



CANADA

CANADIAN WEEKLY BULLETIN

INFORMATION DIVISION • DEPARTMENT OF EXTERNAL AFFAIRS • OTTAWA, CANADA

Vol. 22 No. 30

July 26, 1967

CONTENTS

The Future of Unemployment Insurance in Canada	1
Expo Wins Design Award	2
Full-Scale Training in Accra	2
Consular Pact with U.S.S.R.	3
Stream of State Visitors	3
Canada-Caribbean Cadet Exchange	4
Labour Force	4

THE FUTURE OF UNEMPLOYMENT INSURANCE IN CANADA

The following excerpts are from an address by Mr. John R. Nicholson, the Minister of Labour, at a conference sponsored by the Unemployment Insurance Commission at Queen's University, Kingston, Ontario, on July 17:

...Since unemployment insurance was first introduced in Canada, the objective of maintaining the employment and the dignity of a limited class of workers has declined in importance. We have made vast progress in social security, and our more recent programmes for old-age pensions and health insurance have placed strong emphasis on universality, rather than on conditional or selective coverage. We certainly have travelled a long road from turn-of-the-century liberalism to an era in which prominent economists can seriously advocate the adoption of universal guaranteed annual income programmes.

In the same way, the principle of pure insurance was handicapped from the very start. The Government has borne the costs of administration. It has contributed a proportional share to the Unemployment Insurance Fund on a regular basis and, in 1962, it found it necessary to take more drastic steps to assist the Fund in meeting its obligations under the economic conditions then prevalent. While no economist, without risk of serious controversy, would undertake to define or even endorse the conception of the business cycle, it has become obvious in the very recent years that, whatever the ups and downs of our economy, the Unemployment Insurance Fund cannot be relied upon to meet every emergency without the assistance of public funds.

AIMS OF UNEMPLOYMENT INSURANCE

If these early objectives have been greatly modified or discarded during the Commission's history, what then are the present objectives of unemployment insurance?

The first of these is one which has remained consistently to the fore ever since unemployment insurance was introduced to Canada. As early as 1937, an illustrious predecessor of mine as Minister of Labour, the Honourable Norman Rogers, explained it in this way: "The payment of benefit in time of industrial depression helps materially to maintain the purchasing power of the workers and thus the volume of buying of consumer goods; it tends, therefore, to increase stability and helps the producers and distributors of producers' goods also, as well as the Government and the workers." This role of an economic stabilizer, or if you like, a flywheel to even out the momentum of the economy, has been one of major importance when you realize that benefits paid out to unemployed workers from 1942 until April 30 of this year have totalled almost \$5.5 billion. That is a considerable sum of money by any standard.

We must remember too that this money is immediately effective. It is spent right away on basic goods and services. It turns over very quickly....

UNIVERSAL COVERAGE SOUGHT

...The goal of universal coverage is one which has been long sought after and it has already caused a number of difficulties — notably in the case of extension of coverage to fishermen and more recently

to horticultural and agricultural workers. Nevertheless, the goal remains a legitimate one. Basic insurance doctrine tells us that the larger the numerical base the sounder will be the actuarial calculations made upon it. A more important incentive toward universality is the example of administrative democracy in the more recent social security programmes....

Whatever the motive, unemployment insurance as part of our social-security system seems to be destined to extend its coverage into many untouched areas of employment. To this end, some of you have already begun an on-going task of making our unemployment insurance programme flexible to the requirements of modern employment and to the needs of the society in which we live.

INTEGRATION OF SERVICES

Another present-day objective which is closely connected with universality is that of integration. When unemployment insurance was first introduced, it was a unique and limited programme in the largely unexplored social-security field. As such, it was quite properly made the administrative concern of a semi-independent agency of government.

With the postwar era, we have seen an enormous and continuing growth in government services. This has been especially true in the field of social security and income maintenance, where numerous up in an area which formerly supported unemployment insurance and very little else.

Inevitably, this trend has produced major administrative problems. The development of these new programmes has produced some overlapping and duplication of effort by government agencies and, admittedly, attempts to define more clearly the scope and coverage of existing programmes have produced more red tape than we would like.

The obvious — and, indeed, the only — solution to this state of affairs is the integration of our social security programme to a degree never before contemplated. Happily, this trend is already under way....

A prime example of an area where integration of government efforts is indicated is in the duplication and even triplication of paper work required by such programmes as unemployment insurance, the Canada Pension Plan and the federal income tax. I might say that this particular duplication is of great concern to my colleagues, the Minister of National Revenue and the Minister of National Health and Welfare, as well as to myself. It is an area in which we see the most pressing need for a satisfactory integration of operations in the near future....

NEED OF EFFECTIVE SERVICE

One final element which I would feel justified in identifying among current objectives for unemployment insurance is that of effectiveness. I mean not merely efficiency — although this latter does come into it and I certainly have in mind the recent consolidation of local offices which has already proven to be both a practical and an economical step. Real effectiveness must be measured in terms of good public

service. We must ask ourselves now and continually just how well the legislation, the regulations, and the administrative procedures of the Commission are serving the needs of Canadians today. Is the Commission getting its benefits into the hands of those who need them most? Are cheques reaching claimants quickly enough to be the greatest use to them in their unemployment? Are present benefit rates satisfactory? Does the Act provide a genuine system of appeals to disqualified claimants? Are Commission procedures causing undue hardship to any special groups — such as immigrants with a language problem?....

* * * *

EXPO WINS DESIGN AWARD

The 1967 Civic Design Award has been awarded by the Stratford Seminar on Civic Design to Expo '67. Rudolph Papanek, Assistant Chief Architect for the Canadian Corporation for the 1967 World Exhibition, accepted the award on behalf of the Corporation at a formal presentation held recently in the Festival Theatre at Stratford.

The Seminar, which is now in its seventh year, is sponsored by such organizations as the Town Planning Institute of Canada, the Ontario Association of Architects, and the Urban Development Institute.

* * * *

FULL-SCALE TRAINING IN ACCRA

Mr. Paul Martin, Secretary of State for External Affairs, said recently that the Accra Trades Training Centre, built under the Canadian External Aid Programme in a suburb of the capital of Ghana, would be operating at full strength this summer.

The Canadian Government has approved the final consignment of equipment, valued at \$55,000, thus completing the second of three phases in the development of the Centre. The final phase, currently under way, involves the replacement of Saskatchewan teachers now at the school with Ghanaian instructors.

SASKATCHEWAN TEACHERS

The Centre, which has cost \$1,250,000, is a collection of low, grey and white modern buildings and workshops round a central administration block. Construction began early in 1965 on a 22-acre site from which tropical brush had been burned. While building was under way, officials of the Saskatchewan Department of Education were planning the curriculum, selecting teachers and preparing to receive 20 Ghanaians who were to train as vocational teachers. These have now returned to Ghana, where they are working with the Canadians they will replace. The school opened last July and has been filled to capacity ever since.

CONSULAR PACT WITH U.S.S.R.

Mr. Paul Martin, Secretary of State for External Affairs, has announced the signing of a consular agreement with the Soviet Union.

The main purpose of the agreement, concluded by an exchange of notes in Moscow between the Canadian Ambassador and the Soviet foreign ministry on July 14, is to protect citizens of each country visiting the other from the difficulties sometimes created by differences on citizenship legislation.

It also provides that the area of jurisdiction of a Canadian consulate, when it is eventually opened in the U.S.S.R., will be of comparable size to the area of jurisdiction of the Soviet Consulate-General in Montreal, which covers the Province of Quebec.

REUNIFICATION OF FAMILIES

At the same time, the Secretary of State for External Affairs reports continuing progress toward the solution of the question of reunification of families separated by the Second World War and its aftermath.

Since 1964, the Prime Minister has been in direct correspondence with Mr. Khrushchov, and subsequently with Mr. Kosygin, on this subject. The

* * * * *

STREAM OF STATE VISITORS

At the invitation of the Governor General, official guests from 15 countries visited Canada from the latter half of May to mid-July. Heads of state or their representatives were welcomed in Ottawa and went on to Expo '67 for the celebration of the national days of their countries. Several guests, were forced however, to curtail their visits because of uneasy world conditions.

President Z. Shazar of Israel and Mrs. Shazar, accompanied by senior Israeli officials, arrived in Ottawa on May 21. Events in the Middle East necessitated the cancellation of their scheduled visit to Toronto, limiting their visits outside the capital to Montreal and Quebec.

Queen Juliana and Prince Bernhard of The Netherlands, accompanied by The Netherlands Minister of Foreign Affairs, Mr. J.H. Luns, were in Canada from May 13 to 26. Besides Ottawa and Montreal, the Queen and her party visited Toronto, southwestern Ontario, Calgary and Victoria.

President L.B. Johnson of the United States, accompanied by the U.S. Postmaster-General, Lawrence F. O'Brien, visited Montreal on May 23. Afterwards, he made a brief visit to the summer home of Prime Minister L.B. Pearson at Harrington Lake near Ottawa.

Like the U.S. President, Prime Minister Harold Wilson of Britain, had to cut his visit short. While Mr. Wilson was being officially welcomed in Ottawa, on June 1, Mr. H. Bowden, the British Commonwealth Secretary, represented his country in Montreal, during the celebration of Britain's national day.

Prime Minister H.E. Holt of Australia and Mrs. Holt, accompanied by senior Australian officials,

Secretary of State for External Affairs also raised it with the Soviet Premier in Moscow in November 1966. There have been many other discussions of the question, including those initiated by the Canadian Parliamentary delegation on its visit to the U.S.S.R. in 1965.

HELP FROM RED CROSS

The results of efforts on both sides and of the continuing work of the Canadian Red Cross, in cooperation with the Soviet Red Cross and Red Crescent, have been encouraging. In 1965 and 1966, the number of people able to leave the Soviet Union to join their families in Canada has more than doubled over the two preceding years, to over 400.

In discussions with Canadian representatives, the Soviet Union has confirmed its intention to continue to give sympathetic and benevolent consideration to applications from people in the U.S.S.R. wishing to join their families in Canada. The Secretary of State for External Affairs is, therefore, hopeful that this matter, once a serious obstacle to improved understanding between Canada and the U.S.S.R., will continue to be resolved satisfactorily.

visited Canada between June 3 and 8. Besides Ottawa and Montreal, Mr. Holt and his party visited Quebec City.

The Minister of Economy of Iran, Dr. Ali-Khani was in Canada from June 7 to 10. His visit included national day celebrations in Montreal.

The Associate Minister of Industry and Commerce of Tunisia, Mr. Bechir Ennaji represented his country at its national day celebrations at Expo '67 on June 13.

President H. Lübke of the Federal Republic of Germany and Mrs. Lübke were in Canada from June 9 to 15. Besides Ottawa and Montreal, the President visited Calgary.

The President of the Korean Red Cross, Dr. Doo Sun Choi, represented his country in Ottawa and Montreal. During his week in Canada, from June 13 to 18, he also visited Quebec City and Toronto.

Prime Minister Dudley Senanayake of Ceylon, accompanied by senior officials, was in Ottawa and Montreal beginning June 19. Before he returned to Ceylon on June 25, he also visited Quebec and British Columbia.

King Bhumibol and Queen Sirikit of Thailand were in Canada from June 20 to 24, visiting Quebec City as well as Ottawa and Montreal.

The Minister of Information, Broadcasting and Tourism of Uganda, Mr. A. Ojera, was in Canada from June 25. After visiting Ottawa and Montreal, he left Canada for the United States on June 30.

Dr. Zakir Husain of India, accompanied by senior officials, visited Ottawa, Montreal, Quebec and Halifax from June 26 to July 1.

Ambassador Louis Rakotomalala of the Malagasy Republic, accredited to Canada from Washington,

attended his country's national day at Expo '67 on June 28.

Queen Elizabeth and Prince Philip of Britain arrived in Canada on June 29 for a six-day visit to take part in centennial and Dominion Day celebrations. [Some of the details of the royal visit appeared in the *Canadian Weekly Bulletin* No. 28, Vol. 22.]

Prime Minister Forbes Burnham of Guyana and Mrs. Burnham visited Canada from July 9 and 15. In addition to Ottawa and Montreal, Mr. Burnham visited Toronto and Quebec City.

CANADA-CARIBBEAN CADET EXCHANGE

Sixty-two Royal Canadian Army Cadets, accompanied by 13 officers and senior NCOs, left Ottawa by RCAF *Yukon* aircraft on July 24 to spend three weeks training in the West Indies. A similar group from the West Indies will come to Canada on exchange visits.

Twenty-six Canadian cadets will travel to Jamaica, 16 to Barbados, a further 16 to Trinidad and Tobago and four to Grenada, where they will train with cadets on those islands.

Twenty Trinidad and Tobago cadets, 5 from Grenada, 20 from Barbados and 31 from Jamaica and with conducting staff, arrived in Canada on July 26 and were taken in buses to Ipperwash, Ontario, to join Canadian cadets in training there. The West Indian cadets will take a cadet-leader course during the time they are at Ipperwash.

The Jamaican cadets will leave for the Army Cadet Camp at Farnham, Quebec, on August 1 and will attend Jamaica's national day at Expo '67. The rest will move to Farnham on August 6, where, besides continuing their training, they will have the opportunity to see Expo before their departure from Montreal airport on August 14.

LABOUR FORCE

Employment increased in Canada during May and June by an estimated 158,000 to 7,567,000, a somewhat smaller increase than usual for this time of year. Unemployment decreased by 12,000 to 292,000; the decrease was somewhat below the average for this period during recent years. At 7,859,000, the labour force was 146,000 higher than in May.

In June, the labour force stood at 326,000, or 4.3 percent higher than in June 1966. Employment was 264,000 or 3.6 percent higher than in June 1966, unemployment was up 62,000.

EMPLOYMENT

Farm employment remained virtually unchanged during May and June. In non-farm industries, seasonal employment gains were fairly general. The increase in construction employment during May and June however, was below average for the time of year, continuing the pattern of recent months.

Some 110,000, or 70 per cent, of the increase in employment during May and June was among persons under 25 years of age, about the same number as in previous years and related to the influx of students into the labour market. The employment increase for persons 25 years of age and over was slightly below the average for the past few years.

Total employment was substantially higher than it was a year earlier. At 7,567,000, the June estimate represented an increase of 264,000, or 3.6 per cent, over the figure for June 1966. Gains in employment were largest in community, business and personal service (131,000), transportation, communication and other utilities (56,000), and trade (39,000). Construction employment was 38,000 lower than in June 1966.

The number of women employed increased by 137,000, or 6.2 per cent, over the year. The number of employed men was higher by 127,000, or 2.5 per cent.

Employment was higher than the figure recorded a year ago in all regions, ranging from 6.9 per cent in British Columbia to 1.3 per cent in the Atlantic region.

UNEMPLOYMENT

Unemployment decreased by an estimated 12,000 to 292,000 during May and June. In comparison, the average May-to-June decrease in unemployment over the past five years was 23,000.

Unemployment among persons 14 to 19 years of age increased during the month by 33,000 as students looked for summer employment. Among persons 20 years of age and over, unemployment declined by 45,000, slightly less than normal for this time of year.

The unemployment total of 292,000 was 62,000 higher than in June 1966. Of this total, 211,000 were men and 81,000 were women. Unemployment was higher than it was a year ago for both groups.

Of the total number of unemployed, 221,000, or 76 per cent, had been unemployed for less than four months. Some 34,000 had been unemployed for four to six months and 37,000 for seven months or more.

Total unemployment in June represented 3.7 per cent of the labour force compared to 3.1 per cent in June 1966, and 3.5 per cent in June 1965. The seasonally-adjusted unemployment rate in June 1967 was 4.4 per cent.