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Major overhaul for Canadian social security system

Family allowances increases from the present average of \$7.21 a month to \$20, and a guaranteed minimum income, were among the main recommendations in a working paper on social security tabled in the House of Commons on April 18 by the Minister of National Health and Welfare, Mr. Marc Lalonde. Canada's redesigned social security system, the subject of a three-day federal-provincial conference of welfare ministers that began on April 25 in Ottawa, will be implemented, it is expected, over a three- to five-year period, although the higher family allowances would, Mr. Lalonde hoped, become effective next January. The Government's proposals were described as follows by the Minister:

...First of all, we are proposing an employment strategy. By removing from existing programs disincentives to seek training and employment, by improving government-provided counselling, training and placement services, and by establishing an on-going program of community employment in socially useful activities, we hope to improve the potential of Canadians who have been unemployed for an extended period of time to obtain an employment income.

Social insurance

Next, we are proposing a social insurance strategy. To meet the contingencies of short-term unemployment and to provide for retirement, disability, and the support of survivors, we recommend the maintenance and strengthening of social insurance programs. In this regard, we advance two specific proposals in relation to the Canada Pension Plan which we would like to embody in legislation this year — subject to a provincial consensus. This involves an increase in the level of yearly maximum pensionable earnings to \$7,800 by 1975, and the removal of the ceiling on cost-of-living escalations of Canada Pension Plan benefits.

Income supplement

Thirdly, we are advancing an income-supplementation strategy. We recognize that the earnings of people who are working may not always be sufficient to meet family income needs.

This may be because of the size of the family — wage levels not being related to the numbers of children — or it may be because of the nature of the breadwinner's employment — it may be low-paying self employment or intermittent work. To meet these problems of the "working poor", as they are often called, we are advancing two propositions.

First, we are proposing a significant increase in the universal family and youth allowance benefit, from an average of \$7.21 per child per month. To effect a significant measure of income redistribution, we propose to make the new family allowance taxable — although I should point out that practically all Canadian families should realize a net increase over their present levels.

In the budget of February 19 we provided for an appreciable reduction of income and other taxes in order to increase the net disposable incomes of Canadian taxpayers. By this additional measure we are effecting a sub-

Federal-provincial welfare conference supports higher "baby bonuses"

General agreement was reached on the first day of the federal-provincial welfare conference on the raising of family allowances. The Minister of National Health and Welfare announced that support for the plan was so strong that he expected to introduce legislation for the higher payments before the beginning of summer.

stantial transfer of funds to Canadian families. Such a measure will be of great benefit to people with low and middle incomes but the greatest benefit will result in a net increase in payments to Canadian families of over \$800 million in a full year.

Second, we are suggesting that where income from employment, plus the higher family allowances, still does not provide the family with an acceptable minimum income, consideration should be given to a single general income supplementation program. Such a program would have the advantage not only of providing more acceptable incomes to the working poor, but also of providing them with an incentive to continue to work rather than to go on social aid.

The aged and the needy

The largest groups of people, however, who do not receive an acceptable minimum income — whether from employment or social insurance — are those who are old or disabled or otherwise not employable. And there are the large numbers of single parent families — largely widowed or separated mothers with dependent children — who choose not to seek or who are unable to find employment outside the home. We suggest that additional income supplementation should be provided to these people, thus assuring them a guaranteed income.

In the case of the aged, we propose that they enjoy an option to choose between this guaranteed income and the existing OAS/GIS system. Finally, to accommodate cases of special and emergency need, we suggest a “back-stop” program of supplementary social assistance.

To make the employment and income-supplementation strategies fully effective, we advance a social and employment services strategy, based on two propositions. The first is that necessary training, counselling, placement, rehabilitation, and child-care services should be extended and improved. The second is that the costs of special services in areas such as nursing home and child care services should be covered under the plan for those in need of them but who are unable to meet these costs themselves.

The review of the social security system upon which we are embarking is, as I have consistently stated, a joint federal-provincial venture — both the review and ultimate implementation. It is for this reason that we are setting out propositions rather than fixed proposals, and why we have not sought to make proposals concerning jurisdictional and financial divisions of responsibility.

We have, however, a general format to suggest — a flexible and creative approach to the federal-provincial dimension. This proposed format in-

cludes major innovations in the field of federal-provincial or constitutional arrangements.

First, subject to certain national minimums, we suggest that provinces should have the power to vary the levels of allowances and income supplements paid under federal programs. Within prescribed limits, the provinces would be able to reduce the allowances paid under one federal program and transfer the savings to increase the allowances paid under another program.

Second, we suggest that, as a condition of this flexibility, there should be a framework of national norms and national minimum standards to ensure a basic equity to all Canadians affected.

Finally, we propose that the entire review be completed within two years, and that the implementation of such an approach should be regarded as a three- to five-year process, starting from the April conference of ministers of welfare and calling for the gradual implementation over time, within existing levels of taxation, of the approach which is agreed upon. However, early priority should be given to the adoption of legislation this year for increasing family allowances and for those changes in the Canada Pension Plan which the provinces can agree upon. It would be our hope that the increased family allowances would come into effect in January 1974....

Canada signs claims agreement with Czechoslovakia

Secretary of State for External Affairs Mitchell Sharp signed on April 18, on behalf of the Government of Canada, an agreement settling outstanding claims by Canadian citizens against Czechoslovakia. Dr. Rudolf Rohlicek, the Czechoslovak Minister of Finance, signed on behalf of the Government of Czechoslovakia. Negotiations began in Prague in May 1971.

The agreement will come into force on the date on which the contracting parties inform each other through an exchange of letters that the agreement has been approved by their respective Governments. This exchange will take place in Prague as soon as possible.

The claims covered in the agreement arose from postwar nationalization and similar measures of the Government of Czechoslovakia; the agreement covers

certain properties that were owned by Canadian citizens at the time of the nationalization. (The claim of Mr. Thomas Bata Jr. for the nationalization of the firm Bata a.s., Zlin and its subsidiaries in Czechoslovakia is not covered.)

The pact provides for the payment of \$3.25 million in seven equal annual instalments, the first instalment to be paid not later than 90 days from the coming into force of the agreement.

The Foreign Claims Commission will be authorized to make recommendations to the Secretary of State for External Affairs and the Minister of Finance regarding the distribution of the proceeds of the settlement; those persons who have filed claims with the Government will be notified of the settlement.

Aircraft sale to Norway

National Defence Minister James Richardson, recently announced the sale to Norway of 22 CF-104 *Starfighter* aircraft, together with associated program support in equipment, parts and training, for more than \$13 million.

The aircraft have been surplus to the Armed Forces' inventory since July 1970, when Canada reduced the number of its CF-104 squadrons serving with NATO in Europe to three from six.

Mr. Richardson said that the cost of the aircraft to Norway, an initial stock of spares, and supporting training and administration charges was \$9,175,000. The Canadian aviation industry will also receive about \$4 million from Norway for engine overhaul and air-frame work.

Private and public investment in Canada – outlook 1973

Capital expenditures of \$23.8 billion are planned for 1973 by all sectors of the Canadian economy including business, housebuilding, institutions and governments. This level of spending, if accomplished, would exceed by nearly 9 per cent the \$21.9 billion spent for these purposes in 1972.

These plans were contained in the report *Private and Public Investment in Canada, Outlook 1973*, which was tabled in the House of Commons on April 12.

The report indicates that capital investment plans for 1973 involve a sharply-increased emphasis on business investment, now planned at a level more than 13 percent above that of the previous year. Outlays in the housing and social capital sectors in total are expected to rise by less than 2 per cent. Plans for 1973 represent a much different pattern from that which prevailed in 1972, when spending on both business and non-business capital advanced by 8 to 9 per cent.

Planned outlays on new production facilities show a more rapid rate of increase in 1973 in the service-producing industries than in the goods-producing sector – 13 per cent, compared to 7 per cent. Last year, however, the goods-producing sector did not exhibit any growth and all the increase in capital expenditures occurred in the service-producing industries.

Manufacturing investment spending is expected to rise by about 9 per cent in 1973, following two years of declining capital outlays. This planned advance contributes significantly to the improved prospects for 1973 in the goods-producing sector as a whole. Added strength comes also from sharp increases in investment plans by the agriculture and forest industries.

Paper products and mining decline

Most sectors of manufacturing are involved in the expanded level of spending, with the petroleum refining and chemicals industries showing particularly large gains in dollar outlays. A major exception occurs in the paper-products industry, where the recent declining trend in capital expenditures is expected to continue.

The mining sector constitutes the

Ottawa receives memorial to Argentine hero

On the morning of April 19, Minto Park in downtown Ottawa was the animated scene of the unveiling of a bronze bust of the Argentine hero General José de San Martín, liberator of his homeland and of Chile and Peru. The bust, which was the work of the Argentinian sculptor José Vian, was presented by the Argentine Ambassador to Canada, Dr. Pablo Gonzales Bergez, to Mayor Pierre Benoit of Ottawa. During the ceremony it was guarded by several members of the famous regiment of mounted grenadiers founded in 1812 by General San Martín, dressed in the uniform of the liberation period.

The unveiling was attended by a large number of official guests, and was witnessed by numerous onlookers attracted by the spectacle. Prominent among the Argentine representatives was General Carlos A. Salas, Chairman of the San Martín National Institute. The ambassadors of the following states were also in attendance: Bangladesh, Belgium, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, El Salvador, France, Haiti, the Holy See, Italy, Mexico, Peru, Spain, the United States and Venezuela. The youngest guests were the delegations from Toronto's Argentina Public School and from the Ottawa area branch of the Girl Guides of Canada.

In his presentation address, Ambassador Bergez called for increased cul-



Bust of General José de San Martín which was unveiled at Minto Park, Ottawa, on April 19.

tural and economic contacts between Argentina and Canada. He described General San Martín as one whose main motive, throughout an active life, had been the pursuit of honour and justice. In his speech of acceptance Mayor Benoit described the bronze as a symbol of the friendship that had long existed between the two countries.

principal area of weakness. Investment by mining firms is likely to decline somewhat further in 1973, following a drop of 10 per cent in 1972. Significant increases in the petroleum and natural gas sectors and planned advances in spending by non-metallic mineral mines fail to offset expected declines in outlays by iron mines and non-ferrous metal mines.

The business sector is buoyant in the service-producing industries as well. Spending plans by utilities for 1973 involve a sharp increase of 18 per cent from the level attained a year earlier. Expansion is concentrated in electric power as well as in projects of telephone systems and air transport companies. Capital expenditures are to increase by more than 20 per cent in the trade, finance and commercial ser-

vices sector. The only weak component is wholesale trade. Planned outlays for 1973 by wholesale firms are below the unusually high spending level of the previous year. Investment plans for non-business services involve an increase of 3 per cent from the 1972 total. Spending by government departments is expected to advance by 9 per cent, more than offsetting a probable decline of 11 per cent in outlays by institutions, that is expected swing to the reduction in programs for educational facilities which outweighs the proposed expansion of hospitals. The federal and municipal governments plan to increase capital spending by 18 per cent and 14 per cent respectively in 1973, while expenditures by provincial governments will probably remain at about the 1972 level.

New machinery

An increased emphasis on the acquisition of new machinery is in evidence in spending plans for 1973, while in general less emphasis is placed on outlays for new structures. Planned spending on new machinery and equipment in total is up by about 14 per cent this year, compared to a gain of 10 per cent for 1972. The expected increase of less than 6 per cent in 1973 in outlays for new construction is a slackening from the pace of last year, when an advance of close to 8 per cent was attained. The slower rate of growth is entirely attributable, however, to an anticipated levelling-off in housebuilding activity. In 1972, expenditures on new housing rose by 18 per cent. In contrast, non-residential building construction should advance by about 8 per cent in 1973, compared to a rise of 3 per cent recorded last year. Engineering construction is also likely to rise by some 8 per cent in 1973.

Safe, not sorry, in this car seat

Although many types of special seat have been produced to hold a child securely, more and more stringent tests have found inadequacies, even inadvertent dangers, resulting in many withdrawals from the market.

The "Guardwell" child's car-safety seat was a full year in design and development before Donlee Plastics of Weston, Ontario, put it into production, after tests by the Highway Safety Research Institute of the University of Michigan. The results were excellent.

Donlee has constructed its one-piece safety seat from "high-density" polyethylene, which has two important advantages — its ability to absorb energy and also, resistance to moisture. The impact pad on the front of the seat also has the characteristics of energy absorption and moisture resistance. Also, the Guardwell has a flat bottom, which means that it stays level and will not rock from side to side.

The lap seat-belt holds the child's seat securely in position but never comes in contact with the child because it passes through openings in the side of the safety seat, which takes all the pull and strain. This

All regions participate in the increase in anticipated outlays for 1973 on new capital projects, and advances range from 12 per cent for the Prairie region, 10 per cent for Quebec, 7 per cent for Ontario and British Columbia inclusive of Yukon and the Northwest Territories, to 6 per cent for the Atlantic region. With few exceptions the broad pattern is about the same as last year's.

The report, produced jointly by Statistics Canada and the Department of Industry, Trade and Commerce, emphasized the importance of the sharp increase planned in business investment. The rapid growth in outlays in this sector provides a potentially greater expansionary influence to the economy than in the last five years. The acceleration in intended expenditures by business on new production facilities — in particular the recovery in manufacturing — will strengthen Canada's productive base in the current year and stimulate as well further industrial growth in the near future.



The Guardwell car-safety seat

means that the seat belt can be firmly tightened.

The new seat can also be used on the floor, on the grass and as a booster seat at the table. In fact, the company recommends that it be used outside the car to help make it familiar and fully acceptable to the child.

Ontario university grants raised

The total amount of operating grants to Ontario universities and community colleges will rise from \$555.4 million to \$603.9 million, or 8.7 percent over the 1972-73 figure. "The province's financial commitment shows that post-secondary education remains very high on the Government's list of priorities," said Jack McNie, Ontario Minister of Colleges and Universities.

Much of the increase comes with a rise in the value of the "basic income unit", which is used in calculating grants based on enrolment. It has risen to \$1,825 from \$1,765, an increase of 3.4 per cent reflecting increases in the consumer price index.

Other factors affecting the increase to universities include added support to part-time programs, more support for bilingual programs and an increase in grants to municipalities in lieu of taxes for education facilities.

Calculation methods change

The formula for calculating grants based on enrolment has been changed with the introduction of "slip-year financing". Under this method, grants for the 1973-74 fiscal year will be based on actual enrolment in 1972-73 rather than on the 1973-74 enrolment.

A new method of calculating support for bilingual programs will also be introduced. Grants equal to 5 per cent of their basic operating income will go to the University of Ottawa, York University's Glendon College, Laurentian University, Algonquin College of Applied Arts and Technology and the University of Sudbury.

A first for student nurses

In 1973-74, for the first time, the colleges' estimates include operating support for 9,500 diploma nursing students who will be integrated into the system in September. Several colleges already are involved in health sciences programs. Some nurses' training will continue in regional and hospital nursing school facilities.

Support will also go to registered nursing assistant schools, including some provision for students' living allowances. It is expected that the RNA schools eventually will be integrated into the colleges. At such time, college grants will be adjusted.

NORAD agreement extended for another two years

National Defence Minister James Richardson described as follows to the House of Commons on April 17 reasons for the renewal of the NORAD agreement:

Two major objectives of our defence policy are to protect Canadian sovereignty and, in co-operation with the United States, to make an effective contribution to the defence of North America. These objectives are achieved in part through Canada's participation with the United States in the North American Air Defence Command agreement, which is known to all of us as NORAD.

The NORAD agreement was originally signed on May 12, 1958, for a period of ten years. On March 30, 1968, the agreement was renewed, with some additional provisions, for a further five years. As the end of the five-year renewal period is on the 12th of next month, the Canadian and American Governments have been giving consideration to the renewal of the agreement.

The United States Government has been actively engaged in the development of modernized air defence systems. Canada has been kept fully informed of the progress being made and has actively co-operated in some aspects of the work being done.

Although development of the new systems is now at an advanced stage, it has not reached the point at which the two Governments are able to decide upon the extent to which the systems for the air defence of North America

should, at this time, be changed and improved.

As further time is required before decisions can be reached by either country, it has been determined that the best course of action to meet the requirements of both Governments is to extend the present NORAD agreement for a further period. It has, therefore, been agreed between Canada and the United States that the NORAD agreement will be extended in its present form for a further period of two years commencing May 12, 1973, and that an appropriate exchange of diplomatic notes will shortly be exchanged for this purpose.

Honourable Members already know that the Standing Committee on External Affairs and National Defence has made a special study of the NORAD agreement and has tabled a report in the House on this subject. I am particularly pleased to be able to point out that the Government's decision to renew the NORAD agreement is consistent with the recommendations contained in the report tabled by this committee....

The Government's decision to renew the NORAD agreement for two years will assist Canada in a meaningful way to achieve the central objectives of our defence policy.

Order of Canada medalists

On April 11, Governor-General Roland Michener invested 59 Canadians with Order of Canada medals. The highest level of the Order – that of Companion – was conferred on Fernand Choquette, former judge in the Quebec Court of Appeal, J.V. Clyne, Chairman of the Board of MacMillan Bloedel Ltd, Dr. Robertson Davies, playwright and novelist, and Air Chief Marshal Frank R. Miller, former Chief of Defence Staff.

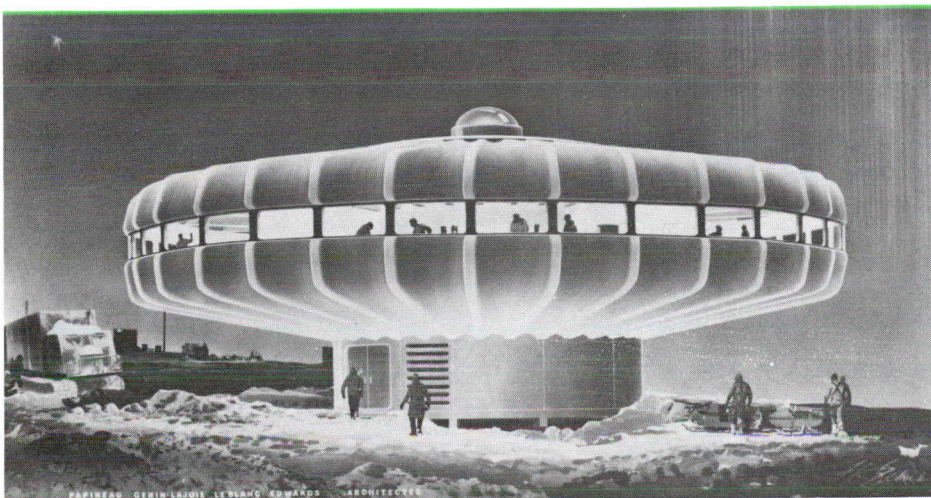
Twenty eminent Canadians were invested as Officers and the remaining 35 were invested as Members of the Order. Two recipients of the Members' medal – Guy Mauffette and Robert Prévost – were not present to accept their awards.

Among these invested as Officers were Roloff Beny, photographer, Douglas L. Campbell, former Premier of Manitoba, Dr. Charles Comfort, formerly Director of the National Gallery, Monseigneur Paul-Emile Gosselin, editor of *Vie Française*, Richard Jones, President and founder of the Canadian Council of Christians and Jews, jazz pianist Oscar Peterson, the Dean of Ottawa's University Faculty of Medicine, Dr. Jean-Jacques Lussier, President of the Canadian Labour Congress Donald MacDonald and Dr. Katharine McLennan, the honorary curator of the Fortress of Louisbourg. Sister Alice Gervais, retired principal and educator, Mr. William Hurst, civil engineer, Dr. Herman Smith Johannsen, skiing enthusiast, Police Chief James George Kettles of Saskatoon and Professor Georges Maheux, naturalist and entomologist, were among those who received Members of the Order of Canada.

Igloolik research laboratory

A scientific research laboratory costing about \$450,000 is to be built at Igloolik, the main Eskimo settlement in the Foxe Basin area of the Northwest Territories and is scheduled for completion next spring.

Historically and geographically, Igloolik is at the centre of the Eskimo population. It is situated on the boundary between the pre-Cambrian



Architect's conception of the mushroom-shaped Igloolik research laboratory

Shield and the limestone of the Hudson Bay lowland, the two dominant land forms of the Hudson Bay and Foxe Basin area. The marine environment is of particular interest owing to the current through Fury and Hecla Strait, which provides year-round open water in the vicinity.

"There are few scientific facilities in the Eastern Arctic, where much of the Arctic population lives," said Northern Affairs Minister Jean Chrétien in making the announcement. "Since the establishment of the scientific research laboratory at Inuvik in 1963, the growing scientific interest in the North, as well as the increasing emphasis on development, has created a pressing need for facilities in the Eastern Arctic parallel to those that have been provided at Inuvik."

Mushroom-shaped structure

After study and research to obtain a building that would be modern, serviceable and adaptable to the surrounding terrain, a circular mushroom-shaped structure was chosen, which would contain the services required in an Arctic research laboratory.

The building will have as its centre a 680-square feet conference room, surrounded by the director's office, laboratories, the meteorological office, a library, a workshop, storage rooms, visitors' offices and a kitchen-dining area. The "stem" of the mushroom will house such utilities as heating and water storage.

Federal assistance for Quebec housing

Under the terms of an agreement with the Province of Quebec, the Federal Government will make available \$70 million during 1973 to enable the province to undertake municipal housing projects for low-income families, as well as projects for the elderly, for students and for handicapped children.

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The announcement was made recently by Ron Basford, federal Minister of State for Urban Affairs and Victor C. Goldbloom, Minister of Municipal Affairs and responsible for the Quebec Housing Corporation Act. The agreement was signed by H.W. Hignett, President of Central Mortgage and Housing Corporation and by Jacques Bernier, President of Quebec Housing Corporation.

The Quebec Housing Corporation will make the federal funds directly available to municipalities, non-profit organizations and other authorized institutions.

The agreement also provides for additional funds to be available during 1973 should these be required by Quebec Housing Corporation for supplementary housing programs. The establishment of a committee to study techniques and procedures of housing and related programs is included also.

August at the NAC accents youth

The National Arts Centre in Ottawa has announced "August '73 at the NAC", a month of light entertainment with the accent on youth - shows for young people and by young people. Eric Nicol, the Vancouver playwright, called the NAC "the busy prime mover of the arts in Canada". August has always been the month during which the young Canadian professionals and companies offering programs specially chosen for young people, are invited to appear at the NAC. There will be rock concerts, rock ballet and rock opera, folk-dancing, medieval music, plays by young "underground" companies, Dixieland music, jazz three nights a week, country music, and Arthur Fiedler of the Boston Pops will conduct the Montreal Symphony Orchestra. No show will cost more than \$3 for admission.

The month will start off with the big band jazz sound of Nimmons 'N 9 + 6 in the Opera. The Royal Winnipeg Ballet will give the Ottawa première of their new Norbert Vesak rock ballet *What To Do Till the Messiah Comes*, the Mapleridge Singers of Ottawa will present their new rock opera *The Two Sides of Louis Riel*, based on the legendary revolutionary figure from the West of Canada, and there will also be a series of English and French rock

concerts throughout the month. Canada's national dance ensemble, Les Feux Follets, will appear for a two-week engagement in August and The Huggett Family return from England for a week with their medieval music... songs, dance and stories from the time of Robin Hood.

Farm Show, Les Jeunes Comédiens of Montreal, Land of the Young, the Earl Scruggs Revue, the Silver Fox Country Show, the Everly Brothers and a national fiddling contest are other attractions of the NAC in August.

Qantas and CP Air pool services

Qantas airlines of Australia and CP (Canadian Pacific) Air have entered into a pooling arrangement for their services between Australia and Canada, which began on April 1.

The agreement provides for the revenue from passengers, cargo and mail of both Qantas and CP Air services between Australia and Canada.

CP Air is also operating, as of May 5, a second weekly frequency into Australia, extending a service that had terminated in Fiji, and Qantas operates on a new route to Canada via Fiji and Tahiti.

The new Qantas route replaces the weekly extension to Vancouver of Qantas' regular San Francisco service. Operations on the new route began on April 6.

Stanley Cup finals and World Hockey Association finals

National Hockey League

April 29, Montreal 8, Chicago 3
May 1, Montreal 4, Chicago 1
May 3, Chicago 7, Montreal 4
Montreal leads best of seven two games to one.

World Hockey Association

April 29, New England 7, Winnipeg 2
May 2, New England 7, Winnipeg 4
May 3, Winnipeg 4, New England 3
New England leads best of seven two games to one.