



Bulletin

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HALTING U.S. DOLLAR DRAIN

In a statement issued on July 24, Finance Minister E.J. Benson recalled that an exchange of letters on March 7 between the Secretary of the United States Treasury and the Minister of Finance had established Canada's exemption from the U.S. balance-of-payments measures affecting capital flows that were administered by the Department of Commerce or the Federal Reserve Board. Canada undertook to ensure that, as a result of this exemption it would not be used as a "pass-through" by means of which the purpose of the United States balance-of-payments programme would be thwarted.

Mr. Benson noted that on May 3, the chartered banks had accepted a guide-line designed to keep the total of each bank's foreign-currency liabilities to residents of countries other than the U.S. and Canada from rising above the level at the end of February 1968, unless the increase was accompanied by an equal increase in its total foreign-currency liabilities to residents of countries other than Canada and the U.S.

The Minister of Finance asked in his statement that a similar guide-line be accepted by all other financial institutions operating in Canada, including trust companies, mortgage loan companies, sales finance companies, mutual funds, pension funds, insurance companies, investment companies, investment dealers, and small loan companies. He asked that each of these institutions manage its affairs in such a way that the total of its foreign-currency claims on residents of countries other than Canada and the United States, in the form of deposits, loans and portfolio investments in bonds and stocks, should not rise above the current level unless the increase was accompanied by an equal increase in its total

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foreign-currency liabilities to residents of countries other than Canada and the United States, or arose from net earnings of foreign branches or subsidiaries.

The Minister said that his officials would be contacting Canadian financial institutions either directly or through their associations to ask them to improve the information available to him on their foreign-currency assets and liabilities.

PREVIOUS REQUEST REITERATED

Mr. Benson also requested all Canadian investors to continue to comply with the request made in March 1966 by Mr. Mitchell Sharp, then Minister of Finance, to all Canadian investors, including all financial institutions, not to acquire securities denominated in Canadian or United States dollars which were issued by United States corporations or their non-Canadian subsidiaries and were subject to the United States interest-equalization tax if purchased by United States residents. Investments in such securities made by Canadian financial institutions to cover foreign-currency liabilities to non-residents of Canada and the United States were exempt from this request. All Canadian financial intermediaries were asked not to facilitate transactions that would be contrary to this guide-line concerning such "off-shore" securities.

The Minister expressed confidence that Canadians would co-operate in protecting the national

interest by following these guide-lines. If there were cases in which financial institutions found that the conduct of their operations in accordance with these guide-lines presented special difficulties, he asked that the institutions take these up with his officials. In particular he would be prepared to consider approval of investments in countries outside Canada and the United States to meet essential legal or customary requirements for cover of foreign-currency liabilities in such countries, if this cover could otherwise be provided.

CANADIAN LEATHER IN PARIS

Canadian leather will be exhibited at the 1968 Semaine Internationale du Cuir in Paris in September. This showing is sponsored jointly by the federal Department of Trade and Commerce and the Tanners Association of Canada. Five Association members will exhibit a variety of new trends in colours and textures for spring 1969.

The Tanners Association of Canada was formed 50 years ago to further the interests of the Canadian industry in domestic and world markets.

The 16 firms that comprise the Association are responsible for more than 90 per cent of the total leather production in Canada, which now totals annually almost \$60 million.

STAMP HONOURS BOURASSA

A five-cent stamp to be released by the Canada Post Office on September 4 will mark the hundredth anniversary of the year in which Henri Bourassa was born. Politician and journalist, Bourassa, was one of the nation's most colourful public figures during the latter half of the nineteenth century and the early 1900s.

The new vertical stamp, 24mm. x 30mm., shows an engraved portrait of Bourassa, in black, before a background area that is a lithographic miniature of a page from the Montreal newspaper, *Le Devoir*, which was founded by Bourassa in 1910. Below the portrait, "Henri Bourassa" extends the full width of the stamp; the name is surmounted to the left by the denominative "5" and to the right by "1868" and "1952", arranged in two lines. "Canada" and "Postes Postage", also arranged in two lines, are shown at the extreme upper right. The wording is printed in red, the background in red superimposed on a light-yellow base. The full issue of 24 million will be printed by the designers, the Canadian Bank Note Company.

Bourassa, who was known as a nationalist, did not subscribe to the idea of one French province with the remainder as English. He hoped for a spread of French-speaking persons throughout Canada to create areas of their own culture and language, and he visualized the existence of such areas in Western Canada as creating a "double mentality" which would serve as a unifying force from coast to coast. He was, perhaps, the first prominent politician to

openly favour the establishment of Canada as a completely independent nation under the Crown.

JOURNALIST AND POLITICIAN

Prior to founding *Le Devoir* in 1910, Bourassa had been a contributor to the columns of *Le Nationaliste*, a Montreal journal, and had been editor and owner of *L'Interprète* published in Clarence Creek, Ontario.

Henri Bourassa was active at all levels of government, Mayor of Montebello, Quebec, where he served as Member of Parliament for a number of years and a member of the Quebec Legislature. He died in 1952, just before his eighty-fourth birthday.

CLASSROOM TV TRIAL

Engineers of Bell Canada and the Northern Electric Company have discovered a new use for television in the classroom. This "information retrieval" process - known as Educational Telecommunications System (ETS) - will be tested in a two-year experiment in Ottawa schools.

The million-dollar project will be financed jointly by Bell, the Ottawa Public School Board, the Ottawa Collegiate Institute Board and the Ontario Institute for Studies in Education.

Its purpose will be to evaluate the educational benefits of information retrieval television. The evaluation will be carried out by the Department of Computer Applications of the Ontario Institute. It may be as long as three years before final results are announced.

HOW ETS WORKS

The idea of ETS is not new, though in the past it has been considered too costly to be practical. It uses television sets in the classroom connected by coaxial cable to a central audio-visual library. In the Ottawa experiment, 110 classrooms in four schools will be so equipped. When teachers require audio-visual aids, instead of ordering films and projectors which may take several days, they phone the library and request a programme which is immediately transmitted to the classroom on the Ottawa coaxial cable network. Bell is providing the videotape recorders and teleciné chains which originate the transmission, and technicians to operate them. Two librarians will be employed by the school boards.

The library will carry a selection of about 2,000 films, videotapes and kinescopes. In addition, ETS will transmit local TV broadcasts and regular ETV programmes. Assistance in stocking the library has come from the CBC, the National Film Board, Encyclopedia Britannica and the Ontario Department of Education.

Since 1946, Canada's oil production has multiplied more than 50 times, while domestic demand for oil has increased almost six-fold. If Canada had retained and consumed all its 1967 production of domestic liquid hydrocarbons, it would have supplied 86 per cent of domestic demand.

TRIBUTE TO MR. ROBERTSON

Prime Minister Pierre Elliott Trudeau issued the following statement on the death, on July 16, of Mr. N.A. Robertson, former Under-Secretary of State for External Affairs.

The death of Norman Robertson has come as a great shock to me. He had been unwell for many months yet the end came suddenly.

Norman Robertson was one of the greatest public servants this country has ever had. He had a mind of outstanding brilliance joined with a deep humanity, effacing selflessness and great dedication to Canada. During the Second World War he was the closest adviser of the Prime Minister, the Right Honourable W.L. Mackenzie King, on the whole range of problems, social, economic and administrative, that had to be faced at that time. After the war he turned his great abilities to the problems of reconstruction and the establishment of a world organization that could bring a lasting peace. It was my privilege to work under him during two years in the Privy Council Office and to realize his great qualities.

Mr. Robertson was the perfect civil servant. He worked quietly and constantly for the welfare of his country. His ideas and proposals enriched the policy of government, but at no time did he lose sight of the role and responsibility of ministers in deciding the course to be taken. His advice was wise, far-seeing and disinterested. He did not seek recognition or credit: he sought only to contribute to the solution of the great public problems of his day. As Under-Secretary of State for External Affairs, High Commissioner for Canada in London, Ambassador to the United States and Secretary to the Cabinet he served Canada in superlative measure....

BANK RATE DOWN

Mr. Louis Rasminsky, Governor of the Bank of Canada, recently announced that the bank rate had been reduced by $\frac{1}{2}$ per cent to $6\frac{1}{2}$ per cent, effective July 29. He stated that this action was in accord with the decline in market interest-rates that had taken place in recent weeks.

The Governor also announced that the Bank of Canada had repaid the remaining 50 per cent (\$125 million) of the drawing that it had made last January under the reciprocal credit facility with the Federal Reserve System. The first \$125 million had been repaid in June. There are now no drawings outstanding under this reciprocal facility, which continues to be available in the full amount of \$1 billion (U.S.)

Mr. Rasminsky stated that the Bank of Canada had terminated the short-term credit facilities with the Bank for International Settlements in the amount of \$100 million and with the Deutsche Bundesbank and the Banca d'Italia in amounts of \$150 million each, which had been arranged last March. He said that, though these credit facilities had not been used they had been of great value in helping to re-establish the position of the Canadian dollar.

GERMAN DEFENCE MINISTER VISITS

Dr. Gerhard Schroeder, Minister of Defence for the Federal Republic of Germany, visited Canada from July 24 to 28 at the invitation of Mr. Léo Cadieux, Minister of National Defence. Dr. Schroeder, who arrived in Ottawa from Washington, discussed defence matters of mutual interest with Mr. Cadieux, Mr. Donald Jamieson, the Minister of Defence Production, and senior officials of the Canadian Government.

On July 25, Dr. Schroeder and his party travelled to Montreal, where they saw the Man and His World Exhibition, returning to Ottawa late the same afternoon. A short visit to the Canadian Forces Base North Bay was made on July 26 by Dr. Schroeder, who then flew to the west coast for an informal visit.

The party left for Alaska on July 28.

UNESCO EDUCATION CONFERENCE

The Department of External Affairs announced recently the appointment of the Canadian delegation to attend the International Conference on Educational Planning, being held in Paris from August 6 to 14, under the auspices of UNESCO.

As usual in conferences of this type, the Council of Ministers of Education for the Provinces was asked to suggest the names of persons who would join the delegation as representatives of the provinces.

The delegation will be headed by Dr. F. J. Gathercole, Director of Education for Saskatoon Public Schools, and will include the Chief Superintendent of Schools for the Department of Education in New Brunswick, Mr. D.B. Estabrookes; Mr. F.P. Levirs, Superintendent of Education for the Department of Education in British Columbia, and Mr. C.H. Williams, Chairman of the Group Humanities Programme Branch in the Department of Education in Ontario, and, as Special Adviser (political matters) to the Chairman of the delegation, Mr. R.G. Blackburn, from the Permanent Delegation of Canada to the United Nations Educational, Scientific and Cultural Organization (UNESCO).

The main object of the gathering is to enable experts in educational planning from the participating countries to examine policies for formulating educational plans and to propose strategies for their implementation in countries at varying stages of development. Delegations from almost 100 countries will attend the Conference.

PILOTAGE REPORT

The Government has received the first volume of the Report of the Royal Commission on Pilotage. Prime Minister Trudeau stated that a small task force, under the direction of the Department of Transport, would be set up to launch an early review of the report with a view to expediting implementation of the recommendations. The Government intends to

proceed quickly with preparation of the appropriate legislation.

In commenting on the report, the Prime Minister complimented the commissioners on a "painstaking and thorough study of Canadian pilotage legislation, its history and present problems". "The majority of the recommendations of the Commission appear acceptable in broad terms," he added.

The report deals with pilotage throughout Canada, and makes 39 detailed recommendations, some of which call for new legislation on the subject. Subsequent volumes will deal with the local situation in various pilotage districts throughout Canada. It is expected that these additional reports will be completed within a year.

YOUTH AT STRATFORD

First begun experimentally in 1958, the performances set aside by the Stratford Festival for school audiences have become among the most rewarding of the annual season. Some 12,000 secondary-school pupils attended during the 1958 period and, by 1967, this number had swelled to 65,000 from all parts of Ontario and Quebec, as well as Michigan, New York and Ohio. In addition to seeing a play at reduced rates they get a bonus that ordinary audiences do not enjoy - the opportunity to hear one of the leading actors speak extemporaneously at the end of the performance and to ask him questions.

By the end of the 1968 season, some 70,000 pupils are expected to see *A Midsummer Night's Dream* and *Romeo and Juliet*. The school matinees run for five weeks from September 9 to October 12 with the public admitted on Wednesday and Saturday evenings during this period.

ANIMALS AND ACCIDENTS

Last year in Ontario, 458 deer ran in front of automobiles. The second most accident-prone group of animals were cattle, 437 of which were involved in accidents. Dogs were luckier - only 196 collided with cars. Also involved in accidents were 196 ponies and horses, 153 moose, 45 bears, 22 pigs and one hippopotamus, which lumbered into a car on Highway 2 near Brockville after escaping from a roadside zoo. The car was damaged but neither the driver nor the animal was injured. However, collisions with other animals cost the lives of nine people - five in one accident - and injured 236 more. The 1,434 accidents reported last year, some involving more than one animal, constituted an 8.4 per cent increase over the 1966 figure. Most of them occurred in the Thunder Bay district.

Coal production in Canada in 1967 amounted to 11,395,754 tons, 0.04 per cent more than the total of 11,391,569 tons produced in 1966.

LABOUR FORCE

Employment in Canada rose from May to June by an estimated 258,000 to 7,763,000. This increase was substantially above the average for the time of year. Unemployment increased by 29,000 to 395,000, whereas it usually declines during this period. The labour force increased by 287,000 to 8,158,000 during the month. The increase during the month in the labour force and in unemployment was largely associated with students entering the labour market at the end of the school term. Of the estimated 204,000 teenagers who entered the labour force during the month, 130,000 found jobs but a substantial number (74,000) did not. In June, the labour force was 299,000, or 3.8 per cent higher than that of a year earlier. Employment was up 196,000 and unemployment 103,000, over the year.

EMPLOYMENT

Farm employment was almost unchanged from May to June. In non-farm industries, employment gains were widespread. Manufacturing showed the largest advance (68,000). Increases were also recorded in construction (45,000); community, business and personal service (38,000); transportation, storage and communication (28,000); public administration (28,000); and forestry (22,000). Compared to last year's figure non-farm employment in June 1968 was up by 211,000. The largest increase was in community, business and personal service (68,000). Other increases took place in trade (46,000); transportation, communication and other utilities (30,000); and manufacturing (26,000). In all regions, employment levels were higher than that of a year earlier. The largest increase took place in British Columbia (5.5 per cent) followed by Ontario (3.4 per cent); the Prairies (2.6 per cent); Atlantic Provinces (1.3 per cent); and Quebec (0.9 per cent).

UNEMPLOYMENT

Unemployment increased by 29,000 from May to June. This compares to an average May-to-June decrease in unemployment of 18,000 during the past five years. Unemployment among persons 14 to 19 years of age increased by 74,000 from May to June, as many of the large number of students entering the labour market for summer employment were unable to find jobs. The May-to-June increase in unemployment among persons in this group was larger than in previous years. Among persons 20 years of age and over, unemployment declined by 45,000, which is about average for this time of the year. Of the total unemployed in June, 184,000, or 46 per cent, were unemployed for less than one month. Some 109,000 or 28 per cent, were unemployed for one to three months, and 102,000, or 26 per cent, were unemployed for four months or more. Unemployment in June 1968 represented 4.8 per cent of the labour force, compared to 3.7 in June 1967 and 3.1 in June 1966. The seasonally-adjusted unemployment rate for June 1968 was 5.5 per cent.