

## Year-end review (Cont'd. from P. 2)

major Organization for Economic Co-operation and Development countries. For example, Canadian employment grew by some 20 per cent between 1970 and 1977, exceeded by Norway (22 per cent) but well ahead of the United States (15 per cent), Japan (5 per cent), the U.K. (1 per cent) or Germany where over 6 per cent fewer were at work in 1977 than there were in 1970.

In spite of the excellent record in job creation, the growth in employment in 1978 was unable to keep pace with the increase in the labour force because of the continued rise in the participation rate. In consequence the unemployment rate averaged 8.7 per cent in 1978 compared to 8.1 per cent in 1977. It has, however, been marginally lower in recent months (8.2 per cent in October and 8.3 per cent in November) than it was at the beginning of the summer when it stood at 8.6 per cent.

Because we may still be growing slightly below our potential in 1979, the unemployment rate is unlikely to improve to any great extent. Nevertheless, we should get another substantial increase in new jobs and by 1980 the unemployment rate should start to improve.

### Prices

Although the rate of inflation rose somewhat in 1978, this was due to food prices. The increase in non-food prices continued to slow down and wage increases continued to moderate. There is no reason to believe that food prices will increase as sharply in 1979 as they did in 1978 and, in addition, the reduction of the federal sales tax should help to further dampen inflation.

There is no evidence of a generalized cost-push on prices either currently or in the near future. There was some fear of a

wage and price "bubble" following the removal of price controls, but this has not, at least as yet, come to pass. If the inflation rate continues to decline as we expect it to, real wage gains will not be eroded and labour should not feel it necessary to increase wage demands to meet rising inflation.

In the longer run, if the Government can continue its restraint program, if the private sector can also exercise restraint in prices and wages and if the Bank of Canada is able to continue its deceleration in the growth of money supply, we should see the rate of inflation continue to subside.



### News briefs

**Secretary of State for External Affairs** Don Jamieson and U.S. Secretary of State Cyrus Vance have directed Special Negotiators Marcel Cadieux and Lloyd N. Cutler to meet again to bridge the few but sensitive remaining differences concerning the Atlantic coast problem. Efforts will then be undertaken to develop solutions to the Pacific coast and Beaufort Sea maritime boundaries and fisheries problems.

**The Export Development Corporation** had a record year in 1978 with early figures showing that the corporation's business volume rose from \$2.6 billion in 1977 to over \$6 billion last year. A total of 31 lending transactions, including lines of credit, were arranged for 20 countries in 1978, amounting to \$3.2 billion. In 1977, 43 loans were arranged, amounting to \$1.1 billion. Preliminary figures indicate that the corporation's profit for 1978 will be even higher than the \$18.7 million shown for 1977.

**The Royal Bank of Canada** is a joint lender with Chase Manhattan Bank and Banco de la Republica Dominicana for a \$185-million (U.S.) loan to the Dominican Republic. The eight-year loan will be used to refinance obligations of certain government agencies and to provide new investment funds, a spokesman for the Royal Bank said.

**Major agreements covering 332 bargaining situations** (involving 1,019,500 employees) in industries other than construction will expire in 1979, as will at least 47 major construction collective agreements.

**The British Columbia government** is to distribute five free shares of the Crown-owned British Columbia Resources Investment Corp., which controls oil and gas rights, pulp mills, and pipelines to Canadians aged 16 or older who have lived in the province at least a year by June 15. Premier William Bennett says if all eligible people acquire shares it would give the corporation 2.4 million shareholders, making it "the most broadly based shareholder-held company in Canada".

**The newly formed European Politics Group** of the Canadian Political Science Association held its first workshop, on "The European Community and EC-Canada Relations", in Ottawa recently. The group was established last May to promote co-operation among Canadian university teachers of Western Europe and EC-Canada relations and to develop closer links with government and the general public.

**Ontario Hydro will stop construction** and store components of the second half of its third heavy water plant at the Bruce nuclear power development, because of "uncertainties" about future requirements in Ontario.

**The seasonally adjusted unemployment rate** dropped slightly to 8.1 per cent in December but the actual number out of work rose by 20,000. Employment Minister J.S.G. Cullen, although pleased with the number of new jobs created recently, said, "I think we're still in for some tough months," partly because of an expected slowing in the U.S. economy. The actual number of unemployed rose in December to 870,000 from 850,000 a month earlier.

**Eighty-year-old John Miller** of Toronto, an inventor whose lack of formal engineering training and refusal to take a qualifying exam prevented his registration with the Association of Professional Engineers of Ontario in 1946, has been awarded a fellowship in the American Society of Mechanical Engineers. According to *The Globe and Mail*, only three other Canadians have ever received the honour. Mr. Miller, who has no plans to retire, has, among other things, devised a technique for automatically coating filing cards with lacquer, designed mail-sorting equipment and machines for making golf clubs and tennis racquets, patented a marksmanship training device, and established production requirements for an aircraft manufacturer. In 1927 he designed a coin-operated photographic machine.

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