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CONFERENCE ON HOUSING AND URBAN DEVELOPMENT

Prime Minister L.B. Pearson, in his opening statement to the Federal-Provincial Conference on Housing and Urban Development in Ottawa last month, said that urbanization and all its problems had become the dominant social and economic condition in Canada. The need for improvement was an urgent challenge to every level of government. The facts and forecasts about urban growth, Mr. Pearson said, were that almost three-quarters of our population lived in cities and towns; by 1980, nearly two-thirds of all Canadians would live in 29 major communities (one-third in Montreal, Toronto or Vancouver); at least 500,000 acres of new land, including good farm-land, would be needed for the expansion of the 29 centres by 1980 - and more might be needed if efficient use was not made of the land in future.

Mr. Pearson said that the Federal Government could not offer increased financial assistance at this time; he proposed the establishment of a joint Federal and provincial council to assess housing needs and advise how to meet them.

Excerpts from the Prime Minister's address follow:

...The Federal Government's involvement in housing and urban development goes back 32 years. In response to the needs and demands of Canadians, its role has increased until it has become the main provider of loans, grants or guarantees in financing a wide variety of programmes. The present National Housing Act has proven to be an important instrument in support of and co-operation with provincial and municipal governments for the development - and redevelopment - of virtually every aspect of the urban Canadian environment...

During the past ten years, the total federal

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investment for privately-initiated housing has exceeded \$3.5 billion. And, in addition to supporting home-ownership and rental housing to be offered on the open market, the NHA provides a variety of financial aids for other forms of housing and related works....

URBAN TRANSPORT

A viable and efficient system of transportation is an essential part of any urban environment. Improvements in existing systems are vital to an improved urban society. These cannot be made effectively by an individual municipality. They must be made within the whole economic and social area to be served, and this area embraces many local governments.

The Federal Government appreciates that the authority for all this lies primarily with the provincial governments, but it is prepared to co-operate in improved planning for the solution of urban transportation problems.

BUILDING PRODUCTIVITY

Last month, the President of the Canadian Construction Association, which represents more than 1,000 leading companies in the construction industry, said that "at no time in our history has the effort to increase productivity and efficiency been of such importance".

That statement reflects the fact that increased efficiency in the construction industry has not been able to offset to a sufficient extent scarcities of skilled labour, wage increases and higher costs of materials, equipment and land.

In recognition of this basic need to increase efficiency in the manufacture and use of building equipment, accessories and materials, the Federal Government, in close co-operation with the various sectors of the construction industry and with representatives of organized labour, began last February developing the BEAM programme (Programme for Increasing Productivity and Efficiency in the Manufacture and Use of Building Equipment, Accessories, and Materials).

Provincial government officials have been consulted about this programme.

Joint committees consisting of representatives of industry, labour and government have been formed and are now actively developing and implementing various projects which will help the industry to increase its efficiency....

POLLUTION

The Federal Government has recognized the desirability of a comprehensive approach to water-resource management and intends to introduce legislation to provide a modern and flexible framework for federal action and federal-provincial co-operation in this field.

The proposed legislation is designed to ensure that problems of water pollution may be tackled both separately and where appropriate, in co-ordination with other pollution problems. One of these is air pollution....

Federal action now in progress includes:

- (1) medical research on the effects of air contamination upon human health;
- (2) preliminary work on the assessment of pollution through a sampling programme to be worked out in accord with federal-provincial arrangements;
- (3) preliminary steps to determine acceptable standards of clean air and the means for controlling the emission of pollutants....

FURTHER FEDERAL FINANCING UNAVAILABLE

It would...be misleading to leave any impression that we are in a position to offer increased federal financial assistance at this time. There is no more magic for solving our housing and other urban environment problems in the use of the federal tax mechanism than in the use of provincial taxing powers. Indeed, it can be argued that there is more justification for using provincial taxing power for this purpose than for using the federal taxing-power. The use of the federal tax mechanism would inevitably mean that residents of the less urbanized areas, such as the Atlantic Provinces and the Prairies, would be contributing money to help the metropolitan areas - from which the bulk of our national income comes.

This does not mean, however, that there is no federal interest or responsibility involved.

The Federal Government, over the years, has made large investments in Canada's cities. This year alone it has authorized Central Mortgage and Housing Corporation to make direct investments in housing and urban development of more than \$950 million. It undoubtedly will continue to be a large

investor in this vital national area.

While current and temporary financial difficulties will prevent the continuation of this aid in 1968 on the scale it was provided in 1967, this does not prejudice in any way our desire to seek, with you, more effective ways of using the resources that are available.

The essential first step is to find better means of co-operating at all levels of government in planning the best and most socially-rewarding use of our collective public resources for future housing and urban development.

To this end, we are considering four broad changes in federal housing policy, to be implemented - so far as the Federal Government is concerned - as and when our resources permit.

These are:

- (1) Federal financial participation in comprehensive planning of our urban regions and in the advance acquisition of land for transportation corridors and open spaces for recreation and similar community purposes.
- (2) Federal financial support for land assembly and development of comprehensively-planned new suburban communities within urban regions.
- (3) Housing subsidy programmes to serve as an integral part of other combined federal and provincial anti-poverty measures in "special areas", characterized by general poverty, lack of employment opportunities and slow economic growth. These would provide for selling as well as renting housing below cost in these areas.
- (4) A more vigorous publicly supported programme to assist growing families of modest means, many of whom require not small apartments but three or four-bedroom accommodation and good community facilities within the reach of their moderate incomes.

All these proposals involve provincial government participation, and so we shall naturally be interested in receiving your views on them.

ADVISORY COMMITTEE

Before we can make any real progress toward an improvement in our urban environment, we must first improve the planning of that environment.

The need for such improved planning has already been widely recognized. To help meet this need, I would like to propose the establishment, jointly by the federal and provincial governments, of a Council on Housing and Urban Development, whose functions, generally, would be to gather and publish comprehensive, objective, and regular assessments of housing and urban development needs across the country; to suggest priorities of need and plans to meet them.

The Federal Government is prepared to participate at once in the establishment and maintenance of such a continuing Council. As I envisage it, the Council would comprise members drawn from a broad range of skills and experience in this field and appointed in a manner agreed to by the provincial and federal governments....

NEW WHEAT SALE TO CHINA

Mr. Robert Winters, the Minister of Trade and Commerce, has announced the sale of two million long tons of Canadian wheat to China. In a recent statement to the House of Commons, Mr. Winters said:

...The Canadian Wheat Board, following prolonged negotiations in Canton, has succeeded in concluding a sales contract with mainland China to provide for the export of two million long tons, 5 per cent more or less, of wheat - to be shipped from January through October 1968.

This contract is under the provisions of the Third Long Term Agreement with China, and consists of 1, 2, and 3 Northern wheat and a small quantity of Duram wheat.

Assuming that full tolerance is taken, the sale amounts to 78.4 million bushels.

Including the contract covered by this announcement, total sales under the Third Long Term Agreement amount to 4.7 million tons, or approximately 177 million bushels. The Long Term Agreement provides for a minimum of 4.5 and a maximum of 7.5 million tons over the three-year period commencing August 1, 1966, with the amounts for each year to be negotiated separately.

TERMS

As in the previous contracts, payment terms for sales under the Long Term Agreement are 25 per cent cash when each vessel is loaded, and the balance of 75 per cent in 18 months, with interest. The deferred payment provision is made possible by a guarantee to the Canadian Wheat Board by the Government of Canada....

MACHINERY PROGRAMME

A programme with substantial benefits for Canadian producers and users of machinery worth \$1.25 billion annually was announced recently by Mr. C.M. Drury, Minister of Industry.

Mr. Drury said that the Machinery Programme had two purposes. The first was to encourage improved efficiency by permitting Canadian industry to acquire capital equipment at the lowest cost possible; the second was to facilitate the development of the Canadian machinery industry along more specialized lines of production.

Under the Machinery Programme, a new tariff item will replace 18 existing items whose rates range up to 22.5 per cent, depending on whether the machine is of a "class or kind" made in Canada. Mr. Drury announced that the "class or kind" distinction would disappear and a common rate of 2.5 per cent British preference, 15 per cent most-favoured-nation would be established. Mr. Drury noted that while the tariff was being reduced it would now be applied with greater certainty. As such, it will result in a major simplification in tariff administration. Of prime importance, is that the Programme will provide for remission of duty when this is in the

public interest and the machinery being imported is not available from production in Canada.

For the most part, the products coming under the Programme are production machinery and equipment used by Canadian manufacturing industry. Machinery and equipment for the service industries and some miscellaneous products are also included. Imports of these items are approximately \$700 million annually.

Mr. Drury stated that if Canadian manufacturers were to increase their productivity and become competitive in international markets, it was vitally important that they acquire the most modern and efficient machinery. "Remission of duty on advanced equipment which is not available from production in Canada will make an important contribution in this regard," he said.

INDUSTRIAL BENEFITS

The Minister emphasized that the Machinery Programme also had many benefits for the Canadian machinery manufacturing industry. He pointed out that the proposed rate of 15 per cent provided a reasonable measure of protection, having in mind the tariff-rates of other industrial countries. He said the new tariff rate would apply to any products under the item which Canadian machinery manufacturers could produce as soon as they were in a position to supply. Under present tariff provisions, a Canadian-made machine is not entitled to the protective rate until such machines account for 10 per cent of domestic consumption in that class. Mr. Drury noted that this was specially important to Canadian producers of custom-engineered machines. Under the present system, the usefulness of the "made in Canada" and the anti-dumping provisions for custom-made products are somewhat limited because of the difficulty of demonstrating that domestic firms supply 10 per cent of Canadian consumption. "This situation will be corrected with the introduction of the Machinery Programme," the Minister said.

CANADA-U.S. TAXATION AGREEMENT

The Secretary of State for External Affairs, Mr. Paul Martin, and United States Ambassador W. Walton Butterworth have recently exchanged legal instruments ratifying and bringing into force a Supplementary Income Tax Convention between Canada and the United States.

The Supplementary Convention, which was signed in Washington on October 25, 1966, further modifies and supplements the Income Tax Convention of March 4, 1942 between Canada and the U.S. for the avoidance of double taxation and the prevention of fiscal evasion in the case of income taxes.

This modification was proposed by the United States and will eliminate the unintended preferential treatment accorded to persons resident outside both the United States and Canada who have received investment income from the U.S.A. at substantially reduced tax rates through companies that are incorporated in Canada but which are not resident in Canada for purposes of Canadian income tax.

CANADIAN ALTITUDE RECORD

The Canadian Armed Forces have established a national altitude record for jet aircraft. Wing Commander R.A. White, of Kirkland Lake, Ontario, recently piloted a CF104 *Super Starfighter* to a height of 100,100 feet from Canadian Forces Base Uplands, near Ottawa.

An application for formal recognition of the record is being made through the Royal Canadian Flying Clubs Association, agent for the Federation aeronautique internationale, which is the governing body for aviation competition and records. This is the first record of its kind to be established for a Canadian jet aircraft; in achieving it, the *Starfighter* flew at more than 1,800 miles an hour, the top speed for an aircraft flown in Canada.

The experiments and tests were part of the centennial project of the Aerospace Test Establishment at CFB Uplands. Wing Commander White is the chief test pilot.

Though the flight itself lasted only a few minutes, it was the result of more than six months of intensive co-operation between AETE and a number of government and civilian agencies. As well as Wing Commander White another pilot, Squadron Leader R.G. Hayman of North Bay, Ontario, took part in the project. The two pilots flew alternate flights as they went progressively higher and faster in preparation for the final assault on the altitude record.

LABOUR SAFETY CODE

Effective January 1, 1968, the Canada Labour (Safety) Code went into effect for all those engaged in industries and other enterprises under the jurisdiction of the Federal Government.

As a direct result of the proclamation of the new Code on that date, Mr. John R. Nicholson, Minister of Labour, said there would be, for the first time, a requirement on employers and employees in these endeavours to adhere to certain statutory obligations with respect to safety on the job. "These obligations," the Minister added, were "real and reasonable, and mark a significant advance in industrial safety through a sound investment in the protection of Canada's most vital resource — the men and women who produce the goods and services for modern living."

In general, the new Safety Code applies to employers and employees in works, undertakings or businesses of an interprovincial, national, or international nature and to some others that have been declared by Parliament to be for the general advantage of Canada. These are essentially the same groups as covered by the Canada Labour (Standards) Code

and other federal labour laws.

Though the Act does not apply directly to the federal public service, the Government will, as a matter of policy, meet the standards developed under the new Code.

The Safety Code is designed to close some important gaps and to supplement safety provisions in existing legislation, Mr. Nicholson said. The implementation of the new Act and its regulations requires close consultation and co-operation between the safety officials of the Canada Department of Labour and the employers, unions, provincial authorities and others involved.

HOVERCRAFT FOR COAST GUARD

The Department of Transport is purchasing an air-cushion vehicle, a British-built *Hovercraft*, type SRN-5, for service with the Canadian Coast Guard on the West Coast. The vehicle is being bought from British Hovercraft Corporation at a cost of about \$490,000. This figure includes the costs of fitting out the *Hovercraft* for search-and-rescue duty, of spare parts, of electronic equipment, and of a hangar, as well as of federal sales tax and related outlay.

The craft is to be based in the Vancouver area, where the heavy density of pleasure and commercial boating traffic will provide ample opportunity for the gaining of operational experience. On the basis of such experience, the Department will be able to make decisions concerning the use of such vehicles in other parts of Canada.

FEMALE POPULATION INCREASE

Continuing a downward trend since 1956, the ratio of males to 100 females for Canada as a whole fell from 103 to 101 in the ten years from 1956 to 1966, according to a Dominion Bureau of Statistics report issued recently, which showed the distribution of population by sex and the proportion of males to females in the 1966 census.

Rural areas of Canada in the 1966 census recorded a ratio of 110, while in urban areas there were 98 males to every 100 females. Rural farm population showed the highest ratio of males to females at 115. Uneven balance of the sexes between urban and rural areas reflects the migration of females to urban areas where employment opportunities are greater for women.

A wide variation in provincial figures is indicated, from the highest ratio of 105 in Saskatchewan to the lowest of 100 males to 100 females in Ontario and Quebec. Nova Scotia, New Brunswick and Manitoba each recorded a ratio of 101; Prince Edward Island and British Columbia, 103; and Alberta and Newfoundland, 104 males to 100 females.