



# Bulletin

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## CANADA ADJUSTS TO KENNEDY ROUND RESULTS

*Prime Minister L.B. Pearson, recently announced the introduction of an adjustment assistance programme related to the Kennedy Round. The following passages are from an official description of the programme:*

...The results of the Kennedy Round afford a major opportunity for improving the productivity and speeding up the efficient expansion of Canadian secondary industry. At the same time, changing patterns of trade and production will involve transitional problems for particular firms. In these circumstances, two main objectives of Government policy are, *first*, to derive as much benefit as possible from widening markets and increasing scope for greater specialization and longer production runs and, *second*, to assist firms adversely affected to adapt effectively to more competitive conditions.

In the circumstances of freer world trade, it is essential that Canada's secondary industry should develop greater competitive strength. In some instances, if firms are to survive they will have no option but to reorganize and re-equip. In other instances, where the Canadian tariff may not be reduced significantly, the forward-looking firm will, in any case, want to reorganize and respond to the challenges and opportunities of the new world trading environment. Adjustment assistance is intended to provide suitable financial and technical support, where sought and required, for these purposes. It does not represent a new device for governmental intrusion into the private sector of the economy. On the contrary, adjustment assistance seeks only to offer secondary industry the means, if it chooses to use them and where they are otherwise lacking, for improving its economic performance. Such improvement will clearly benefit the economy as a whole, and, by improving productivity in an important sector, help

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to provide a sounder economic base required to sustain and improve standards of living and welfare for all Canadians.

### ECONOMIC COUNCIL RECOMMENDATION

The importance of a general programme of adjustment assistance was stressed by the Economic Council of Canada in its 1965 annual review. It stated:

"The basic purpose of such a programme would be to bring about an effective and speedy transfer of productive resources from less efficient to more efficient lines of production. The resulting improvements in the productivity of the economy would amply justify the costs involved."

In this year's review, the Council reiterated this recommendation and emphasized the urgent need for such a programme....

It would clearly be beyond the scope of adjustment assistance to encompass any general scheme for financing the expansion of Canada's manufacturing industries. The Government has formulated a special programme designed to provide assistance under certain specific conditions of eligibility.

### ASPECTS OF PROGRAMME

The principal feature of the programme will be the offer by the Government of insurance of the major share of the risk of loss on these industrial adjustment-assistance loans made by private lenders. A

second element will be direct Government loans in case of carefully-defined hardship, up to a total of \$10 million in the first year of the programme. An important third feature of the programme will be the extension of technical assistance to manufacturers in preparing adjustment proposals for the purpose of improving their production, managerial, marketing and financial operations. The programme will be built on the experience gained from the automotive adjustment assistance programme, but it will be administered by a separately constituted board. In essence, the programme as a whole is designed to help accelerate the mobilization of resources in the private sector for the purpose of attaining our important national economic objective of an expanded and more productive secondary industry.

#### ELIGIBILITY FOR LOAN

To be eligible for insured loans, firms must, as a first step, establish that they have either been seriously injured or threatened with serious injury as a result of the Kennedy Round tariff reductions made by Canada or that they have significant export opportunities arising out of the Kennedy Round. There are also three further tests which have to be met by a firm in order to qualify for an insured loan. First, a firm must present a comprehensive plan involving a restructuring of its operations in order to improve its competitive position. Second, its comprehensive plan must be judged to be sound by the adjustment assistance board. Third, it must be clearly established that sufficient financing cannot be obtained on reasonable terms from other sources. The Government will charge a fee for insuring loans and the private lenders, in agreement with the borrowers, will set the terms of the loans subject, of course, to competitive forces in the financial markets.

For firms that have been seriously injured or threatened with serious injury as a result of reductions in Canadian tariff and are unable to borrow the funds they require to re-adjust from the private sector under the insured-loan programme, the Government will be prepared to provide direct loans providing the firm undertakes to seek a viable solution to its problems in co-operation with the Board. It is expected that very few firms will experience these conditions and, consequently, only limited use will be made of direct Government loans.

#### TECHNICAL ASSISTANCE AND INSURANCE

Since many of the applicants for financial assistance under the programme will be small- and medium-sized firms, which may not have the resources within their own organizations to formulate fully sound adjustment proposals, a provision for technical assistance is being included in this programme. Where necessary, applicant firms will be assisted in finding competent technical and professional advice in the private sector. The proposal is that the Government share the cost of such consulting services with the firm to the extent considered appropriate in each case, but the Government's share would not exceed 50 per cent.

Discussions of arrangements for insuring these industrial-adjustment loans are now taking place with representatives of the banks and will be extended to other appropriate lenders who may be interested. Authority for giving the guarantees needed to implement the insured loans programme will be sought from Parliament in supplementary estimates this year. The main estimates for 1968-69 will include an appropriation for the direct loan and technical-assistance programmes.

The adjustment-assistance programme is specifically designed to provide assistance to manufacturing industries - including, of course, the processing sector. This approach has been taken since it appears evident that these are the areas where the tariff changes will have the greater impact. Any adjustment and additional opportunities provided by changing patterns in secondary industries should be rapidly reflected in benefits to primary producers....

#### WELFARE OF WORKERS

While the point of adjustment-assistance is to create jobs by reorganizing production, there may be a few cases in which a company has to lay off workers during the reorganization; and there will be some cases in which part of the previous work-force cannot be re-trained for the new jobs.

It will, therefore, be a condition of a company receiving a guarantee or a direct loan that it should give notice of such lay-offs to the individual workers and the Government. The requirement will apply if the total lay-off during the reorganization involves 20 or more workers and is for two months or longer. The minimum notice period will be three months.

The notice period will give time for the Manpower Department and provincial authorities to arrange for re-training where needed, or for that department fully to explore opportunities for temporary or permanent employment as appropriate.

#### RE-TRAINING PLANS

When a company reorganizes production and introduces new technology, the occupational training legislation provides for the whole cost of an "in-plant" training programme so that workers who would otherwise be displaced can adapt to the new jobs. The federal manpower consultative service is available to management and workers to help develop agreed methods of making the necessary adjustments in the plant's work-force.

For any workers who are displaced, the employment services of the Department of Manpower and Immigration will be brought into full action and will be supported when needed by re-training in public facilities, with the payment of training allowances of up to \$90 a week, and by the mobility programme, which helps workers to move if the new jobs available are away from their present homes. By these methods, the industrial changes necessary to take advantage of new trading opportunities can be made, and will be made, to work for the benefit of the people most directly affected.

## ARMED FORCES UNIFICATION

At a recent briefing session, members of the armed forces in Canada and overseas were informed of the major changes that would take place when the Canadian Forces Reorganization Act became effective on February 1.

Service personnel will no longer be members of the Royal Canadian Navy, the Canadian Army or the Royal Canadian Air Force, but will serve as members of the Canadian Armed Forces. Army and air-force personnel generally will use the new ranks established for the CAF; personnel serving in the RCN prior to February 1 will continue to use naval ranks, as will personnel enrolled after that date who serve in a naval environment.

Other matters dealt with in the briefing included:

**Operational elements** – There will be no change in the operational elements of the new force, which will continue to employ ships and squadrons at sea, battalions, regiments and brigades on land and flying units, squadrons and wings in the air.

**Uniforms** – The final pattern for the new uniform has not been selected. It is estimated that all regular force personnel will be outfitted by 1971.

**Service Environment** – Personnel now serving will not be required to serve in another operational environment without their consent but those who join after February 1 are eligible for service anywhere in the force.

**Retirement Policy** – A new retirement policy will be established. Most personnel now serving will have the option of retiring under the existing terms or electing the new terms. Exceptions are those within two years of compulsory retirement who will leave the force under the existing plan.

**Canadian Forces Ensign** – A new ensign, incorporating the national flag and the Armed Forces emblem has been approved and is being issued to units.

**Reserves** – The Royal Canadian Naval Reserve, Canadian Army (Militia) and Royal Canadian Air Force Auxiliary will become the Canadian Armed Forces Reserve Component, which will consist of the Naval

Reserve, the Militia and the Air Reserve. The Reserves will be issued with the new uniforms after the regular force has been outfitted. The Reserves will continue to be managed under existing service regulations but ultimately will come under a new set of categories.

At present, programmes are being worked out that will result in the establishment of common personnel-management procedures and a single logistics system. Until these programmes are established and the new uniform issued generally throughout the force the unification process will be carried out in the progressive stages.

### STEPS TO SINGLE SERVICE

Defence Minister Cadieux has described the proclamation of the Canadian Forces Reorganization Act as only one more step in an evolutionary process, albeit a very important one, that began in 1964 and will continue for some years to come.

The following chronology led to the creation of a single service:

**March 1964** – White Paper issued spelling out the roles and missions of the Canadian Forces and forecasting unification.

**July 1964** – Bill C-90 established a Chief of Defence Staff to replace former individual service chiefs.

**August 1964** – Chief of Defence Staff and heads of the new branches at Canadian Forces Headquarters appointed.

**June 1965** – New functional command structure announced.

**January 1966** – All functional commands phased in.

**December 1966** – Bill C-243 (Reorganization Act) brought before Parliament.

**April 1967** – Canadian Forces Reorganization Act passed by Parliament.

**February 1968** – Reorganization Act brought into force; RCN, Canadian Army and RCAF become the Canadian Armed Forces.

## DICTIONARY OF CANADIANISMS

The *Dictionary of Canadianisms*, published recently by W.J. Gage Limited, was a unique project of Canada's centennial.

The fourth and the most elaborate of a series of *Gage Dictionaries of Canadian English*, the publication defines over 10,000 words, with quotations to illustrate their use and development. It was prepared by the Lexicographical Centre of Canadian English, at the University of Victoria, B.C.

Typical "Canadianisms" include words like *muskeg*, *portage*, *mukluk* and *shivaree*. It also deals with usages such as *chesterfield* for a piece of furniture, and *riding* for a political constituency, and such expressions as *separate school*, *saw-off*, and *shanty-man*.

The dictionary is partly an academic reference book, but it will please anyone interested in Canadian history and social history, say the editors, who believe it will invite browsing by such readers.

### EDITORS

More than a decade of planning and preparation has gone into the project, which was conceived in the early 1950s. The book was made possible by years of prior research by Charles J. Lovell of Willow Springs, Illinois, who was its editor until his death in 1960.

Mr. Lovell, a writer, lexicographer and outdoorsman who spent his summers in Banff, Alberta, and was fascinated by the Canadian scene, collected notes on distinctively Canadian words and expressions, which he kept in a growing set of shoe-boxes. These

and all his other lexicographical materials were turned over to Gage by his widow, when death intervened to prevent his taking up a visiting fellowship awarded to him by the Canada Council. He intended to spend a year in Canada, under the fellowship arrangement, editing his material and consulting with colleagues.

Editor-in-Chief of *The Dictionary of Canadianisms* is Walter S. Avis, Professor of English at the Royal Military College of Canada, Kingston Ontario.

## HISTORIC BLACKFOOT CEREMONY

Possibly the last historic act of the Blackfoot Indians took place recently with the performance of the pipe-transferring ceremony involving two Alberta museum employees.

Jim Many Bears transferred his medicine-pipe bundle to the Provincial Curator of Ethnology, Mr. John Hellson, and Mr. Dennis Reid was the recipient of a similar bundle belonging to Floyd Yellow Sun.

Dancing, chanting and drumming marked the elaborate eight-hour ceremony conducted by the tribal elders. Band members started the ceremonies by chanting for one hour until they "caught" the new owner located in a nearby teepee. He was then carried on a blanket to the ceremonial teepee, where, to the accompaniment of chanting and singing, the bundles were opened.

The bundle contained the main pipe decked with feathers, a whistle, secondary pipes, paints and animal skins.

The medicine bundles are considered holy by members of the Blackfoot nation and are the official property of the medicine man.

The entire ceremony was recorded and photographed by the provincial archives for future use.

## EDUCATION FOR EXCEPTIONAL CHILDREN

*Statistics of Special Education for Exceptional Children*, a new national survey and the first survey of so comprehensive a character on the subject since 1953-54, has just been released by the Education Division of the Dominion Bureau of Statistics.

It is based on replies to a questionnaire received from teachers in Canada who are at present instructing exceptional children, and reports for all Canada and by province, on the teachers' background, qualifications, experience and salaries as well as on sex, age, grade-level and type of exceptionality among the children taught. Administrators were also asked to answer a short questionnaire regarding sources of funds for the operation of institutions and the total number of classes operated by school-boards.

For the purpose of the survey, "exceptional" means children for whom special facilities were provided, whether exceptionally gifted, or suffering from some handicap, from the retarded reader to the blind, the deaf, the emotionally disturbed, to those suffering from multiple handicaps and other exceptional

children. Nearly 100 handicaps and combinations of handicaps were reported by teachers.

As few separate facilities exist in Canada for the exceptionally gifted, who are usually dealt with by some form of accelerated programme, the total number reported (8,506) is far below the actual number.

Similarly, the figures for the handicapped include only those children actually enrolled in some kind of special programme because of their handicaps, and do not show the total number of children who would actually require special facilities.

## SURVEY FINDINGS

According to the results of the survey, there are 93 special schools and 3,417 other special classes operated in Canada by school-boards. These employ a total of 4,744 full-time and 123 part-time teachers, and have a combined enrolment of 104,732 pupils.

Another 318 special schools operated by provincial departments of education or by various agencies, such as religious or charitable organizations, provide facilities for a further 16,579 handicapped children.

Of the 5,819 persons engaged in part-time or full-time teaching of exceptional children, 977 hold university degrees, 1,812 hold both teachers' and special certificates, 2,234 hold basic teachers' certificates and 554 hold no certificates.

## FITNESS-ASSESSMENT GRANT

A sum of \$35,000 for the assessment of the fitness of Canadians between 18 and 40 was among 20 grants, totalling \$200,120, announced recently by Mr. Allan J. MacEachen, National Health and Welfare Minister. These grants will be used for research in fields related to fitness and amateur sport.

The fitness-assessment grant - the largest recommended by the Research Review Committee of the National Advisory Council on Fitness and Amateur Sport for the fiscal year 1968-69 - goes to two medical researchers at the University of Ottawa, who will try to develop a set of national standards for the levels of fitness of Canadian adults. The project will also, it is hoped, develop a work-capacity study, in which investigators will try to judge the amount of energy the average man expends in performing various physical tasks.

In an effort to ensure uniform national testing, 24 research investigators will be trained at Ottawa University to carry out the projected tests throughout the country.

Responsibility for the training and testing has been assumed by the Canadian Association for Health, Physical Education and Recreation (CAHPER).

The CAHPER Research Committee has already finished an investigation of the fitness performance and work capacity of 11,000 Canadians between 7 and 17. As a result of this survey it was felt that an extension of the studies to adults would be useful. A random sample of about 2,000 men and women between 18 and 40 will be used. The results of this

investigation will be compiled at the University of Ottawa, in English and French.

Among the other grants recently announced was one worth \$14,000 awarded to Dr. Margaret Becklade of McGill University, Montreal, to support a study of heart and lung adaptation to exercise in adolescents. This project aims to define the pattern of growth of the lung, and to study how the circulation and respiration systems adapt to exercise, in relation to physical growth and maturation during the teens.

### TV RADIATION HAZARDS

Owners of colour television receivers have at present little cause for concern about exposure to ionizing radiation, Mr. Allan J. MacEachen, Minister of National Health and Welfare, said recently in making public the conclusions of a study by the Radiation Protection Division of his Department.

A problem arose earlier this month when it was reported in the United States that certain specific models of General Electric colour-television receivers had been found to emit excessive amounts of ionizing radiation. This was confirmed by the United States National Center for Radiological Health and, subsequently, by measurements carried out in the Radiation Protection Division's own laboratories. The problem was limited to large-screen models built with a "KC" chassis and imported from the United States between September 1, 1966, and May 31, 1967. In these models, high radiation levels were observed adjacent to the shunt regulator tube when experimentally mounted outside the cabinet. Readings taken outside the cabinet, with the regulator tube properly mounted inside it, were 20 times lower, though still significantly higher than the maximum of 0.5 milliroentgens an hour at any readily accessible point two inches from the set, recommended by the International Commission on Radiological Protection. These high values were confined to the bottom of the set, and the picture-tube itself was not involved. It is, therefore, considered unlikely that, even with defective sets, typical viewing would result in an accumulation of significant radiation doses.

### INQUIRY FINDING

In carrying out its investigations, the Radiation Protection Division received full co-operation from the Canadian General Electric Company. To date, the firm has modified 3,267 sets by replacing the faulty tube with a different regulator tube, and measurements indicate that radiation levels are now within accepted limits. Most recent information indicates that no more than 14 of the defective sets remain unmodified, and this backlog is expected to be cleared up shortly. The Radiation Protection Division has also been checking on the possibility of similar potential radiation hazards in TV sets of other manufacture. Ten of 14 Canadian manufacturers have already responded to inquiries by the Division. Seven of these either use no shunt regulator tube at all or one which has been found to be satisfactory.

Models produced by two other manufacturers use shunt regulators that are at present being evaluated, and one manufacturer has not provided sufficient information for assessment purposes at this time.

From the replies received to date, it is evident that the industry is aware of the problem. Most of the companies carry out some form of radiation testing, although none are known to be involved in elaborate tests on individual shunt regulator tubes. Tests are usually confined to scanning each surface of the completed set to ensure that radiation levels are within accepted limits.

Although investigations are not yet complete with respect to other manufacturers, the Radiation Protection Division is satisfied that action has been taken quickly enough in relation to the General Electric sets that no individual viewer is likely to have received harmful radiation doses. There is, to date, no evidence of similar problems in sets of other manufacture, and the caution exercised by the television industry in relation to the risks involved from exposure to ionizing radiation seems both reasonable and sufficient.

### NATIONAL CAPITAL CALLING

Bell Telephone will shortly introduce a service that will make it possible to call any person in the area of the capital at any time. The new service, known as "Bellboy 35S", is a radio-paging system and, says the company, "is an extension of the telephone bell". It will be available in Ottawa and Hull early next month.

### ON CALL

A radio-receiving set, no bigger than an eye-glass case, and weighing only four-and-a-half ounces, is carried in the pocket of the person "on call". Anyone wishing to make contact dials a pre-arranged number on a telephone and a radio signal activates an "alert" tone in the receiving set. The recipient can then telephone his office, or any predetermined point, and speak to the caller.

Bell Telephone believes that the system will be used widely in government, industry and the professions.

### NATURAL PARK SCHOLARSHIPS

Six scholarships valued at \$2,000 each will be awarded by the National Parks Service of the Department of Indian Affairs and Northern Development for graduate work in the planning and management of natural park and outdoor recreation areas. "The ever-increasing challenge to meet the demands for parks and recreation areas will be a continuing need," said Mr. Arthur Laing, the Minister responsible for the national parks of Canada. "Every effort to encourage professionalism in the field must be made, and the scholarships will greatly assist to that end."

Mr. Laing said park planning and outdoor recreation management were vocations born of modern

social and economic patterns, and that the administration of the national parks of Canada had been made keenly aware of this fact by the entry of more than 12 million visitors into parks during 1967, compared to a mere 500,000 in 1936.

"One of the objectives of the Department, in meeting this trend of increased visitation to national parks, is to give vocational direction towards the natural resource based park planning and outdoor recreation management fields," the Minister said.

## CONSUMER PRICE INDEX

Canada's consumer price index increased by 0.5 per cent, to 151.8, at the beginning of December from 151.0 at the beginning of November. The December 1967 index was 4.0 percent above the December 1966 level of 145.9. Of the seven major components, the largest contributor to the rise was the tobacco-and-alcohol component, which advanced by 3.3 per cent, partly as a result of a recent increase in excise taxes on these products. An advance of 1.1 per cent was registered in the transportation index, while the food and housing components advanced by 0.4 per cent and 0.3 per cent, respectively. Clothing prices increased marginally and there was a fractional decline in the recreation-and-reading index. The health-and-personal-care component remained unchanged at its November level.

## FOOD

The food index rose 0.4 per cent, to 148.6 in December from 148.0 in November, reflecting price increases for a number of staple food items. The price of fresh milk and other dairy products, including cheese and ice cream, moved up generally. Bread prices also increased, as did most other bakery and cereal products. Among the miscellaneous grocery items, sugar prices advanced by over 2 per cent, while infants' food rose a little less. On the other hand, both tea and coffee prices declined somewhat, and butter and margarine prices also decreased marginally. Among the produce items, cabbage, carrots, lettuce, tomatoes and citrus fruits rose in price, but this increase was offset by price decreases for bananas and celery. Meats, on the average, were lower in price in December, the most notable declines occurring for bacon and other pork products and for poultry.

## HOUSING

The housing index increased by 0.3 per cent, to 153.8 in December, owing to higher shelter and household operation costs. Rents rose generally, the largest increases occurring in Edmonton, Calgary and Vancouver. Home-ownership costs edged up, largely because of higher repair expenses. Household operation costs rose slightly as higher prices

for fuel, furniture, and utensils outweighed declines for floor coverings and some household textiles. The clothing index edged up 0.1 per cent, to 134.7 from 134.5 the preceding month, owing to marginal increases in men's and women's wear, footwear, piece goods and clothing services. These upward movements were partly offset by declines in children's wear prices. The transportation index advanced by 1.1 per cent, to 159.6 in December from 157.9 in November, largely owing to the introduction of 1968 automobile prices, which were higher than those of the year-end prices of 1967 models. Minor price rises also occurred for motor-oil and for automobile lubrication. A substantial increase in Edmonton bus fares also contributed to the advance in the transportation index.

## HEALTH AND PERSONAL CARE

The health-and-personal-care index remained unchanged at its November level of 193.8, slightly lower prices for toilet soap, razor blades and toothpaste offsetting rises in the price of cleansing tissues and of men's haircuts in two cities. The recreation-and-reading index declined by 0.5 per cent, to 169.7 from 170.5 the preceding month, mainly as a result of variations in magazine subscription rates. The tobacco-and-alcohol index advanced by 3.3 per cent, to 133.0 in December from 128.7 in November, reflecting, in part, the higher excise taxes imposed on these products. Price rises were registered in all surveyed cities for cigarettes and tobacco. For alcoholic beverages, however, higher prices were recorded only in those places where increases became effective by the middle of December.

## CANADA ADJUSTS TO KENNEDY ROUND RESULTS

(Continued from P. 2)

Unemployment insurance arrangements, of course, are also designed to facilitate changes of this sort, as well as other adjustments that may be required in the economy. Obviously, it is essential that a proper level of benefits be provided if the unemployment-insurance programme is to work effectively. The Government is, therefore, proposing to introduce an amendment to the Unemployment Insurance Act later this session, which will provide for an increase in the level of unemployment insurance benefits....

The Government believes that this programme of adjustment-assistance will provide Canadian manufacturers with the assurance of financial and technical assistance which they need for improving their competitive strength in the post Kennedy Round commercial environment.