

handset. The push-button dial is on the underside of the handset, and the whole thing weighs about half as much as today's model. A retractable cord coils itself back into the telephone base after use.

A novel electret microphone and its associated electronic circuit in the mouthpiece, which weigh a tenth as much as the conventional carbon-type microphone, reduce size, power and distortion. In addition, an electronic-tone ringer has been developed offering a more pleasant signal than the electromechanical bells now in use.

Before this new telephone reaches the market, exhaustive laboratory and field studies will be undertaken to determine the best possible physical, mechanical and electronic characteristics consistent with consumer preference.

REPORT ON POSTAGE STAMP DESIGN

Formation of a permanent Design Advisory Committee made up of artists, designers and philatelists, and a substantial increase in commissions paid by the Post Office to designers of Canadian stamps, are the principal recommendations of a Special Task Force on Stamp Design. The report of the Task Force was tabled in the Commons recently by Communications Minister Eric W. Kierans.

SUMMARY OF RECOMMENDATIONS

In its 30-page report, the Task Force concluded that "no professional artist-designer can be expected to design stamps for the Canada Post Office for the present fee". It recommended an increase in these fees from the present \$400 to \$2,000. The Force also concluded that, under the present system, "artist-designers have little or no communication with the security companies that reproduce their designs", that "final reproduction of a postage-stamp design often leaves much to be desired", and that "the Canada Post Office has little contact with the professional artist-designer community in Canada". It recommended the immediate formation of a Design Advisory Committee to assist the Post Office by selecting potential stamp designers, assigning contracts, assessing design submissions, recommending reproduction methods and by approval of the final artwork and printing plate proofs. The Committee, with a rotating membership, would be made up of artists, designers and philatelists.

Other recommendations of the Task Force were: greater flexibility in the choice of size and shape of stamps; consideration of the possibility of a more rapid change in definitive issues, from three to five years; improvement in the appearance of air-mail forms, stamp booklet covers, and postage-due stamps; consideration of the use of stamps as visible ambassadors of Canada including greater attention to the cultural, scientific and humanitarian achievements of Canadians. In releasing the report, Mr. Kierans stated that the Task Force had fulfilled

its purpose, which was "to provide the Post Office with the candid and unrestricted opinions of professional Canadian artists and designers". He planned to take action "shortly" on the principal recommendations of the report.

MINISTER'S COMMENTS

At the same time, Mr. Kierans took issue with some of the comments of the Task Force, in particular its observation that "most Canadian stamps are amateurish in design and, with the exception of a few intaglio designs, tasteless in execution". Conceding that there was "unquestionably room for improvement", the Minister pointed out that "many Canadian stamps have received wide acclaim and philatelic writers have lauded the high quality of the steel engraved process used in the production of the majority of Canadian stamps".

REVIEW OF ECONOMY IN 1968

(Continued from P. 2)

climate in North America was not yet developing, and the Bank of Canada felt that there should be no further increase in the banks' holdings of more liquid assets. Accordingly, we managed cash reserves in such a way that the chartered banks' holdings of such assets ceased to rise after mid-September, and the rate of expansion of the banking system was slowed. The changing expectations regarding the economic outlook were allowed to have their full impact on market interest rates, which rose gradually at first and more rapidly towards the end of the year. Long-term interest rates reached levels considerably higher even than those which had prevailed earlier in the year when the Canadian dollar was under pressure. Effective December 18 the bank rate was increased from 6 to 6 1/2 per cent and the rise in market interest rates continued into 1969. A further increase in the bank rate to 7 per cent was announced on February 28, 1969.

Over the year 1968, the average yield on long-term Government bonds rose from about 6 1/2 per cent to about 7 1/4 per cent and other long-term yields also rose to record levels. At the end of 1968 the average yield on outstanding provincial issues was nearly 8 per cent, on municipal bonds about 8 1/8 per cent, on corporate bonds more than 8 1/4 per cent, and the rate on first class conventional mortgages was 9 per cent or higher. It became much more difficult as well as more expensive to raise money in the bond market. The amount of new money raised in Canada by issuers other than the Government of Canada was much less in 1968 than in 1967, while the amount raised outside Canada increased considerably and included for the first time substantial issues in European markets. The Government of Canada, already a borrower in 1967, increased the amount of new money it raised in Canada in 1968, and also borrowed abroad to add to exchange reserves....