



Bulletin

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GOVERNMENT DEPARTMENTS RESHAPED

The Prime Minister has announced details of a reorganization of certain ministerial and departmental responsibilities, to provide an improved structure that could deal more effectively with new problems and to permit each minister and his department to concentrate on the areas of primary concern to them, unhampered by matters better handled by some other agency.

Following Parliamentary approval, five new departments will emerge: a Department responsible for regional development; a Department of Communications; a Department of Industry, Trade and Commerce; a Department of Supply and Services; and a Department of Fisheries and Forestry. Some existing departments will be substantially reshaped, others will be amalgamated, and certain activities now carried on by some departments will be concentrated in one department. Some changes are designed to meet new problems and to handle continuing problems more effectively; some, in addition, will produce substantial administrative savings.

A number of task forces, chaired by Treasury Board officers, will be set up to proceed with the implementation of these changes. Each task force will comprise a representative of the Public Service Commission, the Department of Public Works, the departments affected and the Privy Council Office. The task forces will report to a committee composed of the Secretary and Deputy Secretary of the Cabinet, the Secretary of the Treasury Board, the Chairman of the Public Service Commission and the appropriate Deputy Minister.

The Prime Minister emphasized that the changes being made are designed to deal with the problems as they exist or can be reasonably foreseen. The process should not and cannot, however, be con-

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sidered comprehensive and final. There must be a continuing examination with a view to making changes as the necessity arises.

REGIONAL DEVELOPMENT

The problem of regional economic disparities has been customarily dealt with through the functional departments. Efforts had been made recently to concentrate some of this activity in the Department of Forestry and Rural Development. Much more attention must now be directed toward the development of areas, both rural and urban, that have advanced more slowly than the rest of the country. To accomplish this, a department will be established that will be primarily responsible for the Government's activities in this area and capable of concentrating its attention on this problem. The Department of Forestry and Rural Development will be reorganized, and the resulting new department will be responsible for regional development.

The Rural Development Branch of the existing department administers the ARDA and FRED programmes and it will survive in the new department. The Forestry Branch will be transferred to the Department of Fisheries, which will become the Department of Fisheries and Forestry.

The Prairie Farm Rehabilitation Administration, which has played an increasingly important role in the development of the Western region, through its contribution to the diversification of the economic base, will be transferred to the new department. Responsibility for the Canadian Livestock Feed Board, which is inconsistent with the new role of the

department, will be transferred to the Department of Agriculture. The Area Development Agency from the Department of Industry, the Experimental Projects Branch from the Department of Manpower and Immigration and the Atlantic Development Board will also be included in this department. In addition, the Minister of this department will be responsible for the Cape Breton Development Corporation, and the Atlantic Provinces Power Development Act, both of which are now the responsibility of the Minister of Energy, Mines and Resources.

All these boards, agencies and corporations play a major part in regional economic development. Their transfer to the new department, with its specific role, will provide a more co-ordinated approach to the problems of areas that have not thus far shared fully in the economic growth of the country, and provide a pool of expertise to deal with these problems.

COMMUNICATIONS

The growing importance of communications and the Government's increasing involvement necessitate one department and minister being made responsible for all government activities in this field. Consequently, a Department of Communications will be formed. To it will be transferred the functions of the Post Office Department.

Two elements of the Department of Transport will be added to this department. They are that portion of the Telecommunications and Electronics Branch of the Department of Transport which is not intimately concerned with the efficiency and safety of the transportation system of the country and the Government Telecommunications Policy and Administration Bureau. That part of the Defence Research Telecommunications Establishment of the Defence Research Board that is not intimately connected with research and development of a purely military nature and the Domestic Satellite Project Group, now located in the Privy Council Office, will be incorporated into the Department of Communications.

The Canadian Overseas Telecommunications Corporation will report to this minister, rather than to the Minister of Transport as at present.

INDUSTRY, TRADE AND COMMERCE

The Department of Industry will be merged with the Department of Trade and Commerce to form a new department to be known as the Department of Industry, Trade and Commerce. This will result in one department capable of developing policy and providing a full and balanced range of services to both business and government in the industrial and trade development field.

The International Programmes Branch of the Department of Defence Production, except the division responsible for contracting in Canada on behalf of foreign countries, will join this new department.

The Standards Branch of the Department of Trade and Commerce will be transferred to the Department of Consumer and Corporate Affairs and the Canadian Government Exhibition Commission of the Department of Trade and Commerce will be transferred to the Department of Public Works.

SUPPLY AND SERVICES

Arising out of the recommendations of the Glassco Commission, many changes were introduced beginning in 1963, affecting common services for government. The general objective behind those changes and the proposed new ones, is to improve the administrative efficiency by providing better services at lower cost within the machinery of government.

The supply element of this department will contain all the existing components of the Department of Defence Production, except the International Programmes Branch previously mentioned. To this will be added the Department of Public Printing and Stationery and the Queen's Printer, now reporting to the Secretary of State. In addition, the Shipbuilding Branch of the Department of Transport will be merged with the Shipbuilding Branch of the Department of Defence Production in this new department.

The Royal Canadian Mint, now the responsibility of the Minister of Finance, will at a later stage be made a Crown Corporation reporting to this Minister.

The new services element will bring together three units from existing departments. It will be built round the administrative support of the office of the Comptroller of the Treasury, who is now an officer of the Department of Finance. It will also include the Central Data Processing Bureau, from the Treasury Board and the Bureau of Management Consulting Services, from the Public Service Commission.

This department, together with the Department of Public Works, will then provide the great bulk of common services required by the Government. This will permit the ideas outlined in the Glassco recommendations to be more firmly and quickly implemented.

CONSUMER AND CORPORATE AFFAIRS

One of the main reasons for establishing the Department of Consumer and Corporate Affairs last year, was to provide a focal point for the interests of the consumer. This role is being carefully developed and the public has shown great interest in it. It is now appropriate to transfer to this department some of the regulatory activity, the primary aim of which is the protection of the consumer. The Standards Branch of the Department of Trade and Commerce and the Retail Inspection Services of the Departments of Agriculture and Fisheries will be transferred to this department.

The Department of Consumer Affairs is assuming forthwith the responsibilities heretofore exercised by the Food and Drug Directorate of the Department of National Health and Welfare with regard to economic fraud in foods, including deceptive advertising and packaging. This will include matters relating to the composition of standardized and unstandardized foods together with any misrepresentation in labelling and advertising.

The Department of National Health and Welfare and the Department of Consumer and Corporate Affairs have also been directed to prepare immediately a programme, to be supervised by the two ministers, under which the Government will be able to take more effective action to protect the economic interest of the consumer of food and drugs, and more

TEACHERS PREPARE FOR OVERSEAS

Canada will send 220 experienced teachers and 48 university professors to developing countries in Asia, Africa and the Caribbean this summer under its programmes of educational assistance. The number of Canadian teachers and professors maintained overseas by the Canadian Government's external aid programmes during the 1968-69 academic year will thus be brought to 700. The teachers have been recruited from all Canadian provinces through cooperation between federal and provincial authorities.

Intensive briefing sessions will be held before the new recruits are sent on assignment. The 111 English-speaking teachers are attending a course at Carleton University, Ottawa, this month and their French-speaking colleagues will be briefed at the University of Montreal in August.

Lectures, seminars and discussion groups will be held on educational theory and practice, the teaching of English or French as a second language, sociology and anthropology, history and current affairs in developing countries of Africa and the Caribbean, as well as tropical health and living conditions overseas. Study groups will be led by specialists in their fields and by teachers who have returned to Canada after the completion of external aid assignments overseas.

Introductions to Swahili, the language widely spoken in East Africa will be given by Dr. D.R.F. Taylor, a professor of geography at Carleton University and Mr. Uly Mwanbulukutu, a Tanzanian who is studying at the University.

INDONESIA NICKEL PROJECT

Henry S. Wingate, Chairman and Chief Officer of the International Nickel Company of Canada, Limited announced recently that the Republic of Indonesia and International Nickel had agreed on all the terms of a contract to be signed during July in Djakarta, under which International Nickel would work toward the establishment of a nickel-producing project on the island of Sulawesi, (formerly Celebes). P.T. International Nickel, Indonesia, a company being organized under the laws of Indonesia, will carry out exploration and the development of nickel deposits on the island if these prove economically workable.

Mr. Wingate said that work would begin promptly with a general survey and exploration of the area, comprising some 25,000 square miles, to determine the size, location and nature of the deposits and the feasibility and most efficient means of developing them. "Exploration expenditures in Indonesia will begin immediately," he continued, "and, although total investment depends very much on the result of the evaluation studies, the project may well involve investment running between \$100 and \$150 million in Indonesia over a period of years."

In May 1967, the Indonesian Government invited tenders from companies interested in developing the Sulawesi nickel deposits. A number of companies responded to this invitation, and, in January, the International Nickel Company of Canada, Limited

was chosen to negotiate the contract that has now been agreed upon. The area encompasses a portion of the island of Sulawesi and some of its off-shore islands lying approximately 1,000 miles east of Djakarta.

CANADA-BULGARIA TRADE

The Secretary of State for External Affairs, Mr. Mitchell Sharp, and the Ambassador to Canada of the People's Republic of Bulgaria, His Excellency Kiril Chterev, have exchanged instruments of ratification of the Protocol signed on April 26, 1967, extending the 1963 Canada-Bulgaria Trade Agreement for another three years.

The agreement provides for the continued extension of most-favoured-nation treatment by both countries to the goods of the other, and includes a Bulgarian undertaking to purchase 200,000 tons of Canadian wheat during the three-year period.

TV BALLET TO BRITAIN

A colour television production of *Swan Lake* by the National Ballet of Canada has been sold to the British Broadcasting Corporation to be telecast during the coming season.

The National Ballet-CBC production, which runs 90 minutes, was directed and produced by Norman Campbell, starred prima ballerina Lois Smith and featured the Danish dancer-choreographer Erik Bruhn. Bruhn originally choreographed the new version of the ballet for Canada's National Ballet last year. The production had its stage premiere in Toronto in April and was telecast on the CBC Festival series in December. In March, it was nominated for an award in the International Emmy Awards.

The announcement of the sale comes as producer-director Campbell has just completed shooting, and is now editing, Celia Franca's new version of *Cinderella*, which will be shown in colour on the CBC network in December.

EXPORTS BOOMING

Mr. Jean-Luc Pepin, Minister of Trade and Commerce, has announced that his Department's 1968 export-growth target of \$900 million was virtually realized by mid-year. He was commenting on statistics issued recently by the Dominion Bureau of Statistics, which indicated that Canada's merchandise exports reached \$6,512 million in the first half of 1968, almost \$900 million, or 16 percent above the level of the same period in 1967. This exceptional advance in exports has been a major contributing factor to the recent pick-up in the Canadian economy.

A resurgent United States economy and unusually strong demand in that market for some of Canada's principal exports, particularly automotive products, were cited as the dominant external influences producing the strong export movement. Exports to the United States increased by almost \$900 million, or

25 per cent, in the six-month comparison. In the same period, sales overseas were almost unchanged.

The Minister warned that some of the favourable forces affecting exports in the first half of the year may not be present in equal degree in the months ahead. At the same time he stressed the importance of a sustained all-out effort to maintain the present momentum in export sales.

Mr. Pepin observed that a new milestone on the road to a freer and more productive world trading system was reached on July 1 with the completion of the first phase of the Kennedy Round tariff reductions by Canada's trading partners and the inauguration of the International Grains Arrangement. For Canada, as for other nations, this opened the way to new trade horizons. To make the most of these new opportunities, the Trade Minister said, there must be constant attention to the basics of good market performance — improved methods of production, effective sales promotion and competitive pricing.

The Minister emphasized that the onus for a strong export performance could not be left to the producer and exporter alone; much depended on the proper recognition by all groups in the economic community of the crucial importance of maintaining competitive ascendancy in the markets of the world.

GEORGE BROWN STAMP

A multi-colour five-cent commemorative stamp to be issued by the Canada Post Office on August 7 will honour George Brown, one of Canada's Fathers of Confederation, who was born 150 years ago. Besides playing a prominent role in the emergence of Canada as a nation, Brown, a native of Scotland, left a legacy in the Toronto daily newspaper, *The Globe*, which he founded in 1844.

Steel engraving and photogravure have been used by the British American Bank Note Company Limited, to print 24 million George Brown stamps, which are horizontal in shape and measure 40 mm. by 24 mm. A portrait slightly to the left of centre is in natural colour showing Brown wearing a magenta-coloured coat; on the right is a variegated reproduction of the Prince Edward Island Legislative Buildings in which the Charlottetown Conference took place. To the left of the portrait is a facsimile of an early copy of *The Globe*. Red lettering on the ochre background consists of the denominative "5" in the lower left; "Hon. George Brown" and "1818-1880" in the lower right, and "Canada", which surmounts the right

segment. "Postes" and "Postage", in dark grey, are inserted on a line immediately above the Legislative Buildings.

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effective protection with respect to safety and quality. This in no way changes the intention of the Government to proceed with the amendments to the Patent Act and Trade Marks Act, relating to drugs, which was introduced in the last Session of Parliament.

FISHERIES AND FORESTRY

A new Department of Fisheries and Forestry will be established. The Government plays a major role in the research areas of both of these basic industries. These activities, through being combined in one department, will become more effective and broadened in scope. This, in turn, will improve Canada's competitive position in world markets.

OTHER CHANGES

As previously announced, Mr. Jean Marchand will be made responsible for the National Capital Commission.

The Medical Research Council, which now reports to the Chairman of the Committee of the Privy Council on Scientific and Industrial Research, will become the responsibility of the Minister of National Health and Welfare.

The Emergency Measures Organization, which now reports to the Minister of Industry, will report to the Minister of National Defence. Its role will be examined in conjunction with the Defence review presently in process.

The expanded role of the President of the Privy Council was detailed by the Prime Minister on July 5. As Government Leader in the House of Commons he will have full responsibility for the ordering of government business in the Commons. Included in this overall responsibility is the supervision of replies to questions in the House. This function was performed by the Secretary of State. The Parliamentary Returns Division of that Department will now be transferred to the Privy Council Office, but in practice will report to the President of the Privy Council.