

was the cause of the increased deficit, with exports of goods declining by about 2 per cent and imports rising by about 1.5 per cent. In the first quarter, the Ontario trucking strike had somewhat affected the flow of imports, while in the second quarter, strikes at St. Lawrence ports coupled with the strikes of British seamen had the same effect on the flows of overseas trade.

Turning to the income components, labour income advanced by about 2 per cent between the first and second quarters, the smallest quarter-to-quarter change in this component since the fourth quarter of 1964. Profits showed a fractional decline from a continuing high level. While accrued farm income showed little change, net income of non-farm unincorporated business declined by 3 per cent partly as a result of a decline at the retail level.

SUMMARY

The second quarter was characterized by continued increases in demand in most areas other than consumer spending on durable goods, a large build-up in non-farm business inventories, and a widening of the deficit on current account in part due to special factors. By the last month of the quarter, however, retail trade showed an increase following two months of declines both for motor vehicle dealers and for all other trades taken together. On the other hand, the June index of industrial production showed for the second consecutive month, a fractional decline from its April peak.

GOVERNMENT AND THE CHALLENGE OF AUTOMATION

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If he decides that he needs a new skill, or if he was an unskilled or semi-skilled worker and wants to upgrade his education to the point where he can take

skilled training, then he can enroll in the upgrading or skill courses again taught in co-operation between the Federal and Provincial Governments under the Technical and Vocational Training programme....

For the worker who decides on the third alternative of moving to a new area there is the Manpower Mobility Programme. It is specifically designed to help the worker who is laid off in one area but whose skills are needed in another region of the country. The Federal Government feels and, if I may say so, feels quite rightly, that a man is economically penalized enough if he has to leave his own community to find work. This Manpower Mobility Programme gives financial assistance in the form of grants and loans to move the worker and his family to a new area where he is needed.

In summary then, the Federal Government is working to protect individuals who are displaced by automation in three ways: first, by encouraging management and labour to plan together so that changes will involve a minimum of dislocation; secondly, by assisting in the development of upgrading and retraining facilities and by providing training allowances; third by enabling workers to move to areas of employment opportunity through the Manpower Mobility Programme....

PROBING THE FUTURE

The other basic principle that I have outlined this evening is that government must squarely face the challenge of automation in looking to the future. It is the responsibility of government - and particularly of the Federal Government - to take the long view and to see that Canada is prepared for change no matter how radical.

The principal requirement is research. Before any of these federal programmes that I have mentioned, were brought into being, much detailed study went into the needs they were to fill. But I believe that we have now reached that stage in our economic development when research becomes even more essential and even more complex....