



Bulletin

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CANADA RECOGNIZES THE PEOPLE'S REPUBLIC OF CHINA

In a statement to the House of Commons on October 13, Mr. Mitchell Sharp, Secretary of State for External Affairs, announced the successful conclusion of discussions in Stockholm with representatives of the People's Republic of China on mutual recognition and the establishment of diplomatic relations.

Mr. Sharp stated:

"Officials from my Department and from Industry, Trade and Commerce will be leaving for Peking very shortly to begin administrative preparations for the opening of a Canadian embassy in Peking. We hope to have the embassy in operation within two or three months.

"The establishment of diplomatic relations between Canada and China is an important step in the development of relations between our two countries, but it is not the first step, nor is it an end in itself. We have opened a new and important channel of communication, through which I hope we will be able to

expand and develop our relations in every sphere. We have already indicated to the Chinese, in our Stockholm discussions, our interest in setting up cultural and educational exchanges, in expanding trade between our two countries, in reaching an understanding on consular matters, and in settling a small number of problems left over from an earlier period. The Chinese have expressed the view that our relations in other fields such as these can only benefit from the establishment of diplomatic relations between our two countries. They have also agreed in principle to discuss through normal diplomatic channels, as soon as our respective embassies are operating, some of the specific issues we have raised with them.

NON-COMMITAL ON TAIWAN

"As everyone knows, the agreement published today has been under discussion for a long time. I don't think it is any secret that a great deal of this discussion has revolved around the question of Taiwan. From the very beginning of our discussions the Chinese side made clear to us their position that Taiwan was an inalienable part of Chinese territory and that this was a principle to which the Chinese Government attached the utmost importance. Our position, which I have stated publicly and which we made clear to the Chinese from the start of our negotiations, is that the Canadian Government does not consider it appropriate either to endorse or to challenge the Chinese Government's position on the status of Taiwan. This has been our position and it continues to be our position. As the communiqué says, we have taken note of the Chinese Government's statement about Taiwan. We are aware that this is the Chinese view and we realize the importance they attach to it, but we have no comment to make one way or the other."

Simultaneously with Mr. Sharp's statement, the Nationalist Chinese Ambassador to Canada, Mr.

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Yu-chi Hsueh, issued a statement severing diplomatic relations with Canada. The Nationalist Embassy in Ottawa and the Consulate-General in Vancouver wound up their affairs within ten days of the announcement.

Joint Communiqué

Following is the text of the joint communiqué, dated October 13, of Canada and the People's Republic of China:

(1) The Government of Canada and the Government of the People's Republic of China, in accordance with the principles of mutual respect for sovereignty and territorial integrity, non-interference in each other's internal affairs and equality and mutual benefit, have decided upon mutual recognition and the establishment of diplomatic relations, effective October 13, 1970.

(2) The Chinese Government reaffirms that Taiwan is an inalienable part of the territory of the People's Republic of China. The Canadian Government takes note of this position of the Chinese Government.

(3) The Canadian Government recognizes the Government of the People's Republic of China as the sole legal government of China.

(4) The Canadian and Chinese Governments have agreed to exchange ambassadors within six months, and to provide all necessary assistance for the establishment and the performance of the functions of diplomatic missions in their respective capitals, on the basis of equality and mutual benefit and in accordance with international practice.

CANADIAN COMMUNICATIONS IN TURKEY

Foreign Trade, a publication of the Department of Industry, Trade and Commerce, reports in a recent issue that Northern Electric Company Limited of Canada was making a major contribution to the founding of a modern telecommunications industry in Turkey, with its manufacturing plant on the outskirts of Istanbul.

Northern Electric, in a joint venture with the Turkish Post, Telegraph and Telephone Directorate, produces and assembles dial and magneto telephones and crossbar equipment in a 91,500 square-foot plant called Northern Electric Telekomunikasyon Anonim Sirketi (N.E.T.)

Immediate production goal of the new company is the Supply Contract signed by Canada and Turkey. Under this \$29-million contract, which expires in 1972, Northern Electric will supply \$24.5-million worth of equipment to expand and modernize the communications system in and around Ankara, Istanbul and Ismir.

By financing the \$24.5-million telecommunications installation, Canada is fulfilling its pledge to assist Turkey's economic and industrial development

under the consortium established by the Organization for Economic Co-operation and Development. The Supply Contract was arranged through the Canadian International Development Agency (CIDA) and the Export Development Corporation.

Already doubling the size of the factory is under consideration and the enlarged premises would increase Turkish content of the types of equipment being made. However, considerable space would be used in the manufacture of semi-automatic toll equipment, PBX exchanges and sophisticated electronic telecommunications hardware.

TRAINING PERSONNEL

The present staff of 443 will be increased to 600 by the end of 1970. The factory staff includes 14 Canadian specialists. Of the 69 Canadian outdoor technicians initially sent to Turkey, only 42 remain. Turkish technicians, trained on the job by their Canadian counterparts, take over the work on their own when their skills are of the level required by Northern Electric. About 15 Turkish technicians received training at Northern Electric facilities in Montreal. Eventually N.E.T., at all levels of the company, will be staffed by Turkish personnel.

EXPERTS TO TANZANIA

Sixteen Canadian specialists, in fields as diverse as news commentary, economic planning, road building and town planning, will spend the next two years in Tanzania taking part in a major development project.

Under renewable contracts with the Canadian International Development Agency, they will serve on adviser teams that will function as planning units attached to five government ministries in Dar-es-Salaam. Each adviser will help a Tanzanian counterpart to learn his duties so that these units can continue to function after the Canadians leave.

Larry Henderson, well known broadcaster and chief announcer for CBC television news from 1954 to 1960, will help to organize rural extension programs on radio as a member of a team of four advisers in the Ministry of Information and Tourism. The group leader is Barry Toole, budget adviser to the New Brunswick government and former economics editor of the "Financial Times". Other members include Dianne Armstrong, an Ottawa information officer, and Wilford Saul, a Toronto marketing economist.

Tourism, based on Tanzania's famous national parks, where African wildlife can be observed in natural settings, is a growing source of funds required to finance the country's development efforts. To help develop this important industry two Ontario men, Peter George of Dundas and Peter Wyse of Islington, will conduct research and advise on policy for the Tanzania Tourist Corporation.

FACELIFT FOR CANADIAN WELFARE COUNCIL

The fiftieth annual meeting of the Canadian Welfare Council ratified changes in the structure and functions of the Council that will alter its direction and streamline future operations.

Although a new name – the Canadian Council on Social Development – still has to be approved by the Government, all the proposals put to the meeting were approved. A 90-member board of governors was reduced to 60; five program divisions, each semi-autonomous with its own membership, were abolished (the Canadian Corrections Association, the Canadian Public Welfare Association, the Community Funds and Councils of Canada, Family and Child Welfare Division and the Division on Aging), two of which, the Canadian Corrections Association and the Community Funds and Councils of Canada, become affiliated bodies with control over their own program and finance.

The program of the Council now centres on social policy formulation and promotion, organized round social development tasks which the Council will undertake in response to changing social needs.

It will conduct studies, recommend action and take action on its own behalf. Staff will be assigned tasks as they arise, and project committees, composed of staff and laymen, will be struck as required.

Constituencies that have been served in the past will be served, as before, by the Council's two affiliated bodies, by staff in a liaison capacity in the following areas: income security; personal social services; health, community development; housing; education; work and leisure.

FIRST WOMAN CHAIRMAN

Mrs. W.M. Benidickson, of Ottawa and Kenora, was elected chairman of the executive committee of the Canadian Welfare Council, succeeding Horace S. Racine of Ottawa. Mrs. Benidickson has been a member of the CWC board of governors since 1966. She is the first woman to assume chairmanship of the executive committee since the office was created in 1952. Dr. C.E. Hendry, of Toronto, continues for a second term as president of the Council.

Three executive directors of the Canadian Welfare Council meet at the historic fiftieth annual meeting in Ottawa. Left to right: Dr. R.E.G. Davis of Toronto, who served from 1946 to 1963; Dr. Charlotte Whitton, a well-known former mayor of Ottawa, who was the first executive director of the CWC (1925-1942); and Reuben C. Baetz, present executive director, who has served since 1963. Dr. George Davidson (1942-46), who contributed a recorded message for the occasion, was not present.



HEALTH-CARE PRICES UP

Health-care prices facing consumers during the past nine years increased at an average annual rate of 3.7 per cent; during the same period, there was a 2.9 percent average for the consumer price index. The comparison was revealed in a report released by Health and Welfare Minister John Munro, entitled "Health Care Price Movements in Canada, April 1961 to April 1970".

Based mainly on health-care data included in the

consumer price index series, this report also shows that, among health items, the steepest rises over the latest 12-month period occurred in the prices of optical care, (8.9 per cent), and dentists' fees (6.8 per cent). Physicians' fees are no longer surveyed in provinces that have established public medical insurance plans. However, a general increase of 6.4 per cent was reported over the last 15 months in medical fees as governed by provincial medical association fee schedules in nine provinces, excluding Quebec.

LARGEST INCREASES

Dentists' fees had the highest average annual rate of increase among health-care items over the nine-year span, at 5.5 per cent. Optical care had an average rise of 4.6 per cent. Doctors' fees rose at an average annual rate of 3.7 per cent. Pharmaceuticals showed a slight average annual decrease - 0.3 per cent. The report points out, however, that the effects of prices of newly-introduced prescription drugs are not measured in the index.

Hospital rates have been excluded from the consumer price index since 1961, when public hospital insurance plans had come into operation in all provinces. Hospital costs a patient-day over the period 1961 to 1968 increased by an average of 10.0 per cent a year.

REAL DOMESTIC PRODUCT

Canada's index of real domestic product, seasonally-adjusted, increased by 0.4 per cent in July. The increase resulted from a 1.1 percent gain in output of the service-producing group of industries, as output of the goods-producing group declined by 0.5 per cent.

No clear pattern has been established by movements of RDP and its components during recent months. The index shows increases in January and February (continuing the upward trend of the latter part of 1969); a significant drop in March; a moderate rise in April; declines in May and June and the small increase in July - which brought the index back to its level of December 1969.

As a group, the service-producing industries more than recovered in July from losses in June. Trade rose strongly, with wholesale merchants overcoming their sharp drop in June (which followed large increases in April and May). Retail trade also reversed its June decline, but still remained below the output levels reached at the beginning of the year.

TRANSPORTATION

The output of transportation, storage and communication (largely dominated by transportation) continued its increase in July. Air transport maintained its almost unbroken advance. Railway transport increased only slightly, far from recovering from sharp drops earlier in the year. Water transport also rose in July (the British Columbia towboat strike had been settled), but most other types of transport decreased. Storage was also up noticeably, owing to large increases in receipts and shipments of grain. In the communication component, the postal industry, affected by the labour dispute, continued to decline.

The group of goods-producing industries experienced its third consecutive monthly decline in July, but the combinations of individual industries which accounted for the declines were different in each month. In May, the setback was caused mainly

by substantial declines in manufacturing, construction and forestry, which outweighed a gain in agriculture. The drop in June came chiefly from the continued decline in construction and forestry and a drop in agriculture. In July, agriculture and manufacturing were the only major goods-producing industries that declined. As a result of the May, June and July decreases, the index of output for the goods-producing industries was back at its strike-affected levels of July and August of 1969.

The July decrease in manufacturing came entirely from a drop in output of durables. This, in turn, was accounted for mostly by declines in the primary metal, metal-fabricating and machinery industries.

In agriculture, the July drop was due mostly to decreases in poultry, cattle and calf production.

CONSTRUCTION

After significant drops in May and June, the index for construction increased in July - only the second increase in eight months. This new strength came almost entirely from residential construction, as output movements in other types of construction were largely offsetting. The estimate of multiple-housing units put in place sharply reversed its downward movement of May and June (reflecting the increase in low-income housing starts financed by CMHC), while output of single housing units increased slightly.

Forestry output was up in July, reflecting chiefly a recovery from the towboat strike in British Columbia, which affected output in May and June. However, the level of production in this industry was still much lower than during the first four months of the year.

ONTARIO MAY HAVE UNDERWATER PARK

Canada's first underwater park may soon be established in Ontario, according to an announcement by the province's Lands and Forests Minister René Brunelle. "Attention has been focused on the upper Bruce Peninsula area, where there are many attractions for such a park," said Mr. Brunelle. Among the attractions of the region, he noted, was its central location on the Great Lakes, the largest group of freshwater lakes in the world, all bordered by Ontario. The area has already attracted many divers, who find the clear waters of great interest for the unique geological formations and variety of flora and fauna they reveal. In addition, there are numerous shipwrecks round the many shoals and islands at the tip of the Bruce Peninsula.

The idea of an underwater park was first conceived in 1935, when the Fort Jefferson National Monument was established in Florida. Other underwater parks are now found off the Florida Keys, in Hawaii, the Marshall Islands, the Philippines, Australia, the Virgin Islands and off the coast of California. An underwater park in Ontario would be the first in North American inland waters.

PROPOSED SNOWMOBILE REGULATIONS

Proposed new federal motor vehicle safety regulations for snowmobiles were published recently in the *Canada Gazette*.

The 11 proposed standards pertain specifically to snowmobile, snowmobile cutters and trailers used for carrying snowmobiles, and are in addition to the Motor Vehicle Safety Regulations (Automotive) that were included in a *Canada Gazette* supplement August 22, 1970. The proposed standards are designed to increase night visibility, reduce noise, protect riders and improve the transport of such vehicles over roads.



Snowmobiling has become one of Canada's most popular winter sports.

Representatives of the snowmobile industry met with officials of the Ministry of Transport in August to study the federal safety proposals and were invited to submit their comments. Representatives of provincial government transportation authorities also have been consulted.

Following publication of the proposed regulations in the *Canada Gazette*, a period of 30 days will be provided for all interested parties to make representations to the Ministry concerning the proposals. When these have been given full consideration by the federal authorities, the regulations will be put in their final form, published in the *Canada Gazette* and subsequently proclaimed by Order-in-Council.

Although the date of enforcement has not yet been announced, Mr. Jamieson suggested that many of the standards could be applied to snowmobiles manufactured during 1971.

ALBERTA INCREASES STUDENT GRANTS

Financial assistance available to Alberta students from junior high school to university graduate level has been expanded through recent amendments to regulations under the province's Student Assistance

Act. Changes affect married couples, nursing students, junior high-school students and summer-session students.

These regulations, as well as the federal Canada Student Loans Plan and the provincial Students Loans Guarantee Act, are administered by the Student Assistance Board, Department of Education, Edmonton. The Board also maintains an office in Calgary to serve the southern part of the province.

In making assistance available, the basic premise has been adopted that it is the responsibility of parents and students to provide the maximum contribution they are able to, as set out in prescribed tables, based on family and student resources. When this condition has been met, the provincial government in conjunction with the Federal Government may supplement the family and student resources to the extent necessary.

Assistance to university, technical, vocational and nursing students is awarded on the basis of an initial loan of \$200 if single, or \$700 if married, with the balance of need calculated on the basis of one-half grant and one-half loan, up to a maximum grant of \$800 for a university student and \$450 for a technical, vocational or nursing student. Previously, nursing students were limited to a grant of \$150.

Loans are made under the Canada Student Loans Plan to a maximum of \$1,000 and, where required, supplemented by loans provided under the Students Loans Guarantee Act. Student loans up to \$1,500 may be guaranteed by the province.

FAMILY GRANTS

The new regulations provide that, when both husband and wife without dependants are attending post-secondary institutions in the same academic year, both will be considered as single for purposes of grant and loan assistance. This means that, of the total assistance such a couple requires, the greater part will be available in the form of a grant. When both husband and wife are attending and claiming dependants in their budget, the husband will be assisted on the basis of an initial loan of \$700, and the wife an initial loan of \$200.

Alberta scholarships of \$100, awarded to matriculating students on the basis of academic attainment, may now be awarded to students enrolled full time in any post-secondary institutions. Previously, only university students were eligible.

Loan assistance available to university summer session students has been increased from \$300 to \$500.

Junior high-school students may now receive assistance on the same basis as senior high-school students, in the form of bursaries ranging from \$50 to \$200.

Others to whom assistance is available are apprentices and tradesmen, high-school students, Banff School of Fine Arts students, students attending privately operated commercial colleges, and disadvantaged persons.

EMPLOYEES BY PROVINCE AND INDUSTRY

The preliminary unadjusted estimate of 6,805,900 employees in non-agricultural industries for the last week of June 1970 was 1.4 per cent higher than the May total of 6,708,700 employees. Most industry divisions contributed to the rise, the largest gains being recorded in forestry, 30.8 per cent (16,900 employees); in construction, 6.7 per cent (24,400); in public administration and defence, 3.7 per cent (16,800); in manufacturing, 1.7 per cent (28,100). Increases in these industry divisions more than offset slight declines in trade, finance, insurance and real estate, and community, business and personal services. All provinces showed higher employment except Alberta, which remained unchanged.

Employment was 2.1 percent (141,800) higher than in June 1969. All industry divisions shared in the increase except forestry and manufacturing, which declined. Employment rose in all provinces except Prince Edward Island and Saskatchewan, which reported decreases.

Seasonally-adjusted, the June estimate of non-agricultural employment dropped 0.7 per cent (46,700 employees), from May 1970. This decrease was mainly the result of declines in trade, 2.0 per cent (22,400) and in community, business and personal services, 1.1 per cent (20,500). Other changes were small. With the exception of Prince Edward Island, which showed a slight gain, all provinces recorded lower employment.

The advance unadjusted estimate for July of employees in the non-agricultural sector indicates a decline from June. Increases in mines, quarries and oil wells; construction; finance, insurance and real estate and in public administration and defence failed to offset decreases in other industry divisions. Employment was higher in all provinces, except Quebec and Ontario, which showed declines.

Seasonally-adjusted, the July advance estimate of non-agricultural employment showed a decrease from that of June. With the exception of mines, quarries and oilwells and finance, insurance and real

estate, which recorded gains, employment was lower in all industry divisions for which data were available. Employment increased in Prince Edward Island, Nova Scotia, Saskatchewan and Alberta and declined in the other provinces.

SMALLPOX ERADICATION FUND

Canada is making a voluntary contribution of \$145,000 annually for the next four years in support of the World Health Organization's Smallpox Eradication Campaign.

The Canadian International Development Agency, in response to a request directed by the WHO to the Department of National Health and Welfare, will provide funds to purchase up to 17,000 vials yearly of a special type of vaccine suitable for the modern jet-injector method of vaccination now used in many of the developing countries.

The vaccine will be produced by the Connaught Medical Research Laboratories of the University of Toronto, one of the world's foremost sources of this high-quality vaccine and also one of the two WHO international reference centres for smallpox vaccine. The vaccine will be flown to the countries where it is needed.

A great deal has been achieved since 1967, when the WHO Smallpox Eradication Campaign began as an intensive 10-year effort to eliminate the disease completely. World incidence has declined almost 60 per cent, and the number of countries with recorded cases has dropped from 43 to 29.

The campaign is financed in two ways. Almost \$3 million will come this year from the regular WHO budget, to which Canada as a member contributes \$2,230,000. A substantial part of this is being used against smallpox.

The special contribution of \$145,000 annually is in addition to Canadian support of the WHO regular budget. It will make this country one of the largest voluntary contributors to the Smallpox Eradication Campaign.

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