



Bulletin

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WAGES AND PRICE CONTROLS REJECTED

The following passages are from an address by Finance Minister John N. Turner on November 16 to the second annual Canadian Institutional Investor Conference in Toronto:

...Just ten days ago, Statistics Canada reported that during the third quarter of this year there were 76,000 vacancies for full-time jobs. This was an increase of 64 per cent over the second quarter of this year, and was nearly twice the number of full-time vacancies in the same period last year.

It should be pointed out that there is no way any meaningful comparison can be made between the number of Canadians estimated to be unemployed at any given time and the number of job vacancies, because the yard-sticks that are used to measure each series are very different - as Statistics Canada repeatedly makes perfectly clear in its reports. What is significant is the individual trend of each set of numbers and the trend quite obviously has been toward rising unemployment at a time when the number of job vacancies has been growing rapidly. I am far from certain what conclusions should be

drawn from this paradox. But it is evident that the unemployment statistics are in part a reflection of the kind of employment a growing number of Canadians today are prepared to accept and of the alternative sources of income available to them while they are waiting for just the right job in just the right place.

The increase that has taken place in the cost-of-living in recent months is another element in the economic picture that leaves no room for complacency. Briefly, the facts are that the rise in Canadian consumer prices has been significantly lower than that in all of the major European countries, and, from November 1971 to June of this year, was in line with the increase in United States consumer prices.

CONCERN OVER FOOD COSTS

Between July and September, food prices increased sharply in Canada and considerably more than in the U.S., largely because of the effect of the weather in reducing Canadian crop production. And even though food prices declined last month, the level was still well above that in June.

The upsurge that took place in food prices during the third quarter was naturally a cause for concern and prompted renewed pressure from some quarters for the adoption of various measures to hold down the cost-of-living, up to and including the adoption of full-scale price and income controls.

I suppose that those who advocate the adoption of controls will be reinforced in their conviction by the decision of the British Government to establish a wage-and-price freeze of at least 90 days. But I am firmly convinced that up to the present time developments neither at home nor abroad justify such action here in Canada and no such action is contemplated.

Over the past several months, the performance of Canadian consumer prices other than food has continued to match that in the U.S. and has been substantially better in every sector than the per-

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formance in Britain. Between November 1971 and September of this year, the price of consumer commodities other than food – but including housing – increased at an annual rate of 2.3 per cent in Canada compared to 3 per cent in the U.S. – an advantage that was offset by a 4 percent rise in Canadian service prices as opposed to 3.4 per cent in the U.S.

As I have already indicated, the major problem on the price front in Canada in recent months has involved food costs. As we all know from our own experience, food prices are highly volatile and they often swing sharply up and down from month-to-month. They are also the kind of prices that are least amendable to controls, which is evident from the fact that both the U.S. program and that proposed in Britain specifically exempt a number of important food items from any form of restriction.

Price and wage controls are sometimes regarded as a panacea for every economic problem. But the fact is that when people talk about such controls they are often thinking in terms of controlling somebody else's prices and somebody else's wages – never their own. To have any chance of working effectively, the imposition of controls must be supported by an overwhelming national consensus in favour of them. During the last war, the price and income restrictions administered by a vast federal bureaucracy worked because most Canadians accepted them as necessary to get on with the job of securing

victory. I see no evidence of any similar consensus existing in Canada at the moment among the public generally nor among the provincial governments, whose co-operation would be essential for the successful operation of any control program.

As many of you are aware, the Government several months ago considered it prudent to undertake an extensive study of possible control programs as a matter of contingency. But I would like to emphasize that should not be taken as evidence the Government is committed in any way to their adoption, nor that we consider controls to be inevitable.

Even if controls were adopted, however, it should not be supposed – as some suggest – this would provide us with unlimited freedom to push the economy forward at breakneck speed in an effort to bring about a swift and massive increase in production and employment. No system of price and wage controls could possibly work without a responsible fiscal and monetary policy to back it up. You may have noted that the British Government's recent decision to establish a wage-price freeze was followed by some tightening of monetary policy. If nothing else, the lesson to be learned from other countries which have ignored this fundamental principle is that such a course is dangerously self-defeating, threatening to cause a breakdown in the whole control system and an explosive new round of price and wage increases....



CHRYSANTHEMUM SHOW

Wendy Scobie, Miss Agriculture 1972, was at the opening of the annual Agriculture Canada Chrysanthemum Show recently. This is the sixtieth year for the popular autumn show, held at the Central Experimental Farm in Ottawa, where more than 2,500 pots of 'mums were especially grown for this year's show. Some 120 varieties were on display, including 11 new varieties.

MEDIEVAL FRENCH ART ON DISPLAY

"French Art of the Middle Ages", an exhibition unprecedented in North America, is on display at the Museum of Quebec until December 15. The exhibition, which includes some 80 items – paintings, sculptures, stained-glass windows, illuminated manuscripts and reliquaries – is considered to be worth about \$3 million.

Said to be the most important display of its kind ever presented in North America, "French Art of the Middle Ages", which opened on October 19, was arranged under the terms of the cultural agreements signed between France and Quebec and organized jointly by the Department of Cultural Affairs in Quebec, the Association française d'action artistique and the National Museums of France.



*Crowned Virgin.
From the chapel of the Evêché de Laon.
End of 13th century.*



*Group fragment. Bas-relief.
From the Abbaye de l'Île-Barbe (Rhône) 12th century.
Photos courtesy of Museum of Quebec.*

INVESTMENT INSURANCE WITH LIBERIA

The Canadian Government has concluded an agreement with the Government of Liberia concerning the eventual issuance by Canada, of investment insurance against possible loss resulting from certain non-commercial risks in respect of new Canadian investments in Liberia.

The Secretary of State for External Affairs, Mr. Mitchell Sharp, who made the announcement, said it was hoped that this agreement would contribute to

the development of economic relations between the two countries. The Canadian Government, which hopes to conclude similar agreements with other countries, already has them with Barbados, Jamaica, Israel, Malaysia, Singapore, St. Lucia and St. Vincent.

These pacts will facilitate the operation of the Government's Foreign Investment Insurance Program, established with the enactment of the Export Development Act in 1969, the purpose of which is to promote investments in other countries by Canadian nationals, whether individuals or corporations.

INDIAN STUDENTS' SUMMER JOBS

A total of 1,350 Indian students were employed by the Department of Indian and Northern Affairs this past summer, compared to 800 last year.

Some 1,200 high-school students were employed under a \$500,000 summer employment program implemented by band councils on reserves across Canada, while the remaining 150 were hired under a special program for college and university students.

The high-school program, launched as a pilot project in 1971, created jobs on reserves in support of existing services.

This year, Indian students worked in a wide range of projects which included community recreation, administration, maintenance of equipment and buildings and other related activities. Thirty Indian university students were employed for about four months as co-ordinators of the program in the various regions.

The program was operated by local band councils across Canada in consultation with provincial Indian associations. It was designed to involve Indian students in the day-to-day affairs of an Indian community.

The summer employment program for college and university students, now in its fourth year of operation, encouraged involvement of young Indian people with the Department of Indian and Northern Affairs through meaningful summer work. Part of a continuing, recruitment and development program, it made possible the recruiting of promising Indian college and university graduates into the Department as trainees for management-level positions.

The 51 Indian students working in the Ottawa headquarters were involved in such projects as researching and devising a prototype of the English primary text for use in Indian schools; researching and compiling a handbook of potential resources and services available to Indian bands; and compiling biographical information on Indian artists.

Students working at field locations in the various provinces became more involved with problems encountered at the regional and district levels. They worked at establishing methods of band consultation in connection with community improvement; designed and implemented information courses on family budgeting; and assisted band managers in matters of financial and welfare administration.

HIGHER FAMILY ALLOWANCES URGED

The Government should consider increasing family allowances and taxing them, Reuben C. Baetz, Executive director of The Canadian Council on Social Development said on November 15.

Mr. Baetz, speaking at a seminar on income maintenance for families and children at McMaster University, Hamilton, Ontario, said it would be a serious mistake and a setback for Canadian social policy if any attempt were made to resurrect the

Government's proposed Family Income Security Program (FISP), which was not passed by Parliament before the October 30 general election.

"However, it would be equally serious if the Government were not to take the necessary steps to improve and reform our family-allowance program, which has been permitted to deteriorate over the decades," stated Mr. Baetz.

He urged the Government to revise the family-allowance program pending complete reform of the social security system.

Canadians generally, Mr. Baetz said, would find acceptable an increase in family allowances to \$15 a month for each child under age 12, and \$20 for each child aged 12 to 18. Elimination of the tax exemption for children would also be acceptable, he believed.

Increasing family allowances and taxing them would be administratively simpler than implementing the proposed FISP. It would also avoid the stigma of an income-tested program and would probably be acceptable by most of the provinces. The total net cost of increasing the family allowances would be an estimated \$800 million, compared to the current family-allowance program costing \$560 million.

BRAIN RESEARCH AT U. OF SASKATCHEWAN

Scientists at the University of Saskatchewan, Saskatoon, have acquired a powerful new instrument for studies of the highly complex chemistry of the brain. A high resolution, double-focusing mass spectrometer, one of the most powerful in the world, was recently installed on the campus and is now in operation in the College of Medicine. Its purchase and first three years of operation were provided for by a \$200,000-grant from the Medical Research Council of Canada.

Dr. Allan Boulton is using the instrument to study substances in the brain that are suspected of being implicated in a variety of neurological and psychiatric disorders. Dr. Boulton is director of psychiatric research for the Saskatchewan Department of Public Health and associate professor of psychiatry at the University. He plans to develop procedures for identifying and analyzing a group of substances called amines, some of which are involved in Parkinson's disease, schizophrenia, and depression.

In early work, Dr. Boulton studied these substances in body fluids. The mass spectrometer will enable him to extend his investigations to brain tissue. Because of its high resolution, the instrument can separate substances whose difference in mass is in the order of only ten parts in a million, and it enables researchers to calculate a substance's precise atomic constitution.

Dr. Boulton said in an interview that he wanted to see how amines were distributed in the brain and in cells and how their distribution was affected by certain drugs. He also wants to study how these amines are synthesized and degraded.

HOCKEY NEWS AS AT DECEMBER 10

NATIONAL HOCKEY LEAGUE

Results

December 9

Montreal, 2; California, 1.
 Vancouver, 5; Toronto, 5.
 NY Rangers, 4; NY Islanders, 1.
 Boston, 4; Philadelphia, 3.
 Minnesota, 7; Detroit, 0.
 Los Angeles, 3; Pittsburgh, 1.
 St. Louis, 2; Atlanta, 1.

December 10

Buffalo, 4; Montreal, 2.
 Philadelphia, 5; Toronto, 2.
 NY Rangers, 4; NY Islanders, 1.
 Boston, 8; California, 4.
 Vancouver, 3; Detroit, 3.
 Chicago, 5; Minnesota, 1.
 St. Louis, 5; Atlanta, 4.

Eastern Division

	G	W	L	T	F	A	P
Montreal	29	17	5	7	119	70	41
Boston	28	18	7	3	130	91	39
NY Rangers	29	18	8	3	111	74	39
Buffalo	29	14	8	7	106	86	35
Detroit	27	11	13	3	85	96	25
Toronto	28	9	14	5	91	92	23
Vancouver	29	8	17	4	86	120	20
NY Islanders	26	3	21	2	52	129	8

Western Division

Chicago	27	16	9	2	101	74	34
Minnesota	29	15	11	3	96	83	33
Philadelphia	29	13	12	4	106	101	30
Los Angeles	29	13	12	4	96	94	30
Pittsburgh	28	13	12	3	104	90	29
Atlanta	31	11	15	5	75	97	27
St. Louis	27	10	12	5	68	84	25
California	27	4	17	6	70	115	14

WORLD HOCKEY ASSOCIATION

December 9

Quebec, 4; Chicago, 2.
 Philadelphia, 7; Ottawa, 1.
 New England, 4; New York, 2.
 Winnipeg, 3; Cleveland, 2.

December 10

Ottawa, 7; Quebec, 6.
 Minnesota, 4; Cleveland, 3.
 Los Angeles, 5; Alberta, 3.

Eastern Division

New England	28	18	9	1	119	87	37
Cleveland	30	17	12	1	105	81	35
New York	30	15	15	0	124	111	30
Quebec	27	14	12	1	97	92	29
Ottawa	27	13	13	1	97	116	27
Philadelphia	26	8	18	0	82	116	16

Western Division

Winnipeg	34	20	12	2	127	96	42
Minnesota	28	15	12	1	90	90	31
Los Angeles	30	15	14	1	103	103	31
Alberta	30	12	16	2	90	107	26
Houston	27	11	15	1	85	97	23
Chicago	25	7	17	1	65	88	15

SECURITY AND MBFR DISCUSSIONS

The Secretary of State for External Affairs announced recently two important steps taken by Canada, in concert with its friends and allies, to open a further phase in the continuing process of negotiation that is aimed at lowering tensions and increasing security and co-operation in Europe and throughout the world.

The first of these steps was the acceptance of an invitation from the Government of Finland to all European states, Canada and the United States to attend multilateral preparatory talks on the question of holding a conference on security and co-operation in Europe. These talks began on November 22 in Helsinki, where Canada was represented by its Ambassador, Ernest Coté. The Canadian aim is to establish whether enough common ground exists to warrant reasonable expectations that a conference would produce satisfactory results.

The second, and complementary, step was the

extension by Canada of a formal invitation on November 15 to Czechoslovakia, Poland, Hungary and the U.S.S.R., in concert with the Governments of Belgium, the Federal Republic of Germany, Luxembourg, the Netherlands and the U.S.A. to participate in exploratory talks on mutual balanced force reductions in Central Europe. In addition, the Government of the Federal Republic communicated the same invitation to the German Democratic Republic. It is proposed that these exploratory talks begin on January 31, 1973, at a site yet to be decided.

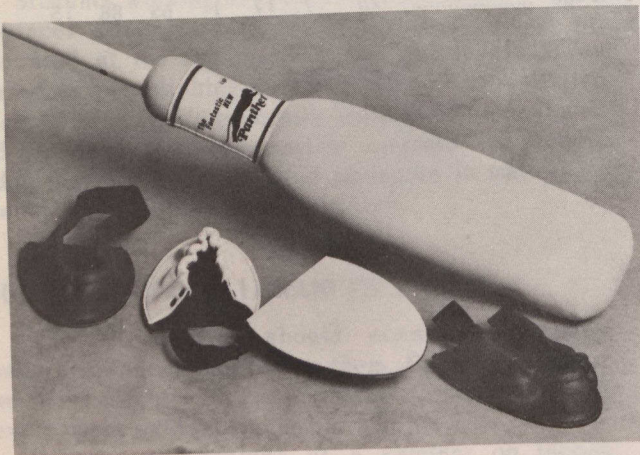
Those two separate but related steps will, it is hoped, pave the way for two parallel sets of negotiations which may lead to further progress in *détente* and to a reduction of the military confrontation in Europe and, in co-operation with the countries of Europe, Canada will participate fully in these negotiations and endeavour to make a positive contribution to their successful conclusion.

NEW BROOM SWEEPS CLEAN

The number of Canadians interested in curling – the roaring game – has been estimated at 20,000. Basically, it has changed little since its beginnings in Scotland, the most noticeable differences being in attire, particularly sweaters and boots designed for more comfort, warmth and freedom of movement.

A more recent innovation that has made big inroads into curling rinks in the past few years is the "composition" broom. One that has proved popular in Western Canada and the northern United States is the *Panther*, made by Thompson Broom Manufacturers of St. Boniface, Manitoba.

Developed by Al Thompson, himself a curler, the broom is guaranteed for 40 games, an average curling season.



The *Panther* broom has a hardwood handle with a laminated belting-spring to give it a "flip". It is padded with one inch of polyurethane foam and covered with a nylon knitted sock.

Although the *Panther* sells at a price slightly higher than the conventional corn-straw broom, the manufacturer claims it is cheaper in the long run because of its 40-game guarantee and because its parts are completely replaceable and are sold individually or in kits.

Mr. Thompson says that, while the composition broom has achieved significant acceptance, there is still disagreement about effect on the game. He claims, however, that the broom "breaks in" easily and that, after using one for about three games, a curler usually adjusts his style and sweeping method to the action of this type of broom.

Rink-owners find the composition broom a boon because it leaves no debris, thereby simplifying ice-cleaning. Straw dropped by conventional brooms is ground into the ice surface by the curling stones. To clean the ice then requires steaming and scrubbing – a job that can take five men as long as 20 minutes.

LABOUR DEPARTMENT HISTORY

Dr. Fraser Isbester, Chairman of the Personnel and Industrial Relations area at McMaster University, Hamilton, Ontario, has been commissioned to write the official history of the Canada Department of Labour. The account, covering the years 1900 to 1975, is expected to be a scholarly social, economic and political record of the Federal Government's role in Canada's industrial relations system.

A leading authority on industrial relations in Canada, Professor Isbester is the author of a number of articles, reports and books on the subject. He is taking a year's leave of absence from McMaster to carry out the project.