de 18 pour cent depuis 1981-1982. De plus, le nombre de demandes sous examen au début de l'année a été réduit de 55 pour cent, éliminant ainsi presque complètement l'arriéré des demandes sous examen. En 1982-1983, le nombre de demandes venant de l'Europe occidentale a augmenté de 184 à 278 depuis l'année précédente et le pourcentage d'autorisations a augmenté de 89.1 pour cent à 94.6 pour cent.

Le Gouvernement a aussi pris des mesures pour rendre plus claire l'interprétation de la Loi. Par exemple, le ministre responsable de l'application de la Loi a autorisé l'Agence à publier des notes explicatives sur certaines dispositions et expressions de la Loi dont l'interprétation s'est avérée problématique. Ainsi, en 1982-

1983, les investisseurs dont les propositions étaient sujettes à examen aux termes de la Loi ont éprouvé moins de difficultés à comprendre les exigences et les attentes du Gouvernement en ce qui touche l'autorisation de leurs propositions.

CANADIANS OF WELSH ORIGIN

The first known Welshman to come to Canada was Sir Thomas Button, a naval officer who commanded an expedition in search of the Northwest Passage in 1612. Other early Welsh Canadians came in the guise of British army officers or as dissenters from the Church of England establishment. Three Welsh regiments served in Canada during the American Revolution and the War of 1812 with the United States. When demobilized some soldiers decided to settle near Kingston, London or in the Niagara Peninsula. After the war of 1812 a number of families from the Pennsylvania Welsh Tract, a settlement founded by the Welsh Society of Friends in 1682, journeyed northwards and established the Quaker settlement of York County.

During the nineteenth and early twentieth centuries, Welsh immigration received its chief impetus from the large-scale unemployment resulting from economic depression in the old country. Liverpool-based shipping representatives circulated handbooks on Canada and offered low cost passage to Welsh families. In 1862 one in three of the working population of Rhymney, Wales, was said to be keen on emigrating. The 1961 census recorded 143,942 people who identified themselves specifically as Welsh-Canadians.

Three principal group migrations of Welsh people to Canada are as different as they are interesting. The first was brought about by John Mathews, a native of Hansamlet, Wales, when he received permission in 1821 to establish his relatives in Upper Canada (later the Province of Ontario). He settled his own 34 relatives northwest of the new town of London and then encouraged other Welsh settlers to join them. As it grew, the Welsh Settlement became well known, with result that Welsh immigrants arriving from Montreal and Toronto often heard of it and chose to make it their home. By 1850 some 385 Welsh-Canadians were farming the area. By this time, however, the available land had been occupied and many of the young people growing up there in the 1860s and 1870s moved west to the prairies which were just beginning to open up.

A second group migration of Welsh to Canada was triggered by the discovery of gold in British Columbia in 1858 and the 1860s. The gold rush was shortlived and ruinous to the majority of independent prospectors drawn by gold fever, but the Welsh were among those who stayed on when surface mining was superceded by deep diggings and they successfully applied the mining skills they had learned in the Welsh coal valleys.

A third group migration occurred in 1902. Some 234 Welsh journeyed north from Patagonia, where they had experienced difficult relations with the Argentinian government and a series of disastrous floods, and settled in Saskatchewan, in Western Canada.

Welsh-Canadians have created their own Gymanfu Ganu, a song festival, and Eisteddfod, a festival of music and poetry. Churches, often named St. David, also play an important role in preserving the Welsh culture. For example, the Dewi Sant United Church in Toronto has a Welsh-speaking minister who conducts Welsh-language classes. The St. David's Society, a Welsh cultural club located in many Canadian towns and cities, is instrumental in preserving the Welsh language and culture. Toronto, Ottawa and

Montreal also boast Welsh choirs.

EN BREF

L'INITIATIVE DE PAIX DU PREMIER MINISTRE TRUDEAU

Le Premier Ministre du Canada, M. Pierre Elliot Trudeau, est rentré le 5 décembre d'un périple autour du monde qu'il avait entrepris en faveur du désarmement nucléaire. Au sujet de cette initiative de paix, M. Trudeau a déclaré le 3 décembre dans la capitale du Koweït, que la prochaine étape consistera à faire pression sur les deux super puissances afin qu'elles progressent dans leurs négociations. Il a déjà été invité dans les capitales américaine et soviétique. A Londres, le 4 décembre, le Premier Ministre a dit que ses efforts ne visaient pour l'essentiel qu'à donner l'impulsion d'une volonté politique en faveur du désarmement à travers le monde.

INTERNATIONAL CENTRE FOR OCEAN DEVELOPMENT

An international non-governmental (and non-profit) organization, the International Centre for Ocean Development, has been established in Halifax, Nova Scotia. Its principal objective will be to assist developing countries in obtaining maximum benefit from their extended zones of maritime jurisdiction through the enhancement of their capacity to develop, manage and utilize the ocean resources of their coasts. The Centre will provide information, research, training and advisory services to governments and educational establishments of developing countries.

LE DINDON CANADIEN

Le dindon canadien est une volaille qui se prête à de nombreuses préparations. A cette époque de l'année, bien farci et bien garni, il se fait le roi de notre table. A d'autres occasions, les Canadiens le consomment en cubes, en tranches, en quartiers, dans les viandes fumées, les salamis et les saucissons, et en escalopes. Bref, les aviculteurs du Canada produisent près de 17 millions de ces volailles par année. Les Canadiens ne les consomment pas tous eux-mêmes. Il y a un commerce actif de la dinde vers plusieurs pays dont les Etats-Unis, l'Italie et le Mexique où, incidemment, on situe l'origine de ces gallinacés.

MINI-COMPUTER CALCULATES INSULIN DOSES

A new concept developed at the world-rekknowned Hospital for Sick Children in Toronto is designed to help diabetics stabilize their blood sugar. A diabetic's greatest day-to-day problem is balancing daily food intake, exercise and insulin injections to keep the inevitable fluctuations in blood sugar levels as near the normal range as possible. A year ago, Toronto bioengineer, Dr. Michael Albisser, began investigating methods to enable individual diabetics to monitor glucose levels on a regular and frequent basis. He developed a tiny computer, which can be programmed with an individual's known characteristics, such as food and insulin absorption rates. From a pinprick of blood it analyses a range of chemical data and assimilates this with the intentions of the patient with respect to planned exercise and the likely composition of upcoming meals, and recommends the appropriate insulin dose.