

CAB  
LBCA410  
79B61



**Briefing Book  
on Issues and Policies**

**Update 1979  
The Liberal Party of Canada**

# Table of Contents

<b>The Economy</b>	E-1
Continuous Growth During a Difficult Decade	E-1
Canada's Performance	E-2
The Outlook	E-4
The Fight Against Inflation	E-5
Monetary Policy and the Dollar	E-6
-The Dollar	E-6
-Advantages of a Competitive Dollar	E-7
Tax Incentives	E-8
Research and Development	E-9
Foreign Investment	E-9
The Small Business Emphasis	E-10
Employment	E-11
-Youth Employment Strategy	E-12
Developing Canada's Regions	E-13
The New Bank Act	E-13
 <b>Canadian Unity</b>	 CU-1
What Are Some of These Differences?	CU-2
What Has Been Done?	CU-3
-Languages and Cultures	CU-5
-Principles of the Official Languages Policy	CU-6
-The Constitution	CU-7
 <b>The Role of Government</b>	 G-1
Federal-Provincial Spending Shares	G-1
Restraint and Reallocation	G-2
Limits on Growth of the Public Service	G-4
Decentralization	G-4
The Federal Deficit	G-4
Pay and Pensions	G-5
Bilingualism in the Public Service	G-6

**The Social Perspective**

Pensions and Family Allowances  
Medicare and Health  
Unemployment Insurance  
Veterans  
Status of Women  
Immigration  
Consumers' Issues  
Housing  
Industrial Relations and Labor  
The Post Office

S-1  
S-1  
S-3  
S-4  
S-5  
S-5  
S-7  
S-8  
S-9  
S-11  
S-12

**Rights and Freedoms**

RCMP and Security  
Human Rights  
Capital Punishment  
Wiretapping  
Gun Control  
Penal Reform  
Transfer of Offenders  
Dangerous Offenders  
Pornography and Drugs  
Prostitution  
Ombudsman  
Law Reform

R&F-1  
R&F-1  
R&F-1  
R&F-2  
R&F-3  
R&F-3  
R&F-4  
R&F-5  
R&F-5  
R&F-6  
R&F-6  
R&F-7  
R&F-7

**Energy and the Environment**

Energy Strategy  
Petro-Canada  
Energy Pricing  
Energy Conservation  
The Northern Pipeline  
Guarding Our Environment

E&E-1  
E&E-1  
E&E-2  
E&E-3  
E&E-3  
E&E-4  
E&E-5

<b>Culture and Recreation</b>	C&R-1
Strengthening Canadian Culture	C&R-1
Film Policy	C&R-2
CRTC and Communication	C&R-2
The Arts	C&R-3
The Museums	C&R-4
Aid to Universities	C&R-4
Fitness and Amateur Sports	C&R-5
National Parks Policy	C&R-6
 <b>Natives and the North</b>	 N&N-1
The Future of the North	N&N-1
Native Policy	N&N-1
—Land Claims	N&N-2
Constitutional Development in the North	N&N-3
 <b>Defence and External Affairs</b>	 D&EA-1
A Responsive Foreign Policy in an Interdependent World	D&EA-1
Canada-U.S. Relations	D&EA-1
The International Economy	D&EA-2
External Affairs	D&EA-2
—Canadian Sovereignty	D&EA-3
Human Rights	D&EA-3
Foreign Aid	D&EA-3
National Defence	D&EA-4
—International Peace Keeping	D&EA-4
 <b>Food Strategy</b>	 F-1
Agriculture	F-1
Fisheries	F-3
The Seal Hunt	F-5

# The Economy

The past decade, particularly since the early 1970s, has witnessed continual upheavals in the world's economies. The escalating costs for energy; the massive shift of financial resources to the oil producing countries; the instability and wild fluctuation of currencies; the emergence of newly-industrialized countries in the Third World; and changes in the pattern of population growth and structure of the work force, have all contributed to unstable global economic conditions. These conditions have generally been characterized by spiraling inflation, coupled with economic stagnation (stagflation) and high unemployment.

## Continuous Growth During a Difficult Decade

While Canada experienced its share of such world-wide trends, our democratic system of government and free-market economy have proven to be very responsive and resilient to unforeseen economic shocks, and allowed us to fare remarkably well compared to other industrialized nations during the same period. During the past decade:

- Canada's standard of living has improved continuously.
- A 1978 study by the OECD on the "quality of life" ranked Canada a close second to Sweden amongst the 15 most industrialized countries in the world.
- Personal disposable income has increased 118%.
- Average family income grew 114%.
- After subtracting taxes and inflation, incomes grew 37% between '70 and '77 in Canada, compared to 24% in the U.S.
- Our GNP increased 32% in real terms, giving Canada the highest rate after Japan during the last 10 years.
- Between '68 and '77 Canada's average annual increase in GNP was 4.6%, in real terms, compared to only 2.9% for the U.S.

- During the oil shock period 1974-77, our average annual growth rate of 9.3% in real terms ranked us second among the OECD countries.
- Since the OPEC crisis of the early '70s, Canada is the only country to have experienced some *real growth* every year.
- Canada has consistently had the highest job creation rates among the OECD countries. For the period 1968-78 employment in Canada has grown 33.7% (3 million), or twice as fast as our population; whereas employment grew by only 24% in the U.S., 10% in Japan, and *decreased* 5.4% in Germany.
- For the period 1970-77 the growth in Canada's average yearly housing starts ranked us a close second to Belgium among the Western nations.

### Canada's Performance

The preceding statistics illustrate the fundamental strength of the Canadian economy during the past decade. However, Canada has not been without its difficulties during this period. Though we have managed to avoid the serious recessions which beset other industrialized nations, slower growth, high unemployment and inflation have continued to be a problem for our economy. While these cannot be solved overnight, definite progress has been made on all three fronts and emerging economic indicators are showing that the government's policy of fiscal restraint and increased emphasis on private sector growth is beginning to bear fruit in sustained economic growth and expansion. During the past year there has been strong growth in trade and manufacturing, as is shown in these figures:

- Canada's trade surplus for 1978 was a record \$3.5 billion, at a time when our major trading partners were also experiencing economic difficulties, and not easy markets in which to sell Canadian products.
- Canada's GNP reached \$231.8 billion in 1978, a rise of 12% from 1977.
- Agricultural production rose 7.8% in 1978.
- Manufacturing output rose by 7.4% in 1978—twice the rate of increase in 1977, and the best since 1973.
- Capacity utilization in manufacturing increased from 83.6% in 1977 to 89.4% in the fourth quarter of 1978.
- The steel, lumber, textile, shoe, and pulp and paper industries are all operating at, or close to, full capacity.

- A recent study published by the *Financial Times* showed that Canadian manufacturing racked up a 4.8% gain in productivity during 1977—the best gain in six years. This was almost twice as strong as the 2.6% gain in U.S. productivity during the same period. It was also well ahead of the average 3.4% productivity gain for the world's 10 major industrialized countries, and even exceeded the performance of West Germany.
- After tax profits for industrial corporations (not including financial institutions) totalled \$13.5 billion in 1978, up 28.7% from 1974—when profits last peaked during an economic boom, before the world-wide recession.
- The 1978 net (after tax) profits of all non-financial industries were up 26.2% over 1977 levels.
- Federal Business Development Bank loans to Canadian businesses were up 23% during the last nine months of 1978 over the previous year.
- The value of shares traded on Canada's five stock exchanges rose 62% in 1978, while the volume of transactions increased 29%.
- Domestic housing starts were at a seasonally adjusted annual rate of 235,000 in January 1979—up 23.3% from a revised figure of 190,000 in December 1978.
- The percentage of Canadians who are satisfied with their housing situation rose from 60% in 1968 to 86% today.
- There has been an increase of 29% in the number of professional job openings in Canada during the past year.
- The proportion of 15 to 24 year old males who have paid jobs jumped at the end of 1978 to more than 60%, compared to 57% a year ago.
- Employment in the manufacturing sector grew by 159,000 for the year ending February 1979.
- Labor income (all wages, salaries and supplementary income), rose 9.2% between October 1977 and October 1978.
- Canada's auto trade deficit with the U.S. showed marked improvement of 40%, or \$400 million, during the first 11 months of 1978 over 1977.
- Exports of forest products were up 20% as of November 1978, and their total value for the year ending October 1978 was more than *triple* that of 1975.
- During 1978 Canada became the world's largest exporter of fish, with exports totalling \$1.1 billion—an increase of \$300 million over 1977—due primarily to the introduction of the 200-mile limit by the Liberal government.

## The Outlook

With such strong economic indicators it becomes apparent that there is a good deal of underlying momentum in the economy. Signs of basic strength include a low level of inventories, a high level of personal savings (twice that of the U.S.), the strong recovery of profits, the improved financial strength of our business corporations, and the high rate of job creation by the Canadian economy.

Analysts in both the public and private sectors forecast real growth for the Canadian economy during the period 1979-80. Forecasts for the growth of GNP range between 2.2% and 4.0%. Predictions for the growth in corporate profits range between \$3.2 and \$5.2 billion.

The Canadian business community is very optimistic these days about Canada's economic performance and prospects and has given strong endorsement to the federal government's economic policies and management of the economy.

*"You talk to any company you want to, they are growing, markets are good, inventories are lean, profitability is improving, they can compete."* (Laurent Thibault, Canadian Manufacturers' Association).

*"...10.2 million Canadians are working and earning more, in terms of real disposable income, than ever before. The fact is, we're still operating one of the most successful economies on earth."* (Canadian Business, December 1978.)

*"Canadians rank remarkably high in affluence in a world more troubled than us. The time has come, in other words, to count blessings..."* (Financial Post, December 1978.)

The Canadian Imperial Bank of Commerce, in its December 1978 *Commercial Letter* predicted that Canada's economic growth rate in 1979 will exceed that of the U.S. as well as the combined average of the Common Market's big four—Germany, Britain, France and Italy (as it has done every year for the past four).

*"The Canadian economy is now very competitive with the rest of the world...One promising sign is the remarkably strong growth in employment that we have had recently."* (Governor of the Bank of Canada)

...Canada's manufacturing sector has grown steadily more competitive over the last two years, a Royal Bank of Canada index shows. The bank's index of competitiveness now stands at 119.7 (1975=100). The dollar's devaluation, moderation in wage increases, and a substantial increase in productivity are all factors responsible for the improvement.

The Liberal government's restraint policy has provided the basis for continued strong growth of the economy.

### The Fight Against Inflation

*The great challenge now is to hold on to the competitive strength which our economy has won back. During the time it was in place, the federal anti-inflation program sharply reduced the rate of inflation.*

Despite opposition from the leaders of organized labor, individual unionists joined the majority of Canadians in their support of the government's anti-inflation program. Public opinion polls gave strong backing to the retention of price and wage controls to the end of 1978.

The anti-inflation program was never "anti-labor". In fact it actually helped labor by contributing to an increase in real income.

As we are now fully out of price and wage controls, the federal government is watching the inflation index very carefully and relying on the **National Commission on Inflation** to monitor large increases in prices, profits or wages and to recommend ways of dealing with them. The commission has powers under the Inquiries Act to require the submission of information, although it is expected that there will be voluntary compliance with requests.

*It is also of the utmost importance that the new healthy profit position of Canadian business be used for reinvestment and job creation and not for unwarranted dividend payments or inflationary wage settlements.*

The process of decontrol has been made more difficult by the recent surge in the cost of living which resulted mainly from the increase in food prices and the fall in the exchange rate. While there has been an upward drift in wage settlements and a few large increases, there has in general been a considerable degree of restraint and moderation exercised by business and labor.

The main objective of federal economic policy during

1978 has been to stimulate the economy without fueling a new inflationary spiral, and the two 1978 budgets aimed at bringing down prices, increasing competitiveness, and stimulating the economy moderately.

- Sales taxes were cut in order to slow down price increases, stimulate sales and increase production.
- Energy price increases were delayed.
- A tough stance was taken at the bargaining table with government unions. Average wage increases were kept to approximately 7%, since the lifting of controls.

### **Monetary Policy and the Dollar**

The Liberal government has succeeded in keeping the growth of money supply within the targets set by the Bank of Canada. For more than three years the Bank of Canada has been operating within a framework of publicly-announced and gradually declining targets for monetary growth, and unlike many other central banks it has been successful in recent years in meeting its targets for money supply growth.

### **The Dollar**

One of the major economic concerns today is the instability on the international currency markets. Our dollar has been under considerable downward pressure by foreign speculators for more than two years. A number of factors have accounted for this.

- Canada's costs had gotten out of line with those of its major trading partners earlier in the 1970s. This, combined with below-average levels of investment in Canada, cyclically-high government deficits, and a narrowing gap between Canadian and U.S. interest rates, contributed to the decline in the value of the dollar.
- There was an outflow of short-term capital from Canada, beginning in late 1976, reflecting economic and political uncertainties after the election of the separatist government in Quebec and later over possible defensive measures the federal government might take.
- Our increased standard of living made possible greatly increased travel and spending abroad by Canadians and has left foreign countries holding too many Canadian dollars.

- There has been a short increase in imports of producer and consumer goods.

- There has been a large outflow of interest and capital payments on foreign investments which, paradoxically, have contributed greatly to the growth of our economy in recent years.

Despite these pressures, the government's policy of allowing the exchange rate to be determined by market forces has not changed. The Bank of Canada has intervened in the market only for the purpose of maintaining orderly conditions.

The federal government has stated categorically on a number of occasions that it has "no intention of imposing foreign exchange controls".

We do not want to stop foreign investments coming in. So, it is by cutting down on travel and imports that we can reduce the amount of Canadian dollars flowing out of the country. Our floating dollar is the free market instrument for achieving such reductions; as the costs of foreign travel and imports rise, in terms of Canadian dollars, Canadians will travel abroad less and buy fewer imports. It will also be cheaper for people from other countries to visit Canada.

### **Advantages of a Competitive Dollar**

The lower exchange rate of the dollar has been extremely beneficial to Canada in terms of increased exports, increased jobs and increased investment—it has allowed our manufacturers and producers to become highly competitive in the world market. The majority of financial analysts, both at home and abroad, agree that our dollar is currently undervalued due to extreme speculative pressure and forecast that it should attain a level of approximately 88-90 cents U.S. towards the latter part of 1979.

In this connection, it is instructive to contemplate what happens to a country whose currency has been rock hard. So many people have bought the Swiss franc as a hedge against inflation—as a substitute for gold—that in bidding against one another for the limited quantity of available Swiss francs, they have increased the franc's value in terms of their own currencies. For people from many other countries, the Swiss franc has become too expensive. Switzerland's resulting economic woes were described in two publications, *Le Point*, France's leading news-

magazine on October 9, 1978, and our *Financial Post* on

November 14, 1978:

- Swiss tourist resorts are empty.
- Less and less foreigners do business in Switzerland because it's too costly in terms of their own currencies.
- Foreigners buy fewer and fewer Swiss goods.
- The Swiss themselves find it is cheaper to buy consumer products abroad and to invest abroad.

### **Tax Incentives**

The Liberal government policy has been to maintain a healthy tax environment in Canada that is conducive to private sector investment.

A recent study found that corporate taxes as a percent of pre-tax income were consistently lower in Canada for the corporate sector as a whole in the 1972-77 period. In 1977, the effective tax rate was some six percentage points lower in Canada than in the U.S., due to more generous depreciation allowances and lower statutory tax rates. In manufacturing, corporate taxes were 11.3% lower in Canada.

As a result of such stimulative policies, private sector capital investment has run at approximately 22% per year, compared to 14% in the U.S. during the past decade.

Particular federal tax incentives have encouraged activity in key sectors such as manufacturing and resource exploration, as well as investment, regional economic expansion, and research and development.

The November 16, 1978 budget:

- Raised the basic rate of investment tax credit to 7.5%, in addition to making the credit permanent.
- Cut the federal sales tax from 12% to 9%, resulting in a tax saving of \$1 billion per year.
- Doubled the maximum employment expense deduction to \$500.

In the April 1978 budget the federal government also assumed two-thirds of the cost of a reduction in provincial sales taxes for a period of six months. Income tax was amended to allow broader deduction for capital losses and to allow a deferral of up to \$200,000 in capital gains of intergenerational transfer of incorporated businesses.

In addition:

- Automatic indexation has cut personal income taxes by approximately \$1 billion a year.
- Personal income tax rates have been frozen since 1972.
- Income tax cuts for Canadian business have totaled \$2.1 billion since 1974.

## Research and Development

Special incentives have also been implemented by the Liberal government for research and development activity:

- Current and capital expenditures on R&D qualify for a higher tax credit of 10 to 20%, depending upon the region.
- Incremental R&D expenditure qualifies for a 50% deduction from income.
- A special R&D tax credit applies for small business throughout Canada.

The federal government has also been working to increase and improve cooperation, organization and financial support for university and industrial R&D programs. Funds for such programs are provided through organizations such as the National Research, Medical Research and the National Science and Engineering Research Councils.

Furthermore, the federal government is utilizing its own procurement system to support Canadian industrial R&D. Research and development has been given a new national priority, with a target expenditure of 1.5% of GNP by 1983.

## Foreign Investment

As Canada has continued to benefit substantially from the inflow of foreign capital the federal government rejected, some years ago, the demands for drastic curbs on foreign investment. Instead it created the **Foreign Investment Review Agency (FIRA)**, to maximize the benefits arising from such investment in Canada.

This balanced and rational approach to such a highly complex and politically charged issue has helped alleviate the fears of potential foreign investors, who consider that FIRA has implemented its guidelines fairly and responsibly. The record shows clearly that the Foreign Investment Review Act has not been used to block investment, rather that it provides for the

screening of investment proposals in order to ensure that they bring significant benefit to Canada. FIRA does not restrict foreign portfolio inflows which do not involve control.

There are however, limitations on foreign control in a few strategic sectors such as communications, banking, and uranium development where it is in the national interest for Canadian firms to play a predominant role.

### The Small Business Emphasis

The prosperity of small and medium business is vital to the overall health of Canada's economy. Such businesses account for at least 90% of all Canadian business, and contribute 33% to the nation's GNP. The Liberal government support policies function through such measures as tax incentives, ready access to capital, reduced paperwork, and assistance in research and development and marketing techniques.

A full-time minister was appointed in 1976 to ensure that this vital sector received the attention it deserves. Small Canadian controlled private corporations are taxed on the first \$150,000 of annual income at a rate 50% lower than that of larger businesses.

To ease access to capital, the Small Business Loans Act (SBLA) guarantees loans up to \$75,000 (increased from \$50,000) to a business with gross revenues of less than \$1.5 million. In addition, the revamped **Federal Business Development Bank** is rapidly becoming the largest institutional supplier of equity financing to small and medium-sized firms. As well as supplying risk capital, the FBDB assists the small businessman with marketing and consulting advice.

The Enterprise Development Program assists small and medium-sized businesses undertaking relatively high risk, innovative or adjustment (market, organization, etc.) projects.

New measures announced at the end of May 1978 provide entrepreneurs with positive incentives for growth:

- All manufacturers with sales under \$50,000 will now be exempt from the 12% federal sales tax, which will free about 11,000 small companies from paying the tax. The government will also allow small manufacturers to purchase or import, without payment of tax, the production machinery they need to manufacture their goods.

- The owners of family-run firms can now pass their holdings to their children or grandchildren tax-free. Broader deductions for capital losses will be allowed and can be carried up to five years after they are incurred.
- A new employment program, the Small Business Intern Program, commits \$5.4 million towards creating 800 permanent jobs. The federal government pays 50% of the wages of university or college graduates during the first year, to a maximum of \$675 a month.
- A commitment to reducing the paperburden on business. The Office of Paperburden, established in April 1978, had by March 1979 saved business approximately \$100 million through elimination and simplification of loans. Some 700,000 small businesses in Canada have benefited from this program. Amendments to the Corporations and Labor Unions Returns Act (CALURA) will relieve 70,000 small businesses from reporting under the act. A more flexible system for filing federal sales and excise tax returns will reduce these requirements for at least half of Canada's small manufacturers.
- Measures to ensure more sub-contracting to small firms by large companies who receive federal government contracts.

## **Employment**

The last 10 years have seen the Canadian labor force undergo important changes in its composition due to the increased participation by women and youth. Our labor laws have matured and the working place itself has changed radically. Canada has been more successful in creating new jobs during this decade than any other developed country. Social insurance measures enacted during this same period have done much to lessen the impact of unemployment and inflation on the Canadian labor force.

In its programs to keep abreast of the rapid growth in our labor force, the Liberal government has spent hundreds of millions of dollars to provide much needed employment in all areas of the country. Programs such as Canada Works, Young Canada Works, the Federal Labor Intensive Program (FLIP), and the Employment Tax Credit program, have all contributed to helping Canada achieve the highest per capita job creation rate of any of the western industrialized countries since 1970.

During this period, employment has grown more than

23%, or by two million jobs—double the rate of the U.S. and twice as fast as the population as a whole has grown. The federal government has also spent over half a billion dollars every year to up-grade workers' skills.

### **Youth Employment Strategy**

The latest statistics show that from January 1978 to January of this year, employment grew by a record 477,000 jobs. Despite this, unemployment continues to be a difficult problem, particularly for youth.

A number of factors account for this. First, our domestic economy has simply not been able to absorb the massive increase in the number of young people and women entering the labor force, in spite of the record job creation rate. Our recent increase has been the largest in the western world. For example, young people aged 15-24 comprise only 22% of the work force in West Germany, as compared to more than 30% in Canada. Thus the problem has been more severe in countries such as ours where there is a higher proportion of young people.

Another factor lies in the private sector where there has been a marked decline over the years in the number of companies willing to train young people in the skills they require. Many companies have preferred to import older skilled workers from abroad because of their accumulated experience.

Under the 1979-80 Employment Strategy, the Liberal government has introduced a new plan designed to increase youth employment through added incentives to the private sector. The total cost of the government's job creation for young people is estimated at more than \$227 million.

The federal government is also expanding its Summer Youth Employment Program and has upped expenditures from \$14.5 million a year to \$113.5 million this year. The 1979 program is expected to place about 266,000 young Canadians in public and private sector jobs, of which 64,000 will be created directly by federal government departments. This represents a total anticipated increase of 12,000 jobs over the summer of 1978 (funded at \$94.8 million).

The Liberal government has achieved great success with the Job Experience Training Program (JET) with the help of local Chambers of Commerce and Boards of Trade. Under this program, 20,000 young Canadians were provided with job orientation and training, plus the experience of real employment in the private sector. Unemployment insurance benefits are being used to cover the \$1.50 an hour subsidy to private industry in the case of young people who are eligible for UI; with the federal government providing the subsidy for those who are not eligible.

This reallocation of unemployment insurance funds has enabled the federal government to undertake a \$55 million program at a cost to the Treasury and taxpayers of only \$15 million.

### **Developing Canada's Regions**

The federal government remains strongly committed to the goal of minimizing regional disparities in Canada.

Through the Department of Regional Economic Expansion, in cooperation with the provinces and governed by a series of General Development Agreements, it actively promotes development in slow growth regions. Under the GDA program, the federal government provides more than \$300 million a year for regional development.

It underwrites 90% of the cost of approved development programs in Newfoundland; 80% in Nova Scotia, New Brunswick and Prince Edward Island; 60% in Quebec, Manitoba and Saskatchewan; and 50% in Ontario, Alberta and British Columbia.

### **The New Bank Act**

A new Bank Act which will govern the operations of banks and near-banks for the next 10 years has been introduced after careful review and consultation.

The new legislation is designed to bring about a more competitive and consumer-oriented banking system. Some of the major changes:

- To avoid conflicts of interest, bank executives would no longer be allowed to be directors of customer companies.

- Bank directors would no longer have to own a minimum

number of bank shares—an expensive stipulation which made it difficult for women and consumers to get on the boards of the 11 chartered banks.

- New regulations on the disclosure of the costs of borrowing would require that the full costs be disclosed and that these costs, in relation to the net amount borrowed, be expressed as an annual percentage rate.

- New regulations on the disclosure of charges and interest rates on deposit accounts would require that all charges imposed by a bank for keeping a deposit account, as well as annual rates of interest paid thereon, be disclosed to depositors.

- Foreign banks would be allowed to participate in the Canadian market with essentially the same banking powers as Canadian banks, provided Canadian banks receive reciprocal treatment in the foreign bank's home country.

- The total assets of all foreign banks operating in Canada will not be permitted to exceed 15% of total Canadian banking assets, thereby ensuring that control of our vital domestic financial system remains predominantly in Canadian hands.

# Canadian Unity

The threat of Quebec's separation from Canada poses a clear and present danger to the realization of our future economic potential as Canadians.

Without a unified country, without the elimination of the current uncertainty about our future, we will not be able to improve the economic situation of the country. Without unity, there is no investor confidence; without unity, there are no jobs.

Political uncertainty can divert corporate investment, and economic problems are accentuated. If the economy stag-  
nates, the social climate deteriorates; dialogue becomes more difficult and it is harder to put reasonable solutions into effect.

Thus economic vitality and the problems of Canadian unity are closely intertwined. In our complex industrial society, the economic structure is so intricate that it is impossible to cut away any part of the country without great shock to every part.

The "failure of Confederation" has been a too-frequent theme of public discussion since Quebec elected a separatist government in November 1976. Prime Minister Trudeau answered this criticism in the House of Commons:

*"To those who say that Confederation is a failure, I reply that it brought about a stable democratic system of government, it protected cultural and regional identities, it opened the door to geographical expansion, it provided liberties and rights, brought about an effective system of social justice, led to economic growth, to the establishment of a strong financial system, and to a respected position among the nations of the world.*

*"To those who call this a failure, I say I hope that we, in our time, in our efforts to renew our national spirit of community, can fail so well. But we shall not fail. We can succeed, we must succeed, and we will."*

The factors which motivated Confederation are still in evidence today: we continue to need economic growth in all areas of the country and improved transportation. We are also

confronted by other factors. We must keep on creating jobs. We

must keep on fighting against a rise in our production costs which might make us less competitive. We must continue with our policy of improving the lot of our disadvantaged regions, and the disadvantaged groups in our society.

All these factors, and the list is by no means complete, provide every bit as much an incentive to remain a unified country as the factors which motivated the original union. No single solution, no single ideology or package of policies will work forever. We shall have to keep adjusting, as our external environment changes—because we cannot isolate ourselves from the rest of the world, nor solve its problems which will always affect us.

To do all this, we need a flexible system and the federal form of government adopted at Confederation is one of the most flexible and adaptable in man's experience. We are not constrained by our form of government; we are only constrained by our willingness to use it constructively and creatively.

Unity in Canada cannot exist without a deep and abiding acceptance of personal, cultural and regional differences. If Canadians believe that a unified country is more likely to achieve a better life today and tomorrow, they must be prepared to make the accommodations and adopt the attitudes that will enable Canada to be a reconciled and thriving country.

This means, above all, that Canadians must be willing to live together in a country of differences.

### **What Are Some of These Differences?**

French speaking Canadians form a dynamic and distinctive cultural community, unique in North America. They want to preserve and develop their cultural personality, and to pass on to their children even greater opportunities for cultural pride and fulfilment.

Quebec receives its fair share of the nation's wealth through tax transfers, equalization payments and other federal measures. Its citizens seek that same fair share of participation in economic and business decisions by corporations in Quebec, and the unqualified right to speak their own language in the factories and offices of their own province.

There is no quick or easy method of promoting better understanding. But real progress is being made.

Canada has come a long way since the beginnings of the Royal Commission on Bilingualism and Biculturalism in 1963. There is heightened awareness, right across the country, of the advantages of choosing to learn a second language. Federal government grants to the provinces and to cultural associations are helping to make two-language educational status a practical reality. And the Official Languages Act of 1969 guarantees both French and English speaking Canadians the right to communicate with their federal government in the language of their choice.

Other federal policies and legislation reinforce the concept of true language equality.

Quebec is not alone in its concerns about fair shares for all Canadians. The Atlantic provinces want more industries, more jobs, better transportation systems. They want to be more self-reliant, more self-sufficient, and to have the opportunity to choose their own economic destiny.

Similarly the Western provinces seek greater opportunities to participate in setting national policy. They have felt isolated in the past from the central government, and want to be more than a raw resource base for the industrialized East. British Columbia, cut off from the rest of Canada by mountains, has felt equally cut off from the political and economic action in the rest of the country.

In the northern territories, there are legitimate concerns about distinctive native cultures and frontier values, and concerns about the dangers of exploitation from the South.

Ontario, too, has its special concerns. As a highly industrialized region, it worries about a continuing sufficiency of export markets for its products.

These problems are not new. They have concerned successive federal governments, and much has been accomplished to meet the aspirations of all regions. But more remains to be done.

## **What Has Been Done?**

Recognition that French speaking Canadians had legitimate grievances was the motivating factor in the establishment of the Royal Commission on Bilingualism and Biculturalism in 1963. Recognition of regional economic disparities led to regional development policies, begun by the federal government

in the early 1960s and consolidated under the Department of

Regional Economic Expansion in 1969.

The Official Languages Act was passed in 1969. A cabinet minister responsible for multiculturalism was appointed in 1972. The Liberal government's constitutional proposals would give new and important influence to the regions in a restructured Senate.

Fellowships are available to university students to pursue studies in the second official language, as well as support for the second-language "monitor" program, where the university student enrolls for a year in a province other than his own, studies in the second language and helps students in their study of his mother language. The federal "Open House Canada" program enabled some 30,000 young Canadians to visit various parts of the country last year to learn more about one another. And many more initiatives, both legislative and in the policy field, have been taken by the Trudeau government.

After the Quebec election of 1976, Canadian unity groups formed across the country to express their desire to keep the country united and strong. The federal government responded by appointing the Task Force on Canadian Unity to encourage and publicize these efforts, and to provide a source of advice to the government on unity issues. The report of the Task Force, "A Future Together", was published in January 1979. Prime Minister Trudeau called it "a landmark contribution to the collective search by Canadians for a more harmonious and secure relationship between our linguistic, regional and cultural communities." He said that, although the government takes issue with some of the specific recommendations, the broad lines of the analysis and basic principles which should underlie the renewal of the Canadian federation are basically the same as the Liberal government's position on Canadian unity.

The government also established a Canadian Unity Information Office to provide information to groups and individuals who wish to inform themselves on the issues involved.

In 1977, Prime Minister Trudeau appointed a full-time minister responsible for federal-provincial relations—a role he had played himself until the workload became too heavy for one minister to bear in addition to other duties.

In June 1978, Parliament passed legislation to provide for full language choice in the courts of the land. Amendments to the Criminal Code give accused persons the right to be heard

by judges and juries who speak their own official language, and judges the discretion to order bilingual trials.

The new law is to be applied by each province within its own jurisdiction and consultations are under way. Ontario, Quebec and New Brunswick have said they will implement the new law. Individual provinces are free to grant additional language rights over and above those already provided for.

The government also responded to the separatist threat in Quebec by introducing a bill in Parliament in 1978, and again in the current session when time did not permit passage of the first bill, to provide for the holding of a national referendum on the unity issue.

The government has not decided to call a referendum at this time, but wanted the machinery ready if needed. Prime Minister Trudeau explained: *"We want to protect Quebecers against the possibility of an unfair Parti Québécois referendum with restrictions on speech and assembly."*

### **Languages and Cultures**

The official languages policy is not intended as a cure-all for problems of Canadian unity. Canadians whose cultural origins are other than English or French are equally anxious to play a full part in Canadian life, and they are deeply attached to their own origins and want to preserve them in their lives.

Though the country has two official languages, it has no official cultures. The government recognizes this fact by seeking to encourage and enrich a vigorous multiculturalism throughout the land.

Under the guidance of a minister for multiculturalism appointed in 1972, the government assists and promotes cultural development of groups wishing to preserve their heritage and contribute its values to Canada. It also promotes creative encounters and interchange among Canadian cultural groups in the interest of Canadian unity.

In 1973 the Canadian Consultative Council on Multiculturalism was appointed to advise the government on policy development and assist the dialogue between the government and the many cultural groups and associations throughout the country.

Financial and human resources are provided for cultural conferences and seminars, heritage language workshops, the writing and publication of creative ethnic literature, and develop-

ment of the performing arts. Support is also given to scholarly

research and academic courses of study relating to cultural pluralism.

### **Principles of the Official Languages Policy**

Canada cannot survive as a country divided into two mutually exclusive language regions.

Such a concept entails a denial of the existence of the two official language minority groups. More than 1.7 million Canadians, about 8% of the population, live in provinces where they form a language minority.

There are 800,000 whose mother tongue is English living in Quebec, representing 13% of its population. There are 927,000 whose mother tongue is French living outside Quebec.

In New Brunswick, 34% of the population is French speaking or of French descent. In Ontario, Manitoba and Prince Edward Island, the French minority is over 6%.

In 1969 Parliament passed the Official Languages Act giving equality of status to French and English. Beginning that year, the government established language-training programs to enable public servants to learn the second official language.

Substantial progress has been made since in ensuring the availability of government services in either language. In 1976 the government announced it would shift the emphasis in its policy from the public service to the public, and to young Canadians in particular.

That policy is best summed up in the 1977 publication "A National Understanding". Among its key principles are these:

- The English and French languages are the official languages of Canada and have equality of status.
- Canadians have a right to education in the official language of their choice, and the necessary facilities should be provided wherever numbers warrant.
- Knowledge of the two official languages, by those Canadians who choose to learn them, is desirable as a personal and national asset so that members of the two official language groups can communicate with each other, understand and cherish each other's ways of life, and serve as a natural link between the two linguistic communities.

## **The Constitution**

What is more important than our Constitution? It enshrines our liberties, sets out how we live together, defines the responsibilities and limits the powers of our governors. It provides our guarantees of democratic, representative, responsible parliamentary government in a federal system. It represents what we stand for and what we live by.

Modernizing and "bringing home" that Constitution, however, has frustrated governments of all political persuasions, both federal and provincial, for 50 years.

The British North America Act was passed by the British Parliament in 1867 to create Canada. More than 100 years later it remains a British statute.

A new Constitution is needed to adapt to changing times. It must be brought up to date with the needs of a complex industrialized and urban society.

Canada has become highly decentralized. Canadians want strong provincial governments, and a strong federal government too. The formal division of powers between the two levels of government needs amending to serve the aims of a unified, functioning federal state.

Constitutional talks with the provinces have been proceeding for more than a decade, and in 1971 agreement was close on both a patriation procedure and an amending formula. But action was suspended when Quebec and Saskatchewan decided they were not prepared to proceed.

On June 12, 1978 Prime Minister Trudeau tabled in the House of Commons a major statement of federal government policy on Canadian unity in the form of a white paper entitled "A Time for Action".

In the document the government proposes plans for positive action to renew the practice of federalism and to give Canada a new Constitution by 1981. It offers to work with the provinces to clarify the division of responsibilities, to look for ways to eliminate wasteful duplication of services, and to improve the process of consultation between the two orders of government.

The government sets only two conditions for the renewal of the Constitution. The first is that Canada continue to be a genuine federation: a state in which the Constitution establishes a federal Parliament with real powers which apply to all parts of

the country, and provincial legislatures with equally real powers

within their respective territories.

The second is that a Charter of Rights and Freedoms be included in the new Constitution and that it apply equally to both orders of government.

The government followed the White Paper immediately with a bill on June 20, 1978. For the first time since Confederation, a government introduced legislation which would lead to a new Constitution.

Prime Minister Trudeau emphasized that the bill would serve as the basis for discussion by the public, Parliament and governments in the months ahead. It was the major portion of the first phase of the government's two-phase approach and covered matters within federal jurisdiction. These include providing for the Supreme Court in the Constitution and giving the provinces a voice in the appointments; Senate reform, giving the provinces representation in the upper house; and provisions for other federal executive institutions.

There have been two conferences of first ministers on the constitution since the introduction of the Constitutional Amendment Bill: October 30-November 1, 1978 and February 5-6, 1979.

Prime Minister Trudeau presented the provinces with a series of proposals for reworking the division of powers between the federal and provincial jurisdictions. The premiers reacted favorably, with several of them saying they sensed a new flexibility in the negotiations. They agreed on the responsibility incumbent on all of them—and not solely on the federal government—to find solutions to our common problems. They accepted the necessity of adopting a flexible attitude and of showing a willingness to compromise.

Work continued by a committee of ministers between the conferences and at the second conference the mood of flexibility and willingness to cooperate continued. There was both helpful movement by the provinces and concessions by the federal government. Two matters received the necessary unanimous agreement:

- that marriage and divorce should be transferred from federal to provincial jurisdiction;
- that the role of the monarchy would remain as described now in various constitutional documents.

There also was near-unanimity on many of the other thorny (and more contentious) questions of jurisdiction: on resources, on communications, on patriation, on the Charter of Rights and Freedoms.

The conference demonstrated several important points:

- the Constitution is *real*—it affects the day-to-day life of Canadians and is not just an abstract legal debate;
- the federal government is willing to accommodate provincial needs and aspirations, provided the Canadian economic union is maintained;
- the myth propagated by Mr. Lévesque that there exists a common front of provinces against the federal government was put firmly to rest—the provinces disagreed among themselves as much as with Ottawa;
- with all the best intentions in the world, nothing will be resolved without a strong central force to pull it all together.

# The Role of Government

*"The issue before us is to what extent we will be controlled by government regulation, and to what extent we will be controlled by our own sense of responsibility. Our greatest hope lies not in new laws or greater use of the power of the state, but in ourselves, in the capacity of each of us to adopt different social and economic values in response to the new reality of our times,"* the Prime Minister noted in 1976.

That philosophy was later summed up in a government discussion paper, *The Way Ahead*. The principles on which the Liberal government would base its social and economic policies in the post-controls period constitute a "middle road" and include:

- greater reliance on an improved market system;
- continued recognition of the government's deep commitment to equality of opportunity and social justice;
- government restraint.

Government policy would not seek to direct and manage the economy in detail, but as Prime Minister Trudeau emphasized: *"We are determined to preserve the traditions of social justice that redistribute wealth in an equitable way between the rich and the poor and the less developed and more developed parts of Canada, between the French and the English and all the other ethnic groups in all the geographical regions. There will always be a need for a strong central government which can fulfil this task."*

## Federal-Provincial Spending Shares

Over 70% of the federal government's budget is accounted for in transfers to others—to other governments and directly to individuals. This means that the federal government returns directly to the Canadian economy, through transfer payments of various kinds, more than \$7 of every \$10 it spends.

These transfers include cash payments to provincial,

territorial and municipal governments for equalization payments, hospital insurance, medicare, postsecondary education, Canada Assistance Plan, economic development, and many other programs. The federal government also transfers "tax points" to the provinces—in other words, cash which is not attached to a particular program and which the provinces can use as they see fit.

In 1978-79 total cash and tax point transfers from the federal government to **other governments** will amount to \$14 billion; in 1979-80 it will be well over \$15 billion. The breakdown per province is as follows:

Newfoundland will get \$653 million, P.E.I. \$163 million, Nova Scotia \$829 million, New Brunswick \$732 million, Quebec \$4.8 billion, Ontario \$4 billion, Manitoba \$729 million, Saskatchewan \$512 million, Alberta \$1 billion, British Columbia \$1.2 billion, N.W.T. \$231 million, and the Yukon \$64 million.

In addition, the federal government makes **direct payments to Canadians** in the form of family allowances, old age security, veterans' pensions, etc. In 1978-79 federal payments to persons will amount to \$10.3 billion and in 1979-80, \$11.3 billion.

The Canadian householder also benefits from subsidies being paid for agricultural stabilization, transportation, and oil compensation—to the tune of \$1.42 billion in 1979-80.

The rate of provincial government spending has gone up faster than that of federal government. For example, between 1968 and 1977, the bill for the provincial governments' own wages and salaries increased by 140%; whereas the federal increase was 68% and the municipal increase was 78%.

## **Restraint and Reallocation**

When Treasury Board president Judd Buchanan tabled in the House on February 19, 1979, the government's spending plans for the upcoming fiscal year, he was able to provide proof that the government's announced economic intentions of last August have been transformed into irrefutable reality today.

"These estimates mark the fourth consecutive year in which the government has announced in advance its spending targets for the ensuing year. In each and every year we have kept our spending within those announced target-growth figures," he said.

In 1976-77, the announced spending ceiling represented a 16% growth from the previous year. The final figure was 10.4%—5.5% *below* that target. The following year, the target was a 10% growth, the actual was 7.1%. The 9.8% target for 1978-79 was adjusted in August to 9.5% and it will be achieved.

The 1979-80 estimates call for a growth in *total* government spending of 8.9% and this is the third consecutive year where the increase has not exceeded 10%. It is also consistent with the basic government policy that the growth of spending will be *less* than the growth in the "nominal" Gross National Product, which is forecast at 11% in 1979-80.

("Nominal" GNP includes the influence of inflation, and since the federal government has to pay today's prices for goods and services like everybody else, increases in spending should be compared to nominal GNP, rather than "real" GNP, where the inflation factor is eliminated.)

The estimates show the carry-through of the spending reductions announced last August—a total of 38 departments and agencies will receive less money this year than last. The largest single cut is in Public Works, where \$141 million has been shaved, mainly on government accommodation costs.

Another significant feature of the estimates is that the net operating and capital expenditures of the federal government itself are holding absolutely constant for 1979-80. Not one more dollar is being spent than was spent in the previous year.

This means the federal government, in its own operations, is absorbing all price increases and all demand increases—so that in real terms, the purchasing power of departments has actually decreased because of the influence of inflation.

The cuts have allowed the government to spend more in certain priority areas: additional resources for training programs and labor market development; economic development under the new Board of Economic Development Ministers; incentives to business to invest and to do research and development—to cite a few examples.

## Limits on Growth of the Public Service

Another goal of the August restraint program was to reduce the federal public service by 5,000 positions, as a result of the cutbacks. The objective was attained—in fact, exceeded—5,200 positions have been eliminated, with a minimum of disruption to individuals in the federal work force.

In 1977, the *rate of growth* in the public service was reduced to a 2% increase. Now, *minus growth* has been achieved: the actual number of people employed is 2% less than a year ago. It should be noted that the labor force has grown close to 2% in each of the last four years.

## Decentralization

Three out of four federal public servants do not live or work in Ottawa. The federal workforce is spread across the land, and its presence contributes substantially to the provincial economies.

Decentralization of federal operations is increasing. British Columbia is now home to close to 10% of all federal public servants; Manitoba has 4.4% and Ontario 21% when the national capital region is excluded.

Under the federal government's relocation program announced in October 1977, more than 5,200 jobs are being moved from Ottawa to the regions, bringing with them annual payrolls of nearly \$90 million.

The program has three objectives: to keep the administration of programs closer to the people they serve; to stimulate regional and local economies; and to encourage a federal presence where it can contribute to national unity.

## The Federal Deficit

The growth of the national debt to cover deficit financing is a matter of concern. However, it must be viewed in terms of its relationship to the Gross National Product.

Our net national debt in 1979 is forecast at 22.2% of the GNP, up 3.3% from the previous year, but only up 3.2% from 1972 as well. During the 1950s and 1960s (including a Conservative government), the net debt hovered consistently between 32% and 34% GNP. The present government has always kept it

below that. By comparison, in the U.S. in 1976, net national debt stood at 50.3% of GNP.

"We have a long way to go before the size of this nation's debt becomes an albatross to economic development and growth, when viewed in this perspective," Mr. Buchanan said.

The government has committed itself since 1975 to holding its spending increase within the growth rate of GNP. In fact, it has been less. In 1979-80, spending will increase by 8.9%, and nominal GNP is forecast at 11%.

The alternative to a federal deficit would be higher unemployment and lower transfer payments to people and the provinces.

## **Pay and Pensions**

The federal government has collective wage agreements with 259,115 employees in 81 bargaining units. In 1978, 72 agreements covering 255,740 employees were up for renewal.

Since the beginning of collective bargaining in the public service in 1967, most settlements were reached "at the table" without resort to arbitration. Only 3.2% resulted in a strike. There have been some illegal stoppages, which the government has handled firmly, and it has also had to pass back-to-work legislation in cases where services deemed essential to the national well-being were stopped.

The government intends that public service pay increases will follow, not lead, compensation levels in the commercial world, so that public service salaries will not fuel wage inflation—and introduced legislation to this effect during this session. In fact, the government has already turned the situation around from 1974-75 when the public sector led the private sector. The average increase in the federal public service rates of pay in 1977 was 7.6%, in 1978 it was down to a 7.1% increase. This compares with a 9.3% increase in the private sector collective agreements signed outside AIB controls in 1978.

The government has also introduced legislation modifying some features of the public service pension program relating to indexation of pensions. Public service pensions have been the subject of controversy and debate, mostly revolving around wide differences of opinion on the cost of living, now and in the future. The principal distortion advanced is that pensions are

financed only by employee and employer contributions—overlooking that pensions are also financed by investment and interest earnings.

For example, in 1978 the federal government employer contribution was \$490 million, the employee contribution was \$310 million and the interest earnings were \$630 million. Total pension payout, including indexation, came to \$365 million.

But interest rates do not always keep pace with inflation and consequently interest earnings can fall short of meeting inflationary pension costs. This is the very contingency that is being met by Bill C-12.

The bill would remove the present system which allows public service pensions to be automatically indexed according to changes in the Consumer Price Index. They will be supplemented, up to and including full indexing, according to the extra revenues arising from extra interest earned on pensioner assets in the program, and the special 1% employee and 1% employer contributions set aside for indexing. No more, but equally important, no less!

The bill ensures that there will be no taxpayer subsidies to cover off excessive public service pension indexing costs. It puts in place an indexing system that is adaptable to the private sector.

## **Bilingualism in the Public Service**

For more than 10 years, the government has been pursuing three basic principles in its official languages policies in the public service. They call for service to the public in the official language of its choice; the right of employees to work in the official language of their choice; and equitable participation of both language groups in federal institutions.

In 1976 the government ordered a review of the system and, after consultations with employee representatives, major revisions were made in September 1977.

Opportunities for French speaking Canadians to work in their own language are being expanded. But individual bilingualism will be required only where needed for the effective provision of services to the public.

Since the introduction of continuous language training in 1973, 31,473 public servants—about 11% of the total work force—received training at government expense. About 75% of those on continuous training have been graduated successfully.

Latest figures show that public servants of French speaking origin make up 27.7% of the public service, compared with 66.5% English speaking and 5.8% whose mother tongue was neither English nor French. This compares with 1976 census figures showing that 61.4% of Canada's population lists English as mother tongue, 25.6% French and 15% other languages.

Cost of the official languages program both inside and outside the public service will amount in 1978-79 to \$455.4 million—\$48 million was cut during the year under the restraint program. In 1979-80 the total will be \$319 million, a decrease of a further \$75.8 million.

Some of the cuts: \$12 million in the language training budget; \$18 million in supplementary resources to departments; and \$34 million in the formula payments to the provinces to help finance minority and second language instruction in the schools.

However, grants to official languages minority groups will be increased by \$3 million to a total of \$12 million, and other language development outside the public service will be increased by \$2.9 million to \$8.9 million. This reflects the shift in government priority from the public service to groups outside of it.

As a result of the program, government services have become increasingly available to the public in both official languages. The patterns of language use in the public service have shifted, and there is increased use of French by both English and French speaking employees. The Commissioner of Official Languages, who admits his role is to find errors not to pat people on the back, says there hasn't been enough progress in this area, however.

# The Social Perspective

Eleven cents of every dollar earned by Canadians is spent on social security—everything from old age pensions to family allowances, medicare, unemployment insurance and aid for the working poor. The overall bill amounts to \$20 billion each year.

The federal government pays old age pensions to more than two million Canadians, family allowances to  $3\frac{1}{2}$  million families with over seven million children, and contributes to the cost of insured hospital and medical services throughout the country. These expenditures account for 35 cents of every federal dollar spent.

## Pensions and Family Allowances

Federal assistance to the elderly—old age security, guaranteed income supplements and spouses' allowances—amounted to \$4.7 billion in 1977-78.

Since the **Old Age Security** plan was initiated in 1952, the basic pension has increased from \$40.00 a month to \$167.21 (in January 1979), and the eligible age of recipients has been reduced from 70 to 65 years of age. The **Guaranteed Income Supplement** was introduced in 1967 to assist pensioners who have little or no income other than the OAS pension. In 1975, the **Spouse's Allowance** was introduced, extending benefits to spouses of OAS pensioners aged 60 to 64, to assist those couples who would be forced to live on a single OAS pension. All benefits are increased every quarter (by 2%) to offset increases in the cost of living and to protect pensioners from the effects of inflation. Today over two million Canadians are receiving benefits under the Old Age Security Act.

In the government's Restraint and Reallocation program of August 1978, the "reallocation" was to the working poor and the elderly. The GIS was increased by \$20 a month for both single and married pensioners. As of January 1979, single pensioners receiving the basic pension plus maximum GIS receive

\$304.49 a month. A married couple, both pensioners with the

maximum supplement, receive a total of \$562.72 a month. The maximum spouse's allowance (where the annual combined income of the couple is less than \$8,208), is \$281.36.

Another element in the reallocation program was changes in the **Family Allowance** payments and a new direct payment—the **Child Tax Credit**. The changes will put more money in the hands of low and middle income Canadian families who are most in need. In order to provide money for the Child Tax Credit, family allowance payments were reduced to \$20 a month per child under 18 from \$25.68, starting in January 1979. (Alberta and Quebec vary the rates paid according to age of the child or number of children in the family; Prince Edward Island pays a monthly supplement of \$10 on behalf of each child after the fourth).

The reduction saved \$690 million a year and was designed to preserve the good points of the family allowance program, while permitting the savings to be used for the more sharply targeted tax credit. The basic amount of the Child Tax Credit is \$200 per year for each child up to 18 years of age. As a family's income rises above \$18,000, the amount of the tax credit declines, depending on the number of children in the family. Persons who do not pay any income tax will receive a cheque for the full amount of the credit—they submit a claim form. Both the tax credit and the family allowance will be indexed to the cost of living.

Of the 3.6 million Canadian families with children, about 2.4 million, with about five million children, will receive the benefit.

**The Canada Pension Plan**, a contributory scheme which covers employed persons aged 18 to 70, now pays \$218.06 a month to over 600,000 retirement pensioners; \$216.06 a month to 67,500 disability pensioners, and \$130.84 to \$134.28 a month—depending on age—to 154,000 surviving spouses. Another 125,500 payments go to orphans or offspring of disabled contributors.

Employees and employers each contribute 1.8% of the employees' earnings up to \$11,700, excluding the first \$1,100 of earnings. Self-employed persons are assessed 3.6%. These contributions are deductible from income tax. Eligibility for retirement benefits begins at age 65 and there are disability pensions, disabled contributor's child benefit, survivors' pensions, and death benefits. Benefits are adjusted annually to fully reflect

increases in the Consumer Price Index. The CPP does not operate in Quebec because the province exercised its constitutional prerogative to establish a similar provincial plan to operate instead of CPP.

The plans are an integral part of Canada's social security system, serving as the vehicle for millions of members of the labor force to acquire and retain, during their productive years, protection for themselves and their families against loss of income due to retirement, disability or death.

Under the **Canada Assistance Plan**, the federal government transferred approximately \$1.5 billion to the provinces in 1978-79 to help provide welfare services and assistance to those in financial need; paying 50% of actual expenditures.

## **Medicare and Health**

Health services, on the other hand, are no longer funded by a federal contribution of 50% of actual expenditures. The "established programs financing" arrangement came into force in April 1977 as a new method of calculating federal contributions to hospital insurance, medicare, and postsecondary education. Federal contributions are not related to costs but are in the form of cash and tax transfers and were arrived at through federal-provincial negotiations to provide more flexibility to the provinces to set their own priorities and allocate resources according to their needs.

In 1979-80 the federal contribution to hospital insurance, medicare, and other health care services is expected to amount to \$5.7 billion.

The government guards the health of Canadians in many other ways. Health and Welfare Canada has responsibility for examining foods, drugs, medical devices, for the prevention and control of disease, control of environmental contaminants, and for the health of native peoples and residents of the Yukon and Northwest Territories.

It also has active programs to battle alcohol and drug abuse. A national information program called "Dialogue on Drinking", launched in 1976, encourages Canadians to examine their own drinking behavior and to initiate community action on alcohol-related problems. A federal-provincial working group is developing standards for alcohol advertising, on which the industry spends \$50 million a year.

## Unemployment Insurance

In its unemployment insurance program, Canada has one of the most generous measures of income protection in the industrialized world. It is a true insurance plan, with benefits paid according to eligibility; not a welfare program, where money is paid according to need. It is aimed at working with people who want to work—at protecting those who have contributed and who are temporarily out of work against the hardships of unemployment, while at the same time controlling attempts at abuse of the system.

By reducing the financial shock of workers' movements from one job to another, it has helped to keep the Canadian workforce adaptable to today's rapidly changing social and economic conditions. It gives temporary financial aid to hundreds of Canadians while they are between jobs.

Rules of eligibility and payment have been revised to reflect more accurately the ease or difficulty of finding and keeping a job in various regions of the country. For example, people living in areas of high unemployment are now given advantages over those who live where jobs are more plentiful.

In August 1977, Bill C-27 was passed combining Manpower and Unemployment Insurance offices into one-stop services for those looking for work.

In its August 1978 Restraint and Reallocation program, the government moved to tighten up the unemployment insurance program by reducing some benefits as well as administration costs. Amendments to the act, passed as Bill C-14 in December 1978, require high-income recipients to repay a portion of UI benefits received; some claimants to work longer before qualifying for UI; and make it tougher to draw UI for a second, third, or fourth time. The aim is to ensure that the UI program properly fills its function of financing unemployed workers while they are looking for work, and is not used as a major source of income interrupted only by periods of short-term employment.

Savings from the changes are projected to amount to between \$750 million and \$1 billion for the first year, of which \$700-\$900 million will be government savings and \$50-\$100 million private sector savings. The money saved is being channelled into job creation programs, especially to help industry train and employ Canadians, particularly young jobseekers.

Unemployment Insurance covers 98% of Canada's paid workforce, apart from the self-employed. Average weekly benefits have climbed steadily from \$26.57 in 1968 to \$112 in 1978.

## **Veterans**

Nearly 265,000 Canadians receive assistance through the Department of Veterans Affairs and its four agencies—the Canadian Pension Commission, Pension Review Board, War Veterans Allowance Board and the Bureau of Pensions Advocates.

The basic disability pension for an unmarried 100% DVA pensioner is now \$679.26 a month, and for a married pensioner, \$849.01 a month. If the pensioner and his spouse have two dependent children, the pension is increased to \$12,022.80 a month. War veterans' allowances are paid to veterans who, because of age or ill health, can no longer earn an adequate income. The average age of veterans receiving government benefits is now over 60.

The Department also provides treatment services in DVA hospitals and contract hospitals for veterans suffering from service-related disabilities and for veterans who are in receipt of a war veterans allowance. It is now moving to integrate DVA hospitals with those of their local community. This will ensure the availability of adequate treatment for entitled veterans, especially in view of the declining numbers of those requiring active care.

Under the policy of gradual decentralization of government services, DVA will transfer its head office from Ottawa to Charlottetown in 1981. This will alleviate unemployment in P.E.I., but service to veterans and their dependents will not be affected—they will continue to be served through 18 regional offices across the country.

## **Status of Women**

Canada is the most progressive of any country in the world in social programming for women.

Long before the 1975 International Women's Year, Liberal governments showed their concern for women's rights. The Pearson government appointed a Royal Commission on the Status of Women. Of the 122 recommendations it brought for-

ward, 103 have been implemented in full or in part through

legislative amendments or administrative changes.

In 1971, Canada was the first country in the Western world to have a cabinet minister specifically responsible for the status of women. The federal government also created an independent advisory council on the status of women, and within the ranks of the public service, an office of the status of women coordinator.

Steady progress is being made in assuring women of equal treatment before the law and an end to discrimination.

The federal Human Rights Act forbids discrimination based on sex or family situation, and forbids salary differences between men and women for work of equal value. Amendments have been made to the Criminal Code, the Immigration Act, Elections Act, National Defence Act and other statutes to guarantee equal treatment.

Canada Pension Plan amendments now provide for the equal splitting of CPP credits earned during marriage, between husband and wife, upon divorce or annulment of their marriage—starting January 1, 1978. Such sharing will provide protection to the “at home” spouse who has never worked outside the home, as well as those who have contributed to CPP for only a short time.

Many Canadians have grappled with personal conscience on the abortion issue. The more humane laws enacted by the Liberal government in 1969 represent a conscientious and courageous effort to be realistic on an issue that remains a contentious one for many people. However, as the Badgley Report indicated, enforcement of the law is very uneven across the country. Enforcement is under the control of the provinces, not the federal government. No changes in the existing law are contemplated by the government despite lobbying by those who urge that all abortions be made subject to criminal penalties, or those who urge that it be removed from the Criminal Code.

In 1978, Labor Code amendments eliminated pregnancy as a basis for layoff or dismissal. The \$20 a month increase in the Guaranteed Income Supplement and the introduction of the Child Tax Credit—both taking effect January 1, 1979—will help to alleviate the situation of many elderly women and mothers of children under 18. In early 1979, the role of women in the Armed Forces was changed to include women in several non-traditional roles and in the military colleges.

As Canada's contribution to the United Nations' World Plan of Action, the federal government announced on March 7, 1979, a five-year plan, "Towards Equality for Women". It is a serious undertaking to hit at the roots of barriers to women's equality and builds on changes to legislation which has already been enacted. Included in the many actions is the establishment of a task force on women's employment, a major research project on violence against women, revisions to pension policy, and increased efforts to provide more equal opportunity in the public service.

### **Immigration**

Canada's new immigration law, proclaimed in April 1978, brings immigration policy up to date with the realities and attitudes of modern-day Canada. It emphasizes non-discrimination, family reunion, humanitarian concern for refugees, and the promotion of Canada's social, economic, demographic and cultural goals.

In the past, immigration to Canada fluctuated widely, from a high of 282,000 in 1957 to a low of just over 70,000 in the early 1960s. These variations contributed to problems in labor market planning and increased the strain on housing, schooling and other community services.

A target figure for the number of immigrants Canada plans to admit each year is developed in consultation with the provinces and allows for changing circumstances such as increased unemployment or new trends in population distribution. Federal-provincial immigration agreements were signed in 1978 with Nova Scotia, Quebec, Prince Edward Island, Saskatchewan, and New Brunswick.

The law will be applied without discrimination on grounds of race, national or ethnic origin, color, religion or sex. Applicants will be selected according to standards designed to assess their ability to adapt to Canadian life and settle successfully.

The act prohibits admission of people who pose a threat to public health, safety, order, or national security. It also provides for the exclusion or removal of participants in organized crime and would-be terrorists or hijackers.

Canada has had a number of special refugee programs for the Czechoslovakians, the Hungarians, and more recently, for the Chileans and Vietnamese. A Refugee Status Advisory Com-

mittee was formed in 1978, in accordance with the new act.

Under the new act, Canada welcomes both immigrants and visitors and ensures that, once they become permanent residents, immigrants have access to the same opportunities as native-born Canadians.

### **Consumers' Issues**

The Department of Consumer and Corporate Affairs was set up in 1968 to act as a referee in the operation of the marketplace between consumers, producers, and manufacturers. Fully 40% of the department's activities and annual budget are devoted to consumers' concerns.

The department has established 14 regional consumer help offices and funded a variety of consumer groups, including the Consumers' Association of Canada, Public Interest Advocacy Centre, L'Institut pour la Promotion des Intérêts des Consommateurs and the Automobile Protection Agency.

The department administers such consumer protection legislation as the Consumer Packaging and Labelling Act, the Hazardous Products Act, Textile Labelling Act, and Food and Drug Act. These laws cover content of goods, the quantity, the best-before date, and dangerous products.

One example of the type of consumer protection action the department undertakes is its work in combatting the problem of premature car rust. A voluntary anti-corrosion code introduced in January 1978, requires that all 1978-model vehicles be free from surface rust for one year and from perforation for three years, and from structural damage resulting from rust for six years.

Also under the umbrella of the department, the Combines Investigation Act guards against misleading representations about price or quality, double-price-ticketing of goods, fraudulent selling practices, sales above advertised price, and phoney promotional contests. The director of research and investigation, who operates independently of the department, deals with 6,000 to 8,000 complaints from the public each year.

The 1976 Competition Act, Stage I protects consumers against deceptive trade practices and subsequent amendments permit intervention at hearings of federal regulatory agencies to maintain competition, and provide for civil procedures to review certain trade practices.

The National Conference on Consumer Assistance was held in 1978 and involved 200 consumer specialists from all sectors, brought together for the first time to find improved means of delivering direct assistance to consumers.

The Omnibus amendments to the Criminal Code before Parliament (Bill C-21), include tightened rules against loan-sharking, and protection for people trading in the stock markets.

## **Housing**

Under Liberal governments, Canadians are now better housed than ever before—and by any standards, are among the best-housed people in the world. A Gallup Poll in October 1978 showed that more than 85% of all Canadians are satisfied with their housing.

The federal philosophy in housing has always been to assist private enterprise in filling the shelter and community needs of Canadians—to provide the direction and the incentives that help to ensure that the right housing is built for the right needs. Therefore, as market and economic conditions change, as the wants, the needs and the tastes of the Canadian people change, so do federal housing programs and policies.

The major problem in recent years has been to ensure that high quality housing is accessible at reasonable prices in the face of rapidly escalating costs (especially for land) and high mortgage interest rates. These pressures have led to more intensive use of land for medium and high density housing and more innovative federal programs designed both to reduce the impact of high rents and to bring ownership within the reach of an increased number of Canadians.

Programs during the 1970s directed to those ends, include: low cost housing and the direct lending programs begun in 1970; the Assisted Home Ownership Program (AHOP) in 1973, to provide loans and grants to help lower-income families; the Neighborhood Improvement Program (NIP) in 1974 to provide loans for seriously deteriorated neighborhoods; the Registered Home Ownership Savings Plan (RHOSP) in 1974; the Native and Rural Housing Program in 1974; the Assisted Rental Program (ARP) in 1975; the Housing Action Program in 1975; the water supply program in 1975.

Changing conditions require changes in approach. A new

cooperative housing program has been launched which could easily double the number of people living in such housing—from the present level of 50,000 to more than 100,000 persons over the next few years.

The federal government is doubling its financial assistance to cooperative housing and discussions with the private lending institutions indicate a willingness to invest as much as \$500 million in the next few years.

The Community Services Program is a consolidation of NIP and two municipal grant programs and is a fundamental change in direction for federal housing policy. It is a reflection of the principles of global funding agreed to by all the provinces and the federal government. Each province must now decide upon the community services which will be eligible for funding, the allocation of funds to municipalities, and the administration of the program within each province. It means that federal assistance will not influence or distort provincial and municipal priorities, at the same time ensuring that federal funds are used for community services. The program starts in 1979 with \$150 million in federal funds and an increase in long-term funding to \$250 million as of January 1, 1980.

Bill C-29 before Parliament modifies some programs under the National Housing Act:

- Subsidies to groups which are prepared to provide non-profit housing for low income people.
- Mortgage insurance available for the purchase or improvement of existing rental properties (only new properties were eligible before). Mortgage insurance extended to a number of other programs.
- The Residential Rehabilitation Assistance program is extended and eligible for NHA insurance.

Housing starts set a record in 1976—273,203. They were down to 245,724 in 1977 and down again to 227,667 in 1978. We still run second only to Belgium in starts per capita amongst the industrialized countries. One of the main reasons for the downturn in housing starts is the lessening of demand. The post-war baby boom has flattened out, there are less young families being formed, and more and more people are housed well.

## **Industrial Relations and Labor**

Over the past decade Canadian workers have received a growing share of the national income. Government policies and programs are aimed at recognizing the dignity of work and the contribution of workers to the life and prosperity of the country.

The federal government is responsible for employment conditions and industrial relations in all industries that fall under federal jurisdiction. These are industries of an interprovincial or international character such as transportation, communications and banks.

The Canada Labor Code emphasizes the role of freedom of association and free collective bargaining, and seeks to encourage the voluntary settlement of labor-management disputes. Government programs seek to protect occupational health and safety, improve the quality of working life, and strengthen industrial democracy.

The government has introduced a 14-point program aimed at enhancing the work environment, increasing the dialogue between business and labor, and improving collective bargaining procedures.

Changes in the Canada Labor Code also give further protection to unorganized workers, encourage broader-based bargaining, and give workers the right to refuse to work in hazardous places.

The Centre for Occupational Health and Safety has been established to encourage research and promote safer workplaces. Funded at \$1.25 million for 1979-80, the centre is run by a council broadly representative of federal and provincial governments as well as of workers and of employers.

A Quality of Worklife Unit has been set up to encourage greater participation of workers in the management of industry and provide a consultative forum to discuss major social and economic questions. The Collective Bargaining Information Centre provides unbiased economic and compensation information to both employers and employees.

## The Post Office

The government is continuing its efforts to help move labor-management relations in the Post Office away from conflict toward consultation and cooperation. There are some encouraging signs of success.

The Letter Carriers' Union, for example, is participating in an integrated problem-solving program. By working together in this program, management and labor have succeeded in defusing some potentially explosive grievances.

The government has a bill before Parliament (C-27) to turn the Post Office into a crown corporation. The aim is to eliminate some of the difficulties caused in the past by putting the Post Office on a more business-like footing. For example, Treasury Board has acted as the employer in labor negotiations, the department of public works as the landlord and the department of supply and services as the purchasing agent for the Post Office. The new crown corporation would give the Post Office the appropriate powers, rights and controls over its own affairs to carry out its objectives in a business-like manner.

The postal rate increase on April 1, 1979 is part of the move to increase the cost-effectiveness of the postal organization. Even with the increase, Canadians continue to enjoy lower rates than those of other countries. The new 17-cent first-class letter rate compares with an *equivalent rate* (taking into account international currency exchange rates) of 18 cents in the U.S., 22 cents in Britain, 33 cents in France and 38 cents in Germany.

The government, however, wishes to continue certain subsidized postal rates. For example, the Secretary of State department has taken over the responsibility for setting the rates, and paying any subsidies, for books, periodicals and other culturally-related materials.

# Rights and Freedoms

## RCMP and Security

The government appointed the McDonald Royal Commission in 1977 to investigate allegations of wrongdoing by some members of the Royal Canadian Mounted Police.

The Ministry of the Solicitor General and the RCMP have given, and will continue to give, full cooperation to the commission, since it is only through a thorough and responsible investigation that the public will retain complete confidence in the force.

As further proof of its commitment to protect the individual freedoms of all Canadians, the government has promised a complete review of the provisions of the Official Secrets Act with a view to proposing legislative changes. A Green Paper on Freedom of Information was issued in 1977, discussing ways of providing easier access to government information by the public.

## Human Rights

Canada's new Human Rights Act is the most far-reaching law of its kind in North America and the Commonwealth. The new act differs from the Bill of Rights in many ways. The Bill of Rights deals with the interpretation of laws, the criminal trial process, and the existence of fundamental rights and freedoms of individuals. The Human Rights Act deals with the behaviour of individual Canadians toward each other and, unlike the Bill of Rights, sets out methods of enforcement and penalties for breaches of the act.

It forbids discrimination on the basis of age, sex, marital status, race, national origin, color, religion, physical handicap, or conviction for which a pardon has been granted. It bans the transmission of hate messages by telephone, and provides for "equal pay for work of equal value", preventing discrimination in wages paid men and women for similar work.

It also gives individuals the right to see information about themselves in government files. Anyone denied access to

such information has recourse to a privacy commissioner with

the power of a court to obtain documents and other pertinent material from the government.

To enforce these provisions, the government has established a Canadian Human Rights Commission. This eight-member body has wide-ranging powers to investigate and initiate complaints and to appoint expert tribunals to adjudicate in anti-discrimination cases.

### **Capital Punishment**

The government believes that capital punishment is totally inappropriate in a modern, civilized country, and that it is not an effective deterrent to murder. In its 1976-77 session, Parliament approved a substantial revision in the murder penalty, with the leaders of both the Conservative and New Democratic parties supporting it.

In abolishing capital punishment, the government substituted a tough new penalty for first-degree murder—life imprisonment with no parole for 25 years.

First-degree murder includes planned and deliberate murder, the murder of police officers and persons working in a prison or penitentiary in the line of duty, murder while committing or attempting to commit hijacking, kidnapping, rape or indecent assault.

Second-degree murder covers all other murders.

Persons convicted of second-degree murder are not eligible for parole until they have served 10 years of their sentence. The judge, after seeking the view of the jury, may increase the mandatory imprisonment period to a maximum of 25 years.

Studies have revealed that states and countries which have abolished the death penalty have not experienced any unusual increase in homicide; neither has the restoration of the death penalty resulted in any significant reduction in the homicide rates. Rates of homicides of policemen and prison guards show marked fluctuations from year to year and bear no correlation to the abolition of the death penalty. Nevertheless, figures do show that the rate of violent crime has decreased in Canada since 1975.

## **Wiretapping**

Until 1974, there were no controls on wiretapping in Canada. Legislation now permits police, after authorization from a judge, to use electronic surveillance measures for a maximum of 60 days, subject to renewal in special cases. The judge must be satisfied by a statement under oath that the interception is necessary and is indeed the only way of obtaining the necessary evidence.

A person whose conversations have been intercepted must be notified of the surveillance within 90 days. In cases of organized crime, where notification might prejudice an ongoing investigation, a judge may extend the period of notification.

This process of accountability, finally resting on the Canadian judicial system, ensures that the ability to wiretap is not abused.

## **Gun Control**

Before the passage of the government's gun control laws in 1977, an escaped criminal or mentally-disturbed person could buy a rifle as easily as he could buy a tube of toothpaste. The use of guns in the commission of crime was increasing, as were accidents involving careless gun-handling.

The 1977 amendments to the Criminal Code include controls for the purchase and use of firearms in Canada and stricter penalties for the misuse of such weapons. The new law is designed to cause as little difficulty as possible to responsible gun owners.

As of January 1, 1979, the law requires anyone over the age of 16 acquiring a gun to obtain a Firearms Acquisition Certificate. The privilege of owning and using firearms may be denied to those people who have been convicted of violent crimes or firearms-related offences within five years immediately preceding the date of their application; those who have serious mental disorders associated with violence; or those with a continuing history of violent behavior during the previous five years. Refusal of a FAC may be appealed to a magistrate.

Firearms dealers must now meet standards of security and record-keeping in order to qualify for a mandatory annual business licence.

On January 1, 1978, the categories of restricted and



prohibited weapons were expanded with the coming into effect of the first portion of the new gun control legislation. It is an offence to possess a prohibited weapon or to possess an unregistered, restricted weapon. To own restricted weapons, certain conditions stipulated in the Criminal Code must be met, and a registration certificate obtained from police.

During the month of November 1978, the federal government, with the full cooperation of the provinces, ran an immensely successful "amnesty recall" program. The purpose of the amnesty was to allow gun owners to regularize their situation, or to dispose of unwanted firearms, and to increase awareness of the requirements of the new gun laws. During the amnesty, almost 48,000 weapons were brought to the police for registration or disposal.

Other measures which came into effect on January 1, 1978 include: the imposition of a mandatory minimum sentence for using a firearm in committing a crime; orders of prohibition; and police authority to search for and seize firearms without a warrant in situations of immediate danger. Such a search and seizure must, however, be justified later in court.

## Penal Reform

An all-party Parliamentary Sub-Committee on the Penitentiary System in Canada of 1977 produced an excellent report which is serving as the basis of government action to improve and modernize a great many aspects of the federal corrections system. This is being done in keeping with both the minister's commitment to ensure a wide variety of effective programs for inmates, and the government's policy of economic restraint.

A new five-year construction program has been developed to meet the forecasts of prison population, to replace out-dated accommodation, and to improve training facilities. Compared to the previous plans, this revised program represents a saving of \$225 million in capital expenditures and of \$60 million in operating costs.

There is a renewed desire to "cascade" inmates from institutions of maximum security to those of lower security. A new "code of conduct" has been formalized for correctional officers. Statutory remission (time off for good behavior which was granted by law) has been replaced by earned remission which

depends solely on the good conduct of the inmate. The integration of the National Penitentiary and National Parole Services into one Correctional Service has been completed. Further reorganization is being pursued to help foster a unified, highly professional and more independent Correctional Service of Canada.

### **Transfer of Offenders**

Canada has now signed Transfer of Offenders Agreements with the United States, France and Mexico, which provide for Canadians imprisoned in these countries, and nationals of these countries incarcerated in Canada, to be sent back to serve their sentences in their own countries.

The agreements enable an offender returned to Canada to be dealt with substantially as if the foreign conviction and sentence had been given by a Canadian court. The offender will be credited with the time the foreign country has counted towards completion of the sentence, and will be eligible for parole as if he had been convicted in Canada. The agreements also provide for the return to Canada of persons under parole or probation in foreign countries, and vice versa. The validity of the foreign conviction or sentence cannot be challenged in Canadian courts. Transfers will not take place without the approval of the sending country, the receiving country, and the offender himself. The first transfer of offenders was with the U.S.A., and second, in April 1979, is also with that country.

### **Dangerous Offenders**

The 1977 amendments to the Criminal Code enable the courts to impose an indeterminate sentence of imprisonment on dangerous offenders, including sexual offenders. The National Parole Board must review each case three years from the date that the individual was taken into custody and not later than every two years thereafter.

Earned remission replaced statutory remission in federal and provincial institutions, thus encouraging more responsible behavior among inmates, in order to earn time off for good behavior. The maximum penalty for escape or attempted escape from prison was increased to 10 years.

The National Parole Board was given ultimate authority



for all forms of unescorted temporary absences from federal institutions, enabling these programs to be administered with greater controls and consistency. Legislation was presented allowing for regulations to be developed to provide some procedural safeguards to the applicants for parole and those being considered for parole revocation.

### **Pornography and Drugs**

Recognizing the public concern over the spread of pornographic materials, the government has broadened the definition of "obscenity" to take greater account of violence and undue degradation of the human person. Penalties are drastically increased and the maximum fine upon conviction will be \$100,000. There are special provisions to prohibit the use of children in the production of pornography.

The government has succeeded in stemming the flow of the worst forms of pornography. Some 8,000 titles were prohibited entry to Canada in 1977. (Distribution and sale of magazines is controlled by provincial and municipal authorities.)

In a further effort to combat the importation of narcotics, the Criminal Code has been amended to make it an offence to conspire in Canada to commit an offence abroad. This aims at ensuring that Canada does not become a planning ground for international criminal activity.

### **Prostitution**

Omnibus legislation amending the Criminal Code was introduced in both the last and the current sessions of Parliament (Bill C-21, first reading November 21, 1978), providing extensive revisions to Canada's criminal law.

One of the provisions is to restrict soliciting for the purposes of prostitution in public places. A recent court judgment interpreted the term "solicit" under the present Code to require persistent and aggressive behavior on the part of the prostitute. As a result, those who are circumspect in their approach are generally not found guilty of soliciting. This has created a serious problem particularly in large cities where prostitutes ply their trade virtually unhampered, to the dismay of citizens.

The changes would assure that offences relating to prostitution include both males and females; that soliciting in a public place need not be pressing or persistent to constitute an offence; and that a means of transportation, for example, a motor vehicle, in a public place may be deemed to *be* a public place. The changes relating to the defilement of children will make it an offence to procure any person under the age of 16 to engage in male or female prostitution.

### **Ombudsman**

Legislation to create the office of Canada's first federal official Ombudsman was introduced in the last session of Parliament, although time did not permit its passage. The Speech from the Throne of October 1978 reiterated the government's intention of creating a federal Ombudsman.

The ombudsman would have powers to handle public complaints against any federal department or agency, including the RCMP, but not including Parliament or the courts. His role would complement that of members of Parliament in seeking solutions to the problems of the individual citizen in dealing with federal departments and agencies.

### **Law Reform**

Bringing the law up to date to conform with modern needs is a continuing process. The government reviews and evaluates reports of the Law Reform Commission of Canada and introduces legislative changes where appropriate.

The Criminal Law Reform Fund was established in 1976 to encourage consultation and dissemination of information about new approaches to problems in the law. Contributions are made to individuals and organizations as well as other levels of government.

# Energy and the Environment

## Energy Strategy

Escalating global energy prices have hurt consumers throughout the world, particularly in the West. Energy costs have undermined economies by increasing inflation, boosting business costs, throwing people out of work, increasing balance of payments problems and lowering the value of stable currencies.

While the crisis is still with us, as recent events in Iran and other volatile OPEC countries have shown, Canada is a long way from being in the totally vulnerable position it was during 1973, when the oil exporting countries of the Middle East and South America formed a cartel to increase oil prices by some 400%. The Trudeau government responded promptly with legislation designed to secure future domestic self-sufficiency in non-renewable resources and to promote the development of alternate sources of energy.

During the development of the new energy strategy, the Prime Minister met with the provincial premiers at several energy conferences. These produced an agreement on sharing oil resources within the federal framework and called for domestic oil prices to rise gradually over a period of years to international levels, in order to encourage conservation and stimulate domestic exploration for oil and national gas reserves.

The Liberal government's comprehensive and long-range energy strategy, developed in 1975, is designed to:

- Increase Canadian participation and content in large-scale energy projects such as the Tar Sands.
- Increase exploration and development.
- Encourage the use of renewable energy sources such as solar and wind.
- Reduce the average rate of growth in domestic energy consumption by 3.5% over the next decade.
- Encourage and facilitate the construction of additional energy delivery systems such as the recently completed Sarnia-to-Montreal Pipeline and the planned Alaska Highway Pipeline.

## Petro-Canada

The primary mechanism in the Liberal government's strategy for energy self-reliance has been the crown corporation Petro-Canada. PetroCan was established in 1975 with a mandate to give Canada an oil company which would serve to reinforce the nation's interest in an industry largely owned and operated by foreign-controlled multinational firms.

PetroCan's function is to work in conjunction with the oil and gas industry to ensure that Canada's vital domestic energy resources are fully developed to meet present and future needs and to develop secure sources of energy from foreign suppliers.

PetroCan has acted as a catalyst in numerous projects which would not have gone forward if left solely to the private sector. For example:

- To date, PetroCan has been responsible for approximately 50% of our northern exploration, and the vast majority of the work in developing the offshore oil potential of Newfoundland, Labrador, and Nova Scotia.
- PetroCan has played an integral part in the development of the Tar Sands heavy oils.
- It has worked in the high Arctic to develop new transportation systems such as the Arctic Liquefied Natural Gas project.
- The company is also a working member of the study group which has proposed the Quebec-Maritimes Gas Pipeline.

The recent incident when Exxon International of New York, the parent company of Imperial Oil of Canada Ltd., diverted Venezuelan oil destined for our East Coast overseas, only serves to underline the necessity for Canada to maintain a strong and viable national oil company, without the necessity of negotiating through middlemen like Exxon.

Other countries have set up their own national energy companies in order to provide their citizens with increased security of supply. The major European countries and Japan all have their own national oil companies and the only reason the U.S. does not, is due to the fact that five of the world's major oil companies (the Seven Sisters) are U.S. owned.

## **Energy Pricing**

One of the most important federal policies the Liberal government has put into effect has been the energy pricing policy. This policy, which forms a key link in our long-range energy strategy, was designed to keep Canada's economy competitive and on an even keel after the oil crisis.

The policy has set up a system to bring oil to Canadians at a price lower than that paid in the rest of the world. The pricing policy comes to grips with the difficult problem of accommodating the demands of the producer provinces (Alberta, Saskatchewan) for world prices for their oil and gas—versus the demands of the consuming provinces (Ontario, Quebec etc.) for lower prices in order to keep their industries competitive.

Under this policy, revenue from foreign sales of Canadian oil plus other exports, has been used to subsidize the price of foreign oil coming into Eastern Canada. Between 1974 and the end of 1977 the federal government paid some \$4.6 billion in subsidies to protect Canadian consumers.

Thus all Canadians share the burden, with Alberta receiving a fair price for its oil—but less than world prices—and the rest of the provinces paying less than world prices.

Were it not for this policy, Canadians would be forced to pay international prices for their oil and this would result in increased costs per average household of \$179 a year in Nova Scotia, \$203 in Quebec, \$173 in Ontario, \$124 in British Columbia and \$261 in Alberta. Ironically Albertans have benefited the most from this federal energy policy because of their higher per capita fuel use during their extremely cold winters.

## **Energy Conservation**

The federal government has also undertaken countless other initiatives in recent years to stimulate the development of alternate energy sources and to encourage domestic conservation. Some example of these:

- A \$1.4 billion home insulation grant program for Canadian householders.
- Removal of the federal sales tax on home insulation.
- The encouragement of provincial governments to lower the highway speed limits and up the registration fees for heavy gas-guzzling cars.

- *Grants totaling some \$250 million to the solar heating*

industry in Canada to develop more efficient home and office heating systems. By 1990 sales of such equipment are expected to reach \$900 million.

- The removal of federal sales tax on energy saving equipment, plus a rapid depreciation allowance for similar equipment.

- The implementation of the federal government's "Save Ten" in-house energy conservation program designed to cut energy consumption by 10% and hold it at that level for the next 10 years. By adopting strict conservation measures, the federal government cut its own heating costs by \$30 million during the first year of the program.

### **The Northern Pipeline**

After lengthy negotiations with the U.S. government the federal government gave the go-ahead for the massive Northern Pipeline project. The \$10 billion, 5,400-mile Northern Pipeline, largest project of its kind anywhere in the world, will provide tens of thousands of jobs for Canadians and enormous tax benefits for the Yukon and the three Western provinces. It is scheduled for completion by the end of 1982.

Canada will benefit from this giant development both as deliveryman for American gas from Alaska to the 48 states below our border, and in the opportunity to gain access to our own gas supply in the western Arctic and get it to southern Canadian markets at economic prices.

The construction job itself is worth an estimated \$4 billion to \$5 billion in current dollars to Canada for the purchase of materials and services, providing a substantial boost to output and employment.

It will provide nearly 100,000 man-years of employment in this country—69,000 in direct construction activity, and 31,000 indirectly through expenditures of pipeline income. It will also have a strong positive impact on Canada's international balance of payments. There will be heavy inflows of capital to help finance construction. And once the gas begins to flow by 1983, Canada will continue to earn substantial sums from the U.S. in transmission charges.

Yukon residents will be given preference in hiring for the construction phase, and about 200 permanent jobs will be created to keep it running, as well as many hundreds more in further exploration and other industrial development. Over a 25-year period, tax payments to the Yukon alone are estimated at more than \$1 billion, a bonanza equivalent to over \$40,000 for each Yukon resident.

The Canadian line will run from the Alaska border to Whitehorse, where it will connect with a 700-mile lateral to the Mackenzie Delta. Total length of the line in Canada, including the Delta lateral, will be 2,765 miles.

### **Guarding Our Environment**

The Liberal government has long recognized the danger of large-scale environmental abuse through uncontrolled development and rampant industrialization.

As a consequence, Environment Canada was established by the government to oversee the development of renewable resources, the protection of the natural environment and the monitoring of the quality of our air, soil and water. It has been responsible for the introduction of such vital legislation as the Canada Clean Air, Canada Water, Wildlife Protection, and Ocean Dumping Control Acts over the years.

More recently, the federal government has been responsible for the following:

- New air and water pollution standards.
- Prohibition of the highly toxic contaminants PCB, PBB and Mirex.
- Reduction of mercury effluents from industrial plants by 99%.
- Increased grants to Canadian industry for the development of new pollution abatement technology.

Through such intensive research, careful monitoring of our ecological system and active international cooperation on environmental issues, Canada has established itself as a world leader in this sphere and has greatly enhanced our quality of life in the process.

# Culture and Recreation

## Strengthening Canadian Culture

Canadians must be able to communicate with each other—by voice, on film, on TV and radio, through newspapers and magazines—if they are to have a sense of belonging, and of belonging together.

The government is striving to foster a vigorous Canadian identity in all these forms of communication.

One of its key actions in this field was the enactment by Parliament of what has come to be known as the "*Time-Reader's Digest* Bill"—Bill C-58, an Act to Amend the Income Tax Act.

Prior to that time, these two American-owned publications were reaping nearly half the revenue from Canadian advertising placed in consumer magazines. By withdrawing the tax-exempt status they had enjoyed, the government acted to strengthen the Canadian magazine industry.

*Reader's Digest* responded by "taking out Canadian citizenship"—converting its Canadian operation to majority ownership in this country, and relinquishing the U.S. parent's previous editorial control—to qualify as a Canadian publication. *Time* chose not to comply with the legislation and closed its Canadian edition.

In the words of a recent CBC special report: "The domestic magazine business is booming."

The bill also withdrew tax exemption from Canadian advertising placed on U.S. television stations, thus returning much of this revenue to Canadian stations.

The government broadcasting regulatory agency, the Canadian Radio-television and Telecommunications Commission (CRTC), has established "Canadian content" rules for both radio and television broadcasting to ensure a minimum time is given to Canadian productions. AM radio must play Canadian music for 30% of the selections aired; FM radio is allowed to vary it between 7 and 30%, but the stations commit themselves in their licence hearings.

For television, 60% of their broadcasting, averaged over

a year, must be given over to Canadian content. In prime time (6 pm to midnight) 50% of the time on private stations must be devoted to Canadian programming—for the CBC, the figure is 60%. In practice, the CBC exceeds that requirement.

The government has also moved to aid the Canadian book publishing industry. It was announced in March 1979 that \$20 million will be provided over three years to support development of specific books, to increase Canadian textbooks in the classrooms of the nation, and to assist domestic and foreign marketing.

## **Film Policy**

Canada has a proven record in documentary and short film production—carried forward especially by the National Film Board. Since the establishment of the Canadian Film Development Corporation in 1968 Canada has, as well, developed a significant feature film industry, not simply in commercial terms, but also in artistic quality.

To assist in this development the government, through the NFB, has extended its policy of contracting our major shares of film production to private Canadian firms. The publicly-owned CBC is reviewing its "make or buy" policy to encourage the use of independent Canadian productions on national television networks.

The CFDC received \$1 million in additional funds last year, some of which was available for feature films made especially for first release on TV. Its budget is increased by half a million dollars this year. The NFB will continue to make feature films, as well, and private film distributors are being urged to stimulate investment in Canadian feature films, and to provide better distribution of Canadian films at home and abroad.

The existing voluntary quota for exhibition of Canadian films in commercial theatres will be renegotiated to improve access for domestic productions.

## **CRTC and Communications**

The Department of Communications and its regulatory agency, the Canadian Radio-television and Telecommunications

Commission (CRTC), oversee broadcasting and telecommunications links throughout Canada.

Much of the department's effort is devoted to working out arrangements with the provinces for the sharing of authority over communications, particularly cable television. The first federal-provincial conference of ministers responsible for communications was held in 1973 and three meetings since have affirmed a positive and cooperative approach to communications matters. Bill C-16 before Parliament, which has the support of the provinces, is designed to streamline federal regulation of telecommunications and to make it more responsive to rapidly changing technology and to provincial concerns.

Through Telesat Canada's Anik series of satellites and the experimental Hermes communications technology satellite, small remote communities have been linked with the rest of the country by telephone, radio and television. The December 1978 launch of the ultra-sophisticated Anik B domestic communications satellite further consolidated Canada's position as a world leader in this vital high technology industry.

In a move to further open the available technology to cable TV companies, the government has recently announced they can own their own earth receiving stations—which previously could only be owned by Telesat.

## **The Arts**

The federal government provides assistance to the arts through its independent agency, the Canada Council. The assistance takes the form of grants to individual artists, to arts organizations, to aid in touring companies, and to special projects designed to reach a new public.

Decisions on grants are made by jury panels of artists in the discipline, and cover the visual and performing arts as well as writing and publication. The level of support to the arts has gone up from \$18.5 million in 1973-74 to \$38 million in 1978-79. Under the restraint program, the Council's overall budget (including administration costs) will be \$39.1 million, a cut of only \$200,000, for the 1979-80 fiscal year.

Under new legislation introduced in mid-February 1979, a minimum of 30% of the annual net revenues of Loto Canada will be allocated to the arts and cultural activities. This will begin January 1, 1980 when the previous commitment of Loto Canada's

revenues to pay off the Olympic debt expires. The new funds for

the arts could amount to about \$25 million in 1980-81.

The federal government also contributes to the operations and capital requirements of the National Arts Centre to assist in the development of the performing arts in all of Canada.

### **The Museums**

The federal government operates four national museums: the National Gallery, the Natural Sciences Museum, the Science and Technology Museum and the Museum of Man. Their mandate is "to demonstrate the products of nature and the works of man, with special but not exclusive reference to Canada, so as to promote interest therein throughout Canada and to disseminate knowledge thereof."

The national museums have a budget of \$46 million in 1979-80—\$6.6 million less than originally estimated. The largest portion of the cut in their budgets came in administration costs and in "national programs", which involve the development of a national inventory of cultural heritage, the conservation and restoration of collections, and travelling exhibitions.

### **Aid to Universities**

The federal government contributes to postsecondary education in Canada under new financing arrangements with the provinces which came into force in April 1977. The "established programs financing" arrangements replace the old method of the federal government contributing 50% of eligible operating costs of the universities. Now federal contributions are in the form of cash and tax transfers for medicare, hospital insurance and postsecondary education and provide more flexibility to the provinces to set their own priorities and allocate resources according to their needs. In 1979-80 the federal contribution to postsecondary education will amount to \$1.56 billion.

The federal government also administers the Canada Student Loans Act, which, together with provincial grants, has helped 700,000 students to gain a university education. A bill in Parliament this spring would raise the limits on these loans to keep pace with inflation. The 25% increase would bring the limit from \$56.25 a week to \$70 for the average 32-week course.

The federal government also provides aid to scholarly research through four granting councils: the National Research Council, the Medical Research Council, the Social Sciences and Humanities Research Council, and the Natural Sciences and Engineering Research Council.

The MRC's annual budget has increased from \$57.9 million in 1977-78 to \$64.4 million in 1978-79, to \$70.1 million in 1979-80. In August 1978 the federal government agreed to a five-year funding plan which will provide automatic increases each year so that long-range planning can take place in medical research.

The SSHRC was split off from the Canada Council in April 1978, and its budget will increase from \$33.2 million in 1978-79 to \$35.9 million in 1979-80. The National Research Council has an annual budget of \$205.8 million; the Natural Sciences and Engineering Research Council \$120.8 million in 1979-80. (It should be noted that not all of their budgets are for grants to research and scholars).

## **Fitness and Amateur Sports**

Government encouragement and funding are creating new levels of enthusiasm in the field of sport, fitness and recreation in this country.

The results are showing in international athletic competition as well. At the 1976 Olympic Games, Canada dramatically improved its overall standing, behind only the United States, West Germany and Japan among the non-Communist nations.

Behind this success, indeed part of it, are changing attitudes toward participation in sport. Fitness sports such as soccer, running, canoeing, swimming, and cross-country skiing have seen astounding growth. Track meets, once the province of a few dedicated competitors, now draw hundreds of participants.

The Fitness and Amateur Sport Branch of Health and Welfare Canada, under its own minister of state since 1976, is a partner in the Canada Games, as well as the Commonwealth Games held last year in Edmonton.

It provides financial and training assistance to Canadian athletes and has certified 15,000 coaches across the country in an effort to standardize coaching levels. Canada Fitness Awards have been provided for more than five million young Canadians between the ages of 7 and 17.

Under Bill C-41, a minimum of 30% of the net revenues

from Loto Canada will go towards the support of fitness and amateur sport. This will take effect in 1980 when the present allocation of Loto Canada's revenues to pay off the Olympic debt expires.

### **National Parks Policy**

The government's new Parks Canada policy emphasizes consultation on park development and making management more responsive to local concerns.

Consultation is proceeding on six proposed Arctic wilderness parks in Yukon and Northwest Territories, two national parks in Newfoundland and Labrador, and on plans for the future of Lake Louise.

New historic parks are being opened, including L'Anse-aux-Meadows, Newfoundland, site of the first known European settlement on the North American continent. Major development is under way at Louisbourg, Alexander Graham Bell and Fort St. James parks.

The updated Parks Canada policy incorporates new initiatives like the plan to devise a national wild river protection system. Another new direction is the development of a heritage buildings conservation policy, by which the government is seeking ways, through tax incentives and other measures, to encourage the recycling of older buildings.

# Natives and the North

## The Future of the North

The three main elements in the government's development strategy for the Yukon and Northwest Territories are people, resources and the environment.

The government is following a policy of *balanced* development "for" the North, not "of" the North. It seeks a balance between renewable and non-renewable resource development; between conventional wage employment activities and those which support the traditional native economy; between external and internally-generated development; and between the need of northern native people to develop, through their land claims, a means of protecting their future and participating in development, and their immediate need to obtain and benefit from economic opportunities.

In the Yukon, the Northern Pipeline Agency has been established to monitor the development of the Alaska Highway Pipeline and to ensure that the social and economic needs of Northerners are protected.

Oil and gas exploration and interest continues in the Beaufort Sea, the High Arctic and offshore in the Eastern Arctic. In all cases the national "need to know" policy on energy resources is balanced with the socio-economic needs of the people and the protection of the fragile northern environment.

The government has also been developing, in close consultation with the mining industry, a comprehensive mineral strategy for the North designed to keep these central elements in balance.

## Native Policy

There are approximately 300,000 "status" Indians in the whole of Canada, for which the Department of Indian Affairs and Northern Development is responsible. This responsibility is enshrined in the British North America Act and signified by

special rights accorded the Indian people through treaties, the



Indian Act and other legislation.

Ministers of Indian Affairs and Northern Development and the department have been working with Indians and Indian leaders to provide the opportunities and develop the means for Indian people to achieve their social, economic and cultural aspirations within Canadian society.

The thrust of the government's approach has been to promote self-government and self-sufficiency on Indian reserves through policies and programs that reflect the views of Indian people themselves.

The government seeks to safeguard Indian status and encourage a distinct and viable Indian identity while allowing for political change, social and economic improvement in their situation as a group, and personal fulfilment for Indians as individuals. It is a policy of continuation, not assimilation, and is based on jointly agreed objectives and methods.

Major proposals to amend the Indian Act, and to meet Indian people's aspirations for greater self-determination, were distributed to Indian people for discussion by the Minister of Indian Affairs and Northern Development, in the fall of 1978. The proposals cover Indian government, education, Indian status, reserve land disposition and the removal of anachronisms in the existing Act.

At the recent First Ministers' Conference, the Prime Ministers reached tentative agreement with the Premiers that matters relating to native people and the Constitution would be discussed by the First Ministers and native groups. Major preparatory work is now under way for these discussions, which are scheduled for this fall.

### **Land Claims**

One of the biggest issues in the North, and in other areas of Canada where treaties have not been signed, is the negotiation of a satisfactory settlement on the traditional land claims of the native population. The government is giving high priority to reaching a fair and equitable solution of this long-outstanding question.

To assist in reaching settlements, the government has provided funding—generally in the form of advances on eventual settlement—to native associations and provincial organizations to undertake land claims research and negotiations.

In 1977 the first comprehensive land claims settlement was reached in the James Bay area of Northern Quebec. The Cree, Inuit and Naskapi signatories to the agreement are currently proceeding with the planning and development of their own futures from a viable and strengthened economic and social base.

Negotiations are on-going with the Inuit Tapirisat of Canada, representing the 12,000 Inuit of the Central and Eastern Arctic, and the Council for Yukon Indians, representing the 5,000 Indians in the Yukon. Land claims research funding to the Metis and the Dene people of the Mackenzie Valley in the Northwest Territories was suspended in mid-1978, pending their development of a common negotiating position.

Hopes of a final settlement are high in the Western Arctic, where the interest of some 2,500 Inuit people are represented in an agreement-in-principle with the federal government, signed by the Minister of Indian Affairs and Northern Development, and president of the Committee for Original People's Entitlement on October 31, 1978. The agreement provides for a \$45 million cash settlement and native title to 37,000 square miles of land. The agreement is the first to be reached by the government and any native organization in the Yukon or Northwest Territories.

In the provinces, the major comprehensive land claim negotiation is with the Nishga Tribal Council in British Columbia. Specific claims are being made in other provinces, while in the Prairie provinces, outstanding land entitlements are being negotiated with Indians and the provincial governments.

### **Constitutional Development in the North**

The question of political evolution of the Yukon and the Northwest Territories is an important area of government attention. At present, both are territorial governments with elected councils and a Commissioner appointed by the federal government.

The government's policy for constitutional development in the North is one of evolution toward responsible government with safeguards, possibly constitutional, for native status and a recognition of native interests.

In 1977, a former federal cabinet minister, Charles (Bud) Drury, was appointed as the Prime Minister's special representative for constitutional development in the Northwest Territories. Mr. Drury will be reporting to the Prime Minister this fall.

Mrs. Ione Christenson, a former mayor of Whitehorse,

was installed as Commissioner of the Yukon in early 1979 with

a set of revised terms of reference that bind her to accept the advice of the Yukon Council on all matters where the Territory enjoys exclusive jurisdiction. A more formal process for constitutional development is being envisaged for the Yukon as well.

# Defence and External Affairs

## **A Responsive Foreign Policy in an Interdependent World**

The Liberal government has crafted a foreign policy suited to a leading middle power nation. Through active membership in international organizations such as the UN and NATO, plus on-going participation in Commonwealth and western economic conferences, our multi-faceted foreign policy has always worked for the elimination of poverty, the eradication of the arms race, global economic stability, and the freedom of the individual.

## **Canada-U.S. Relations**

Canada's wide-ranging and complex relationship with the United States is characterized by warmth and mutual respect. Government-to-government contacts are open and cordial. The friendship between the two countries is of such strength and duration that it has long been regarded by the world community as the standard for enlightened international relations.

Canada-U.S. relations encompass a broad spectrum of issues from such areas as trade and defence agreements, to the spheres of energy and the environment.

Canada and the United States do more business together than any other two countries on earth. American exports to Canada equal those to all of the European Economic Community and are two-and-a-half times U.S. exports to Japan. Canadian cross-border sales dwarf our exports to the rest of the world, with Canadian auto sales alone worth one-and-a-half times everything we send to the EEC.

And raw statistics tell only part of the story. Because of the intricate economic linkages, an improvement in the Canadian economy benefits the United States far more than a comparable rise in any other country or region; the reverse is equally true—in spades. It is not by choice only that we cooperate to fight

today's major economic problems; it is a matter of necessity.

Neither country can enjoy real economic health while the other is ailing; nor can one nation remain insensitive for long to the other's legitimate concerns.

Fortunately, on virtually all unresolved issues negotiations are continuing and progress is being made towards resolution. This is yet another mark of the good state of Canada-U.S. relations, for, in today's troubled economic times, countries usually move instinctively towards isolation, protection and confrontation.

### **The International Economy**

In addition to taking an active part in multilateral trade negotiations in Geneva, Canada has been working to achieve global economic stability through such agencies as the International Monetary Fund and the World Bank, the General Agreement on Tariffs and Trade (GATT), the Organization for Economic Cooperation and Development (OECD), and the International Energy Agency.

Canada has been a highly valued and active participant in the vital Economic Summit conferences and the conferences on International Economic Cooperation, and has also been a supporter of the concept of a common fund for commodity price stabilization in global trade.

### **External Affairs**

During the 1960s, Canada's external policies were concerned primarily with:

- economic and defence relations with the U.S. (NORAD);
- political and economic relations with the Commonwealth in general and Britain in particular;
- defence agreements with the U.S. and western European countries;
- our role as conciliator and peace keeper among warring nations.

In the past decade these traditional concerns have been broadened by the federal government to include:

- new economic and trading links with the Pacific Rim nations —particularly Japan and China;

- new trade, cultural and scientific relations with the European Economic Community (the Contractual Link with the Common Market);
- increased cultural and economic relations with the Soviet Union;
- expanded links with Francophone nations;
- establishment of a "North-South Dialogue" between developed and developing countries.

### **Canadian Sovereignty**

The establishment by the Liberal government of a 200-mile fishing limit has been one of the great successes of Canadian diplomacy, and has contributed directly to the economic strength of the Atlantic provinces. Fish exports have grown 145% in the last three years as a result of our boundary extension.

### **Human Rights**

The Liberal government has taken a firm stand on the world-wide need to protect human rights, expand human contacts and facilitate the reunification of divided families in a troubled world.

Canada has consistently pursued this humanitarian approach in its foreign policy, whether it be at the Belgrade conference which was called to review the application of the Helsinki accords; at the UN in support of the imposition of mandatory sanctions against the export of arms and military equipment to South Africa; or at Commonwealth heads-of-government meetings to condemn the violation of human rights in Uganda.

### **Foreign Aid**

Canada set aside \$1 billion during the past year for aid to developing countries. The money and aid is administered by the Canadian International Development Agency and supports some 2,000 projects around the world which are designed to meet the priority needs of more than 80 developing countries in the Third World. Some 50% of this foreign aid budget is spent in Canada itself for goods and services, providing support for 100,000 jobs.

## **National Defence**



A reevaluation by the federal government of our defence requirements and Canada's commitment to our partners in NATO and NORAD resulted in a major budgetary increase for the Armed Forces. In addition a major reequipment program is under way for all branches of the Armed Forces in order to replace obsolete equipment in the various branches.

While the cost of acquiring new aircraft, tanks, trucks and ships will be considerable, it will be spread over a number of years and Canadian industry, as well as our economy as a whole, will benefit greatly from subcontracts and offset trade agreements.

For example: the new Aurora long-range patrol aircraft will result in \$933 million of its total \$1.2 billion cost going in subcontracts to Canadian firms, and providing employment for an additional 2,200 workers in Canada's aerospace industry.

Of the \$187 million cost for the acquisition of new German Leopard tanks for our NATO commitment, 40% will be offset by compensating industrial orders placed by German firms in this country. Additional advantages will be gained by the licensing of armoured vehicle production in Canada.

The largest defence contract in Canadian history will supply our country with new fighter aircraft for use in Canada and in Europe—to replace our aging Starfighters and Voodoos. The final two contenders for this \$2.34 billion project—General Dynamics and McDonnell Douglas—will be required to submit maximum possible industrial benefits to Canadian industry.

Six new destroyer escorts will be built in Canadian shipyards over the next decade, at a cost of \$1.6 billion—money which will go directly back into our domestic economy.

Some 63% of the annual operating and maintenance budget of the Department of National Defence is represented by personnel payrolls—the bulk of which goes back into the local economy.

## **International Peace Keeping**

Canada has continued to play a leading role in international peace keeping missions and maintains its reputation as one of the most competent and experienced participants in the United Nations Peace Keeping Forces in diverse trouble spots (Cyprus, Golan Heights etc.) throughout the world.

# Food Strategy

## Agriculture

In 1978 only 13.2% of the average Canadian family's income went on food prepared at home, compared to 21.4% in 1947. When you include meals bought outside the home, Canadians spend only 18% of their take-home pay on food (the same proportion as for shelter), compared to 22% in 1957.

With the exception of the Americans, Canadians spend a smaller proportion of income on food than consumers in any other country: in Australia and Germany it is 23%, in Britain 28%, in Greece it is 36%.

In spite of this enviable position, the main concern of consumers, as with producers, in recent years has been the level of food prices and the fact that they have been rising faster than the general price level. In the 12-month period ending December 1978, the food component of the Consumer Price Index increased by 12.8% compared to the increase for all items of 8.4%. The increase can be attributed to beef, pork, chicken, and fresh fruit and vegetables.

Food prices in 1979 are expected to keep rising mainly because of the devaluation of the dollar, the beef cycle and labor problems in California. Nevertheless, the rise in food prices is expected to show some moderation late in 1979.

The food system is extremely important to Canada. In 1978, farm cash receipts amounted to \$11.9 billion and retail food sales about \$23 billion. Together they accounted for 17% of Canada's Gross National Product.

Canada is one of very few countries that produce more than they consume. Agricultural exports earn us valuable foreign exchange and offset to some degree our unfavorable balance of payments. Agricultural exports reached \$4.83 billion in 1978,

two-thirds of which were grains and oilseeds. Imports were \$4

billion, mainly tropical products and citrus and seasonal fruits and vegetables, resulting in an important trade surplus of \$828 million.

Government policy has been to reduce costs of farming through improved transportation for farm commodities, and by maintaining and improving farm income. Several programs have been established such as better marketing arrangements through marketing boards, farm improvement loans, farm credit loans, small farms development program, stabilization payments, the crop development fund, the Western grain stabilization plan.

The Canadian farmer is very efficient. Production per farmer has risen by more than 300% in the last 25 years, and capital investment in food production has also increased dramatically. The average farm now has a capital value double that of 1972, and 10 times that of the late 1940s.

(In 1940, a farmer fed himself and 10 others. Today, he feeds himself and 52 others.)

One in every four Canadians is employed somewhere in the food production, processing and distribution chain, or in industries supplying machinery, fertilizer and other imports. The food processing industry employs more than 200,000 workers and comprises the largest manufacturing industry in Canada.

Farmers, fishermen and their employees get only 38 cents of every consumer dollar spent on food while manufacturers, wholesalers, distributors and retailers receive 62 cents.

Government policy is to ensure adequate supplies of high quality food at reasonable prices for the consumer, as well as a stable and fair return on labor and investment for the producer. In large measure, the government has been successful in achieving this kind of system.

Consumers have also benefited from government actions in the area of nutrition, food quality and safety inspection, and through the regulation of pricing, packaging, labelling and advertising practices in the food processing and retailing sectors.

At the same time, the government has improved the lot of farmers and fishermen in many ways. These include generous income stabilization programs, special tax concessions, creation of marketing boards, assistance in the export of produce, crop insurance, research, implementation of the 200-mile fishing limit, price support measures, and emergency assistance.

The government has outlined an overall food strategy for Canada and has been promoting public discussion of it. In February 1978, the government sponsored a National Food Strategy Conference which brought together for the first time representatives of government, producer groups, the food processing industry, distributors, retailers and consumer groups.

The policy encompasses four objectives:

- To assure consumers a continuing supply of high quality food at reasonable prices.
- To assure efficient producers a reasonable return on their investment and adequate compensation for good management.
- To provide food aid to countries where people cannot adequately feed themselves.
- To produce products in which we have a competitive advantage for commercial export.

## **Fisheries**

Bountiful harvest off Canada's coasts and in inland rivers and lakes brought record revenues of over \$1.4 billion to the fishing and fish-processing industries in 1978. For the third year in a row, Canadian fishermen and processors have set a new record in terms of earnings.

While landings are up 8% for 1978, landed values are up 35%—a figure that has more than doubled in three years. This is because fish is fetching a better price for most species.

Total landings are 1,358,000 metric tons, valued at \$653 million, compared to 1,254,930 metric tons valued at \$485 million in 1977. The marketed value of products in 1978 is over \$1.4 billion, compared to \$1.2 billion in 1977.

Atlantic Coast products reached a market value of close to \$1 billion compared to \$767 million in 1977, while on the Pacific Coast, the market value is \$450 million compared to the 1977 figure of \$365 million.

In 1978, Canada became the largest exporter of fish in the world, with exports totalling \$1.1 billion, compared to \$816 billion in 1977. Exports to the U.S. increased by 5%, while exports to the European Economic Community countries showed a strong growth of 17% last year.

Returns to fishermen have risen 50% in real terms over the past 10 years. The Canadian commercial fishing industry provides employment for about 60,000 fishermen and 20,000

plant workers. Analysts are predicting the processing jobs on

the Atlantic coast will increase by 20,000 in the next few years.

Major government programs are under way to protect and expand the fishing industry. On the West coast, a \$150 million salmonoid enhancement program is aimed at doubling the present catch. On the East coast, \$170 million has been spent to rehabilitate the groundfish industry. Under the fishery management regime instituted over the last three years, the Canadian fleets' share of overall total allowable catch of conventional groundfish species in the Atlantic fisheries has increased from less than 40% in 1974 to 75% in 1978.

The 200-mile fishing limit brought into force on January 1, 1977, is one of the greatest successes of Canadian diplomacy, and has dramatically increased Canada's share of the catch. The first year of the limit saw foreign catches of Canadian-fished species drop to about one-third the 1974 level.

To guard the new zone, the government has undertaken a \$50 million construction program of research and surveillance vessels. Gradual expansion of the East coast fleet is planned as fish stocks increase. The government pays a subsidy of up to 35% of the cost of vessel construction.

Scientific research has doubled in the offshore zones, and fisheries-related research has been expanded to over \$100 million per year. Tough new legislation has been passed to prevent poaching, marine pollution and destruction of spawning beds.

With both Canada and the U.S. declaring 200-mile resources zones off their respective coasts, access for the fishermen to certain areas, as well as amount of catch allowed, came under discussion between the two countries. An important agreement was reached in February 1979 which contains detailed sharing, access and management provisions for fish stocks of mutual interest on the Atlantic Coast, including the Georges Bank disputed area. Canadian fishermen are very pleased with the 73% share of the scallop fishery in the Banks obtained in the negotiations. The agreement will be permanent, but the shares will be subject to review every 10 years.

## The Seal Hunt

Opposition to the annual seal hunt on Canada's East coast has been based more on emotion than on fact. The government regards seals as a natural resource to be harvested in a humane fashion, consistent with sound conservation principles.

The harp seal is not an endangered species; it is the second most abundant species of seal in the world. The population of the herd off the Atlantic coast numbers approximately 1,350,000 and is increasing. The total permitted kill of harp seals in the entire northwest Atlantic in 1979 is 170,000—far below the 230,000 animals that scientists calculate could be removed and still maintain the present population size over the long term. The catch restriction is designed to permit the harp seal population to increase slowly in size.

The hunt is the most regulated harvesting operation in the world. The killing method is regarded as humane—in fact more humane than that occurring in most animal slaughter operations. About 6,000 sealers depend on the annual income to support their families and the seal hunt pumps \$5 million a year into the Newfoundland economy.

In March 1977 and March 1979, Parliament *unanimously* passed a resolution reaffirming the right of Canadians to hunt seals without interference.

# Transport

Throughout Canada's history, transportation has been an important element in creating, developing and uniting the country—so it is given special attention by industry and government in their investment and policy deliberations. This is especially true today as the federal and provincial governments, in cooperation with industry and labor, articulate and implement the measures needed to increase growth and efficiency in the Canadian economy.

Transportation has changed considerably in Canada in the past few decades. No longer is freight movement dominated by rail nor is intercity passenger traffic dominated by rail and air; other modes such as truck, marine, and the car have gained importance. The role that transportation can and should play in moving people and goods and in assisting economic development has changed as well. Development does not occur just because transportation facilities are in place or freight rates are low—viable growth in any region is dependent on a host of other factors, many more complex and important than transportation.

## Transportation Policy

Nearly one million Canadians are involved in the transportation industry. Their efforts account for more than 20% of the Gross National Product.

The government's role is to ensure that the transportation system, public and private, provides the services that meet the economic and social needs of Canadians.

Most of the responsibility for efficient delivery of our transportation services rests with the private sector. Through the publicly-owned Canadian National, Air Canada and now VIA Rail, the public sector also contributes substantially to national transportation efficiency.

*The government has recently reintroduced amendments*

to the 1967 National Transportation Act (Bill C-20) to enact a new objective and principles in the national transportation policy. Not only must it lead to an efficient, equitable and accessible transportation system, but also to a system that supports the achievement of national and regional economic and social development objectives. Differing regions have differing transportation needs, and government must meet those differing needs with limited funds.

The principles also state clearly that commercial viability should be an objective. Yet if that objective, in the opinion of government, conflicts with the achievement of national and regional goals, the latter will take precedence and the government or governments concerned will be prepared to assume any extra costs—rather than the carriers or the users.

#### **User Pay**

The federal government is attempting to follow a balanced course. On the one hand, we are in a period of economic restraint. Therefore, we cannot allow the large transportation subsidies to continue to increase without control. On the other hand, the federal government is well aware of the needs of various regions and various groups of users, and the possible adverse effects of radical changes in the level of transportation charges on regions and individuals.

Any increases take place selectively and only after careful consideration of the consequences. Those increases are focused on reducing—or at least retaining the trend of current subsidies and deficits of the transportation system. In addition, despite the restraint initiatives elsewhere, federal programs have been initiated to respond to regional and social needs and to offset the adverse impact of some other transportation changes.

## **Air Transport**

### **International**

Policies are designed to meet the needs of the travelling public and requirements of freight for scheduled air transport, to ensure the orderly development and economic growth of Canadian civil aviation in the international field, and to achieve maximum advantage for Canada in terms of trade, commerce and tourism in its relations with other countries.

In securing the necessary rights from foreign governments for the establishment of international scheduled services by Canadian carriers, the government aims to achieve an equitable overall exchange of economic benefits between Canada and the country concerned; and a "fair and equal opportunity" for the airlines of both countries to serve the agreed routes.

### **Domestic**

On November 7, 1978 the minister of transport outlined the government's intention to move toward strengthening regional air carrier operations and increased competition with the main line carriers, including easing some of the restrictions within Canada on the amount of passenger services offered by CP Air. It was made clear that in approving the acquisition of Nordair by Air Canada, the government's purpose was to return Nordair to the private sector in a new form—hoping to have arranged some mergers and joint operations within the region.

Despite the fact that, until recently, the increases in domestic air fares grew at a rate less than real income, there has been public demand for reduced domestic fares. By making it easier for average Canadians to travel in their own country, the tourist industry and the balance of payments would be aided—as well as a fostering of greater understanding through communications between Canadians from various parts of our vast country.

The federal government has responded by permitting air carriers to introduce a range of reduced fares, including domestic advanced booking charters and charter class Canada fares. The Canadian Transport Commission is currently also relaxing the regulation of international air travel.

Capital investment in airport facilities is undergoing careful review within the federal government. The cost of operating and maintaining today's airport is ever increasing. Capital investment today requires operation and maintenance expenditures tomorrow.

New airports, extensions, or related facilities are being constructed at Charlottetown, Gander, Saint John, Charlo, St. Leonard, Wabush, Nain, Rouyn, Quebec City, Hamilton, Edmonton, Calgary, Saskatoon, Vancouver, Lethbridge and Grande Prairie airports.

## **Surface Transport**

### **Railways**

Historically the Canadian government has taken a direct interest in the building of many of the major railway lines in this country. For example, the Intercolonial, the Canadian Pacific, the National Transcontinental, and the Grand Trunk Pacific were constructed with some degree of federal involvement.

A \$100 million prairie railway line rehabilitation program was initiated in 1977 to upgrade and rehabilitate some of the branch lines in the basic prairie network. Another \$70 million has been allocated in 1979-80 for this purpose.

In April 1978, the government established an independent crown corporation, VIA Rail Canada, to take over planning and marketing of rail passenger services throughout Canada. It is fully separate in law from the CNR and CP Rail, owning its own assets and having its own customer and catering personnel. The unification of railway passenger management under VIA is part of a policy which aims to reduce and control escalating passenger service subsidies, as well as to create an agency which will ensure a basic single service network that uses recent technical advances and is well integrated with other modes. The government has contracted for the building of 22 locomotives and 50 lightweight coaches known as LRC—light-rapid-comfortable—for VIA. These trains will be in service by 1980 throughout the VIA system.

To help in modernizing and expanding the railways' grain handling capacity, 8,000 grain hopper cars have been bought by the government and made available to the railways by the Canadian Wheat Board. Agreements have also been entered into by the railways to rebuild a number of box cars for the transportation of grain.

### **Highways**

While highway construction and maintenance is primarily a provincial responsibility, the federal government is spending hundreds of millions of dollars through a series of negotiations and grant programs, on the development and strengthening of highways in the northland regions of British Columbia, Alberta, and Saskatchewan, and equivalent sums in Atlantic Canada. The Prairie provinces will have received \$144 million between 1974 and 1979 as federal contributions to upgrading main roads. A primary highway network was initiated in the Atlantic provinces in 1978, with \$100 million budgeted for this program.

A coordinated five-year federal-provincial program to improve highway safety in Canada has resulted in a 30% decrease in the highway fatality rate.

### **UTAP**

The government has established a five-year \$230 million urban transportation assistance program (UTAP) which provides funds for such things as transportation studies, railway relocation and railway grade separations. These funds are distributed to the provinces and the territories on the basis of \$10 per capita, projected over the five-year period ending March 31, 1983.

### **Marine Transport**

Since the late 1940s, Canada has relied almost entirely on foreign flag shipping for the movement of Canadian exports and imports. This policy appears to have been to Canada's advantage and a recent thorough review of the policy concluded that reliance on the international shipping market to supply most deepsea shipping requirements will serve Canada well.

The government concluded it will have to take a more active interest, however, and will introduce legislation to enable it to act where national shipping interests are threatened by the actions of a foreign government or carrier; to permit the designa-

tion of "Canadian shipping lines"; and to provide for shipping agreements with other countries to ensure that Canadian companies are able to participate in trade from which they might otherwise be precluded.

The government will require that Canadian flag vessels be used, to the extent that they are available at reasonable cost, as a condition for the export of unprocessed or partially processed resources from the Arctic—and will consider requests for assistance to meet this requirement.

A major marine training program has been established to provide a steady flow of well-qualified seamen for the Canadian Merchant Marine and fishing fleets.

CN Marine, based in Moncton as a CNR subsidiary, was created in December 1977. The corporation was set up to manage the East coast ferry services in an attempt to provide for efficient operation and decrease operating deficits.

### Ports

To keep up with the rising volume of freight, the government has made substantial investments at major ports on both coasts, and on the St. Lawrence River.

On the East Coast, the government is contributing \$29.1 million toward a \$35.6 million investment in container-handling facilities at Halifax. A major forest products terminal is being built at Saint John, N.B. More than \$37 million will go to build a new public container terminal at Montreal, and improved grain elevator facilities are being built in that port. A public regional cargo and forest products terminal will be completed at Gros Cacouna by 1981. Grain elevators are being modernized at the port of Quebec.

Major improvements are being made to speed the process of container handling at Vancouver, and the development of Riddley Island facilities in Prince Rupert is aimed at making it a second major port for British Columbia.

The government introduced a bill in Parliament to establish a single national system of ports under the planning and policy direction of the minister of transport, through a commissioner of ports. The purpose of the legislation, which will replace the National Harbors Board Act and other regional laws, is to improve general planning for the ports system, place all major ports on a similar financial footing and promote consultation at the local, regional and provincial levels.

# Tory Inconsistencies

Policies of the Conservative Party, as stated  
by Joe Clark and...the rest

<b>On Matters Governmental</b>	TI-1
-Agriculture	TI-1
-RCMP	TI-1
-Social Programs	TI-2
-Industrial Development	TI-4
-Regional Development	TI-7
-Foreign Ownership	TI-9
-Government Intervention in Economy	TI-11
-Code of Ethics	TI-11
<b>On Matters Financial</b>	TI-13
-Deficits	TI-13
-Tax Cuts and Higher Spending	TI-14
-Taxation	TI-18
-Raising Money	TI-20
<b>On Matters Cultural and Racial</b>	TI-21
<b>On Matters of Energy</b>	TI-31
-Petro-Canada	TI-31
-Oil Policy	TI-32
<b>On Matters External</b>	TI-35
<b>Priorities</b>	TI-41
-What Are the Important Things To Do	TI-41
<b>On Matters Constitutional</b>	TI-47
<b>The Bureaucracy</b>	TI-57

# On Matters Governmental

## Agriculture

### **Clark wants private competition for Wheat Board— Tories disagree**

Clark has said a Conservative government would seek "expansion of the Wheat Board's selling efforts, but permission (would be) given to private organizations to sell grain in competition with the Wheat Board." ...but a spokesman said, after spending much of the day trying to verify what his boss (Clark) had said, the remarks did not represent Conservative policy.

—Joe Clark, *Regina Leader-Post*,  
October 19, 1977

## The RCMP

### **Joe Clark promises public inquiry into possible Liberal RCMP coverups**

Mr. Clark said later that a Progressive Conservative government would conduct a second RCMP enquiry to ensure that no Liberal minister had hidden behind a coverup.

—*Globe and Mail*, October 16, 1978

### **Tory says RCMP revelations could embarrass Conservatives**

Once all details of the reported illegal activities by the Royal Canadian Mounted Police are revealed "it could be embarrassing for the Progressive Conservatives," MP Bill Jarvis (PC Perth-Wilmot) said Thursday.

—*London Free Press*, November 18, 1977

### **Joe Clark wants RCMP matters kept private**

My personal inclination would be to have the security service separate from the RCMP. ...I prefer the American model of having an overseer or watchdog committee to deal in camera with such matters."

—Joe Clark, *Calgary Herald*,  
December 22, 1977

### **Tory MP wants Joe Clark hanged by toes**

Mr. Trudeau gave Mr. Clark advance notice of what the government was up to. Mr. Clark did not notify Mr. Cossitt. His reason—he didn't want to interfere. Since then, Mr. Clark's position has been that Mr. Cossitt should (a) obey the law (meaning turn over the documents) and (b) to protect his source(s). How one can do both is a mystery. ...under the circumstances, Mr. Cossitt's comment about Mr. Clark seems uncharacteristically restrained. "That's great support. I'd hang him by his toes from the Peace Tower for that advice."

—*Globe and Mail*, July 7, 1978

## **Social Programs**

### **Joe Clark wants patients to pay tax on doctors' fees**

Clark claims that the current medicare system encourages people to make unnecessary visits to the doctor and he suggested that all or part of fees for a doctor's visit should be treated as taxable income for the patient.

—Joe Clark, *Toronto Star*,  
February 23, 1976

### **Clark wants lower medicare premiums for health buffs**

"...medicare premiums be lower for those who exercise, eat in moderation, don't smoke and get regular check-ups." Ah yes, government inspectors...

—Joe Clark, *Ottawa Citizen*, April 12, 1976

### **Tory proposes curtailment of welfare**

"The quickest way to cure inflation is to crack down on government welfare programs," Jack Murta (PC Lisgar) said. All forms of welfare programs have to be looked at "...moves have to be made to start curtailing these kinds of programs."

—*Winnipeg Free Press*, July 24, 1976

**Unemployed should do community work, Tory says**

(Bill) Clarke says unemployment insurance applicants should do community work for half the week and spend the rest of the time job hunting.

—*Toronto Star*, February 23, 1976

**Means test advocated by Tory MP**

Under (Bill) Clarke's scheme, unemployment insurance premiums would be eliminated and payments to the unemployed based on a means test, would be made out of general revenues.

—*Ottawa Journal*, April 5, 1978

**Guaranteed annual income good—Joe Clark**

Clark thinks a guaranteed annual income might be a good idea...

—Joe Clark, *Toronto Star*,  
February 23, 1976

**Guaranteed annual income encourages shirking—Joe Clark**

"The other aspect that worries me more and more, particularly as I look at the situation surrounding the Unemployment Insurance Commission, is the potential effect of a guaranteed annual income on incentive and initiative. I am sadly coming to the view that there are some people in society who will coast if they can. If the government is willing to make money available to them through UIC or a GAI that is open to abuse they will accept it as a "invitation to coast. So our present plan is certainly not to proceed with a GAI program or even to propose one."

—Joe Clark, *Calgary Herald*,  
December 22, 1975

**Unemployment insurance should cover more people—Tory Task Force**

Unemployment insurance regulations should be more flexible in order to take into account unique circumstances found in certain industries, occupations and regions. The option of participation should be extended to persons not currently covered or partly covered.

That a special UI benefit be established for unemployed graduating students, with premium payback provisions.

A special unemployment insurance benefit should be established

for university students entering the labor force in areas where the youth unemployment rate exceeds the national average.

—Tory Task Force on Unemployment,  
James McGrath, James Gillies,  
John Fraser, April 7, 1978

Alberta's approach was more sensible than that of the federal government, which used excess tax revenue during the economically buoyant 1960s for costly new social programs.

—Joe Clark, *Globe and Mail*,  
December 4, 1978

#### **Unemployment insurance should be cut**

Clark said government spending could be cut in areas such as LIP and unemployment insurance.

—Joe Clark, *Ottawa Citizen*,  
November 26, 1975

Universality of some programs would be reviewed and likely eliminated for unemployment insurance and family allowances.

—Joe Clark, February 1976

#### **No allowances for families with more than \$14,000, Clark says**

Clark claims that at least \$300 million could be saved by limiting family allowances to families with incomes less than \$14,000 a year.

—Joe Clark, *Toronto Star*,  
February 23, 1976

### **Industrial Development**

#### **Large scale shipbuilding industry proposed by Joe Clark**

Mr. Clark also called for federal help to start large scale shipbuilding in Atlantic Canada.

—*Globe and Mail*, January 30, 1978

**Clark calls for world production of autoparts in Canada**

"We should bid for world production of (auto) components and allow the vehicle manufacturers in other countries to deduct from their Canadian duty the value of the parts purchased in Canada."

**Let's not pretend we can have high technology industry, Tory says**

"There's nothing disgraceful about being a hewer of wood and drawer of water if that's where you have your comparative advantage. We have pretended that we are going to have a high technology industry, but we are not...and we might as well face reality.

—James Gillies, *Globe and Mail*,  
September 20, 1977

**High technology gives positive trade balance—Joe Clark**

"First, high technology products provide a positive trade balance while low technology products do not."

—Joe Clark, *Hansard*, p. 3524,  
March 7, 1978

**Continue our nuclear reactor program, Clark says**

"We can make ourselves secure if we continue the CANDU nuclear program using the technology to satisfy Canadian energy needs alone."

—Ottawa Briefing, Research Office,  
Official Opposition, May 30, 1977

**Nuclear reactors unreliable, says Joe Clark**

"Nuclear reactors are often too large and unreliable to suit the economies of many less developed countries. ... They are, in a word, an inappropriate form of technical assistance..."

—Joe Clark, Kingston, January 20, 1977

**Provinces not Ottawa should make industrial decisions, Tories say**

A Progressive Conservative administration would make changes in a number of areas including giving top priority to provincial decision making in the field of industrial development and restricting DREE so that it meets local needs not Ottawa's ambitions.

—Ottawa Briefing, Research Office,  
Official Opposition, April 27, 1977

### **Ottawa should keep decision making power, says Joe Clark**

"We fundamentally are going to keep the power to establish the grand lines of national economic policy.... Dan Johnson put it forward, of recuperating taxing power, in effect having economic power in the provinces. You can't run a nation that way. I won't accept that."

—Newsmagazine, CBC, January 8, 1979

### **Clark to protect textile industry**

Clark has proposed that the Canadian textile industry be reserved a minimum of 55-66% of the Canadian market.

—*Montreal Star*, November 21, 1977

### **PCs should not protect textiles, Tory says**

"We think it is very important to concentrate on promising sectors, but the government now has a policy to preserve soft sectors\* rather than to develop promising ones," Jacques Vosseur, the party's economic critic in Quebec, said...

—*Globe and Mail*, November 27, 1978

\*Note: Quebec calls textiles, shoes and furniture the "soft sector".

### **Clark wants Canadian control of uranium, but could change his mind**

Mr. Clark said that for the time being the PC party backed the Liberal government's policy of two-thirds Canadian, one-third foreign investments in any Canadian uranium company.

"But if the policy proves unworkable—as indeed we are told by our European friends—no government would want to maintain a law that does not work."

—*Globe and Mail*, September 16, 1976

## **Regional Development**

### **Regional development, central national issue, Clark says**

"Regional economic development is too important to leave to one small department. It should be at the centre of Canadian national policy."

—Joe Clark, *Globe and Mail*,  
January 30, 1978

"This is one of the reasons DREE has failed. It has always been a minor department in Ottawa, capable of being cancelled out by concepts like 'user pay'."

—Speech, Released January 28, 1978

DREE must be expanded and broadened to assist development of the Atlantic region's primary resources.

—Mike Forrestall, PC Atlantic Caucus,  
January 27, 1978

### **Regional disparity a fringe issue, Clark says**

On April 24, 1976, Clark stated that DREE and regional disparity were fringe issues in government policy making.\*

—Speech in Charlottetown, April 24, 1976

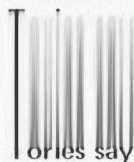
\*Note: From 1969 to 1977, Ottawa has spent \$3.6 billion on this fringe issue.

### **Federal government should formulate regional development strategies, Tory says**

"...that the government must now renew its commitment to reduce regional disparities by developing and implementing without further delay comprehensive development strategies..."

—David MacDonald, *Hansard*, p. 2940,  
February 16, 1978

**Provinces should make the regional development decisions,**



"A Progressive Conservative administration would make changes in a number of areas including giving top priority to provincial decision making in the field of industrial development and restricting DREE so that it meets local needs not Ottawa's ambitions."

—Ottawa Briefing, Research Office,  
Official Opposition, April 27, 1977

**You can't run country if provinces have more power,  
Joe Clark says**

Dan Johnson put it forward, of recuperating taxing power, in effect having economic power in the provinces. You can't run a nation that way. I won't accept that.

—Newsmagazine, CBC, January 8, 1979

**Joe Clark proposes tax concessions for companies in  
disadvantaged areas**

"Under a tax contract system, the government would negotiate special tax concessions with companies willing to locate in high unemployment areas."

—Joe Clark, March 30, 1977

**Clark discourages investment from Montreal to Windsor**

Federal government should encourage the growth of industry in less developed areas. Clark told a meeting in Owen Sound that the federal government should develop areas such as this city instead of placing industry in the highly populated southern strip between Montreal and Windsor...

—Joe Clark, *Globe and Mail*,  
February 9, 1976

**Decentralize federal government—Joe Clark**

"We will undertake, in a comprehensive planned way, a decentralization of federal government services to provide new jobs and stimulate demand in the regions."

—Joe Clark, June 9, 1977

**Halt decentralization, Tory says**

...MP Bob de Cotret...would like to see the federal government halt its decentralization program until affected municipalities can adjust to change...

—*Ottawa Citizen*, November 16, 1978

**Foreign Ownership****Clark supports corporations with unfettered commitments to Canada**

"Our policies will be more than passive or responsive; they will be geared to promote innovation...and by companies who have a clear and unfettered commitment to Canadian interests."

—Joe Clark, Speech, March 2, 1978

**Clark to wind down Canadian owned oil company**

He's talked repeatedly of unwinding Petro-Canada, the publicly owned oil company, even though Canada's oil and gas industry is almost completely foreign owned. ...Clark singled out FIRA (Foreign Investment Review Agency) as an example of an agency that would be subject to his sunset law dissolving agencies no longer needed.

—*Toronto Star*, March 3, 1978

**Clark to keep foreign investment review agency**

Clark noted that FIRA has its counterparts in most other countries...a government that he formed would continue measures against "undue influence" on the economy from foreign capital.

—Joe Clark, *Toronto Star*,  
September 16, 1976

**Clark to dissolve foreign investment review agency**

Clark singled out FIRA as an example of an agency that would be subject to his sunset law dissolving agencies no longer needed.

—*Toronto Star*, March 3, 1978

**Tory premiers want foreign investment review agency dismantled**

**"Would a Conservative government in Ottawa dismantle FIRA**

**as the two premiers (Moore, Lyon) were demanding? "**

—Sinclair Stevens, *Toronto Star*,  
November 28, 1978

**Clark favors foreign investment review**

"My party...it would all the same maintain an agency to channel foreign investment."

—Joe Clark, *Toronto Star*,  
September 16, 1976

**Foreign ownership restricts our research, Clark says**

An effective national policy on innovation must take into account the fact that whatever its benefits, the high proportion of foreign ownership and control of our industries has been a significant factor behind our poor research and development record.

—Joe Clark, Speech, Tilbury, Ontario  
March 2, 1978

**Tory sees conspirators in foreign controlled firms**

The Progressive Conservative member of parliament for Leeds, Tom Cossitt, says that he is not one of those who sees a Communist under every bed. However, he does see conspirators of all sorts behind a wide variety of private companies operating in Canada and controlled from outside the country.

—*Montreal Gazette*, February 23, 1978

**Clark: Swap our "surplus" oil for Japanese industries in Canada**

Last week in Tokyo, Clark told Japanese leaders that a PC government would be prepared to sell surplus Canadian oil to them in return for new Japanese manufacturing plants in Canada.

—*The Montreal Gazette*, January 15, 1979

**We don't have surplus oil**

With a real effort...we could be self-sufficient in oil by 1995.

—Ottawa Briefing, Research Office,  
Official Opposition, May 30, 1977

## **Government Intervention in Economy**

### **Government intervention in the economy only as a last resort, Clark says**

I am of the tradition of the Conservative party which believes in state intervention but as a last resort, not as a first resort...

—Joe Clark, *Windsor Star*,  
January 23, 1976

### **Tory wants government ownership of hopper cars**

Tory transportation critic Don Mazankowski (Vegreville), who accompanied Clark, said his party thinks government ownership of all hopper cars may be the best way to ensure that wheat reaches the ports on time.

—*Vancouver Province*, June 10, 1978

### **Privatize aerospace, Clark says**

The move to restructure the Canadian aerospace industry was a step in the right direction. However, the government should move quickly to get the private sector involved and divest itself of the firms it has already purchased. In addition, we should consider encouraging the movement of at least part of this industry to the smaller centres of the country.

—Joe Clark, Campaign Literature, 1976

### **Do not privatize Air Canada, says Clark—Sinclair Stevens disagrees**

The Opposition leader was vague about Air Canada's exact role but did not recommend that the airline be turned over to private interests as proposed by chief Tory finance critic, Sinclair Stevens.

—*Toronto Star*, November 9, 1978

## **Code of Ethics**

### **Clark believes in scrupulous ethics**

"We believe in a stricter code of conduct, the type of code proposed by Lester Pearson when he was prime minister. Such a code is based on an obligation not simply to observe the law but to act in a manner so scrupulous that it will bear the closest public scrutiny."

—Joe Clark, October 14, 1976

**Collaborate with separatists to defeat Grits—Tory urges**

In the *Le Devoir* article (January 27, 1977), **Roach La Salle**

very clearly states he is actively seeking the assistance of the Parti Québécois, its organizers and elected members, in defeating the federal Liberals.

—*Globe and Mail*, February 4, 1977

# On Matters Financial

## Deficits

### Government spending growth zero or negative

"We are looking very hard at being able in an election campaign to enunciate the rate of growth—which may be zero or may be negative—of government spending."

—Joe Clark, *Financial Times*,  
October 9, 1978

### Narrow deficit, cut taxes, Tory aim

"In short, we, through a budgetary response on the night of our first budget, will describe how we plan to have control on the expenditure side and how we will suitably stimulate the economy to upbring revenue. First we will narrow the deficit, and secondly we will give meaningful tax cuts to Canadians who need them."

—Sinclair Stevens, *Hansard*, p. 1237,  
November 17, 1978

### Clark advocates larger deficit

"You get over a deficit two or three years from now by having a slightly larger deficit now."

—Joe Clark, *Newsmagazine*, CBC,  
January 8, 1979

### Tory deficit to last no longer than three months

The short term deficit a Conservative government would use to stimulate the economy would not last longer than three months, the party's finance critic said yesterday.

—Sinclair Stevens, *Globe and Mail*,  
January 30, 1979

#### **Tory deficit reduction to take three years**



Robert Rene de Cotret said that under the Conservative plan, the total federal deficit might be reduced to "between nothing and \$1 billion" after three years. This would depend on the government's being able to reduce the rate of employment to between 5 and 5.25%.

—*Montreal Gazette*, March 20, 1978

#### **Tory deficit reduction to take seven years**

"...and will have as a consequence a reduction of deficits in our second and third and fourth years in office. And fifth, and sixth and seventh, by the way."

—Joe Clark, *Newsmagazine*, CBC,  
January 8, 1979

#### **Larger deficits undesirable**

"I sincerely trust and hope that my national leader, Mr. Clark and his advisers have been misquoted when they talk about the possibility of desirability of bigger deficits."

—Darcy McKeough, *Globe and Mail*  
January 29, 1979

### **Tax Cuts and Higher Spending**

#### **Cut federal spending by \$2 billion annually**

A commitment to reduce the proportion of the GNP taken by governments by cutting federal operating costs by \$2 billion annually.

—Joe Clark, March 16, 1978

#### **Cut 60,000 public service jobs per year**

Public service hiring would be frozen for three years, while attrition would reduce public service manpower by 20,000 employees a year.

—Joe Clark, March 16, 1978

#### **No dramatic cuts in public service, says Clark**

"It's not practical to talk about dramatic cuts in the public service...you inch it down, you don't slice it."

—Joe Clark, *Vancouver Sun*,  
October 6, 1976

**Cut income tax \$2.2 billion**

Clark proposes a permanent income tax cut of \$2.2 billion a year...

**\$3 billion extra Clark deficit—Financial Post**

As far as spending cuts are concerned, Mr. Clark has mentioned dismantling a few crown corporations such as Petro-Canada (saving \$200,000 a year), cutting back the public service by a total of 60,000 jobs and abolishing unspecified programs through the introductions of sunset laws. Assuming Mr. Clark might manage to save \$1 billion a year by dismantling a handful of crown corporations and another \$1.2 billion on his public service cutbacks (if you figure an average salary of \$20,000 and multiply by 60,000) that would equal less than half his tax cuts and leave a revenue shortfall of nearly \$3 billion a year.

—George Radwanski, *Financial Post*,  
October 2, 1978

**Liberal policies to produce more jobs than Clark tax cuts**

"According to James Gillies, the tax cut would create 500,000 new jobs over the next three years (*Toronto Star*, March 28, 1978). Past and present Liberal fiscal and manpower policies have created an average of 250,000 jobs a year in the past 10 years, and at that rate, will create 750,000 jobs over the next three years.

—*Globe and Mail*, May 1, 1978

**Tory program no real help for jobless**

Thomas Wilson, an economist with the University of Toronto, stated that, "...the over-all Conservative economic program would have little, if any, impact on unemployment in the next year or two."

—*Globe and Mail*, May 1, 1978

**Clark to cut family allowances, unemployment insurance**

Clark's first major spending cut would be in reconsidering the universality of such programs as family allowances and unemployment insurance.

—Campaign Paper, February 20, 1976

**Tories to cut bilingual theatre company**

~~The Tories remain committed to the scrapping of the National~~

Arts Centre controversial bilingual touring theatre company.

—*Ottawa Citizen*, January 29, 1979

**Tory deplores financial hardship of artists**

"...where the Secretary of State, the Minister of Finance and the Minister of Employment and Immigration may be called to appear and explain their lack of action in resolving the financial hardship of some of our country's most creative people."

—David MacDonald, *Hansard*, p. 219,  
October 18, 1978

**Public service not to surpass private sector in wages**

Wage settlements in the public sector would not be allowed to lead private sector settlements.

—Joe Clark, November 15, 1977

**Cut allowances for families earning more than \$14,000,  
Clark says**

Clark claims that at least \$300 million could be saved by limiting family allowances to families with incomes less than \$14,000 a year.

—*Toronto Star*, February 23, 1976

**Spend more on defence, Clark says**

"There will be more spending on defence under us to make up for for the decline. I can't say where the money will go. I can only speak in aggregate terms about an increase in defence spending or a maintenance at present levels. Defence will not be an area which we are looking to cut back."

—Joe Clark, *Calgary Herald*,  
December 22, 1978

**Faster growth for military budget needed, Tory says**

"Mr. McKinnon said that to make up for lost time, the military budget should grow faster than the government has planned."

—Allan McKinnon, *Globe and Mail*,  
January 1, 1977

**Spend more on weapons stockpile in Europe, Tory says**

"At the same time the government should be spending more money on other equipment to build stockpiles in Europe ready for reinforcements sent over to strengthen the 5,000 forces personnel in Europe."

—Allan McKinnon, *Globe and Mail*,  
January 26, 1977

**Rebuild entire fleet, Clark says**

"We need to establish a construction program that would completely rebuild the existing fleet over the next five years... The total expenditure would be some \$500 to \$800 million for the domestic requirement along..."

—Joe Clark, January 28, 1978

**Spend on hopper cars—Clark**

He believes, also, that the federal government should continue to fund hopper car construction to replace worn out cars and pay for the rehabilitation of an estimated 5,000 to 6,000 others.

—Joe Clark, *Vancouver Province*,  
June 10, 1978

**\$180 million freight rate federal subsidy advocated—Clark**

Clark said Ottawa should pay the difference between existing freight rates and true transportation costs—an amount which could reach \$180 million a year.

—*Vancouver Province*, June 10, 1978

**More money for Indians**

"...it needs to be broadened in respect of guaranteeing to the Indian people that they will not only receive greater financial benefits from the government..."

—Arnold Malone, *Hansard*, p. 564,  
October 21, 1976

**Insurance should fish get away**

As well, he said, the PCs want to explore the feasibility of a type of catch-failure insurance modelled somewhat on the crop insurance programs available in the agriculture industry.

—Joe Clark, *St. John's Evening Telegram*,  
March 13, 1978

## Taxation

### **Clark advocates mortgage interest deductibility**

"We have proposed a program, phased in over four years, to allow partial deductibility of mortgage interest and property taxes."

—Joe Clark, *Hansard*, p. 25,  
October 12, 1978

### **Quebecers main beneficiaries of Clark's mortgage proposals**

"To tell the truth, Quebecers will practically be the only ones able to benefit from the maximum deduction of property tax."

—Joe Clark, *Globe and Mail*,  
September 26, 1978

### **I am trying to put this clearly—Joe Clark**

"Well, what I'm saying is that we would—the calculus that we issue, coming to a \$1.6 billion total cost figure after four years of operation is based upon federal tax. That would be the cost to the federal treasury. We would only be rebating to the provinces, to use your term, something that we—an affect upon taxation that would—an affect upon their—I am trying to put this clearly.

The rebating to the provinces would be a sum in excess to the cost to the federal treasury and we would be rebating to the provinces something that we would not have come to federal government in the first place without this program. It would not be a new—the cost would be an administrative share, and administrative cost but a very insignificant one."

—Joe Clark, *Hansard*, p. 35,  
October 12, 1978

### **Clark's mortgage scheme could increase Ontario taxes**

...Joe Clark's plan to give homeowners a tax break could cost Ontario about \$300 million...and to make it up the (Ontario) government would have to cut spending or increase taxes....

—*Globe and Mail*, September 26, 1978

**Increased tax write-offs for businessmen—Clark**

A Small Business Investment Incentive Credit would allow a 50% write-off against income tax, up to \$5,000 a year, of eligible investment in a small or medium business. Eligible investments would include money put into a partnership or proprietorship or used for the purchase of new equity shares in a corporation.

—Joe Clark, March 30, 1977

**Clark puts whole tax burden on working stiff—Calgary Herald**

Between the special provisions that are already in the tax act and those that Clark would add (small business tax credits), people whose incomes come from the proceeds of investments and capital gains could virtually disappear from the tax rolls—and leave the whole load to be carried by working stiff foolish enough to earn their livings from employment.

—*Calgary Herald*, September 28, 1978

**Tory proposes more tax cuts**

"...amend the Income Tax Act to allow temporary personal tax credits equal to 50% of the first \$3,000 and 20% of the next \$3000 (maximum \$2,100) of the cost of approved solar heating equipment installed in owner occupied residences. In 1985, the tax credit would be lowered to 30% of the first \$3,000 and 10% of the next \$3000 (maximum \$1,200) and would expire in 1990...

"...amend the Income Tax Act to allow accelerated five year write-offs of the cost of solar heating equipment installed on commercial, industrial or multiple unit residential structures. ...Implement policies which encourage companies through deferred taxes, tax credits, etc. to develop solar heating and cooling technology.

"...amend the Income Tax Act to allow those living in rural areas to apply the tax rebate scheme outlined for solar heating towards the purchase of approved wind turbine generators or methane digestion equipment or designs. A similar scheme, with rebates of 25% of the cost of an approved heat pump, to a maximum of \$500 would also be sought."

—Stan Schellenberger, May 3, 1978

### **Tax rebates for fuel efficient automobile—Joe Clark**

Serious consideration should be given to a program of tax rebates for energy efficient automobiles.”\*

—Joe Clark, *Hansard*, August 4, 1977

\*Note: Of the 60 most fuel efficient cars used in this country three quarters are imports.

### **Cut federal sales tax**

Consumer spending would be increased by cutting the 12% federal sales tax, especially on building materials.

—Joe Clark, March 30, 1977

### **Can't afford tax cut, Tory says**

“I’m sorry to have to disagree with the national leader but he’s wrong...we can’t afford a \$2 billion tax cut at this time and in any case it won’t be effective, people are already spending well.”

—Darcy McKeough, quoted on Watson Report, CBC, March 1, 1978

## **Raising Money**

### **Reduce borrowing abroad**

“The government should take the lead in coordinating public and private demands on foreign markets to reduce foreign borrowing.”

—Joe Clark, August 13, 1977

### **Raise interest rates to attract foreign capital**

“Foreign capital should be attracted by higher short term interest rates...”

—Sinclair Stevens, April 30, 1978

# On Matters Cultural and Racial

## **Protect French culture through language law—Clark**

"For our part in this party, Mr. Speaker, we would be prepared as a government to proceed seriously with reforms which would encourage and protect the French culture through language law...

—Joe Clark, *Hansard*, p. 3207,  
February 18, 1977

## **Ontario's rejection of French approved by Clark**

Clark says he "sympathizes entirely with Ontario's refusal to make French an official language in the province arguing that it is more important to make practical language reforms than to pass symbolic declarations."

—*Globe and Mail*, February 6, 1978

## **Clark wants more francophones in public service; approves public service bilingualism**

"One thing I've always credited the Trudeau government with is that they have begun to build up the francophone complement, the number of francophones in the public service, and there is no question that before Mr. Trudeau became prime minister, and even now, the proportion of francophones in senior positions is lower than the proportion of francophones in the general population, and that goal is inextricably associated with bilingualism in the public service."

—Joe Clark, CP Interview,  
February 20, 1978

**Bilingualism harms anglophone public servants, Tory says**

"The changing of the rules of progress and promotion within the

public service has caused havoc for the unilingual English speaking members of that service."

—Robert Coates, *Halifax Chronicle-Herald*, March 27, 1976

**Quebecers slated for first class ministerial posts—Clark**

"...une détermination a impliqué les Québécois dans les places de premier rang dans notre Parti conservateur. Quand nous avons un député comme Roch La Salle par exemple....il y aura les postes ministériels de première classe pour les Québécois..."

—Joe Clark, TVA Interview, February 2, 1979

**Canada not a bilingual nation, Tory says**

"While passionate pleas might be made by government representatives to the effect that Canada is a bilingual nation, there is absolutely no foundation in fact for such a proposition."

—Robert Coates, *Halifax Chronicle-Herald*, December 2, 1966

**"Bilingualism is a fundamental policy..."—Clark**

"The Official Languages Act is the law of the land and will continue to be under our government. Bilingualism is a fundamental policy of our government."

—Joe Clark, Winnipeg, July 13, 1976

**Official languages policy works against anglophones—Tory party president**

"Discrimination that was alleged to have been in effect against the French speaking Canadians was never as real as it has been against the English speaking Canadians who wish to work for the federal government since the Official Languages Act went into operation."

—Robert Coates, *Halifax Chronicle-Herald*, August 24, 1974

**Clark supports multiculturalism**

"...there has to be a willingness on the part of the government of Canada to encourage various cultural communities to develop their particular cultures."

—Joe Clark, Question and Answer Session,  
Quebec City, November 4, 1977

**Clark to abolish department of multiculturalism**

He (Clark) said he would take a hard look at abolishing the departments of fitness and amateur sport, **multiculturalism** and urban affairs.

—*Toronto Star*, December 30, 1977

**Trudeau is a European Canadian**

"He (Trudeau) is a European Canadian and I am a North American Canadian. I am in awe when I come back to Central Canada, particularly from Quebec, and realize how long Canadians have been there."

—Joe Clark, *Weekend Magazine*,  
February 18, 1978

**Clark favors trials in both official languages**

Progressive Conservative leader Joe Clark announced today that his party supports in principle the language provisions of Bill C-42 to broaden access to the courts in both official languages...

—PC News Release, May 2, 1978

**Bilingualism, thing of the past for Western Tories—Clark**

Mr. Clark said "the whole question of bilingualism among Conservative Western MPs is a problem of the past..."

—Joe Clark, *Globe and Mail*,  
August 26, 1976

**Provinces can't opt out of language responsibilities—Clark**

He (Clark) attacked Trudeau's willingness to give Quebec certain exemptions in recognition of the need to protect the French language in Quebec, saying that he is firmly opposed to making language rights a matter of option for any province.

—*Ottawa Citizen*, September 24, 1977

**"Bilingualism sets people apart"—Clark**

"A fundamental error of the Trudeau government...which it still indulges in...has been the belief that language policy could somehow be the glue that holds Canadians together...the reality is that bilingualism...having two languages...sets people apart...."

—Joe Clark, *Ottawa Citizen*,  
September 24, 1977

**Equal treatment and justice for all—Clark pledge**

"...the direction that my party is taking and will continue to take in our constant pursuit and search for equal treatment and justice for all Canadians regardless of their ethnic origins or backgrounds."

—Gus Mitges, *Hansard*, p. 3980,  
March 21, 1978

**Clark welcomes anti-Zionist Tory candidate**

A Progressive Conservative candidate in the federal by-election in Quebec "presumably" still holds anti-Zionist views, party Leader Joe Clark said Friday...Clark said he welcomed DeLorme as a candidate because he is articulate, hard-working, intelligent and would be an effective MP...DeLorme said during a 1974 broadcast on Montreal radio station CKAC that: "Zionism is Nazism and racism...Zionism rhymes with Nazism...I have dealt with Zionists and Nazis and I have said the same thing."

—*Ottawa Citizen*, April 13, 1977

**Tories to make bilingualism part of each Canadian's daily life**

...la détermination du Parti conservateur de réaliser le bilinguisme pas comme en théorie mais comme quelque chose de quotidien dans la vie de chaque Canadien.

—Joe Clark, TVA Interview,  
February 2, 1979

**Francophones outside Quebec City say Clark ignores them**

Les jeunes Canadiens français hors Québec dénoncent le Parti conservateur, qui, disent-ils, ignore tellement leurs demandes... La fédération fait également remarquer que malgré les nombreuses lettres qu'elle lui a fait parvenir, elle n'a jamais reçu signe de vie du chef du Parti conservateur, M. Joe Clark.

—*Le Devoir*, March 2, 1978

**Tory parodies minister's French Canadian accent**

...the recent performance of Tory front-bencher Allan Lawrence who offered an insulting parody of Finance Minister Chrétien's English accent.

—*Montreal Gazette*, March 13, 1978

**Internal cultural problems easier than international ones—Clark**

"We are relatively far along the way to resolving our internal cultural differences relative to some international problems."

—Joe Clark, *Maclean's*, January 29, 1979

**Cape Breton: potholes and bears**

"I know the mentality of someone who comes from, say, Cape Breton and is 80 miles from the next town with only potholes and bears in between."

—Joe Clark, *Weekend Magazine*,  
February 18, 1978

**No authority to guarantee language rights**

The government's proposal to give Canadians the right to have their children educated in the language of their choice is a right "we have no authority to guarantee," Clark said in the Commons.

—Joe Clark, *Edmonton Journal*,  
June 22, 1977

**Bilingualism in air is stupid—Tory party president**

"The utter stupidity of air-to-ground communications that are bilingual..."

—Robert Coates, *Halifax Chronicle-Herald*, September 6, 1975

**Bilingualism in air a technical issue—Clark**

"It is essentially a technical issue! "

—Joe Clark, on television, June 24, 1976

***Bilingualism in air not a technical issue—Clark***

Mr. Clark declared yesterday to have been poorly understood in Quebec\* and that he had never really believed that the bilingualism crisis in the air-to-land communications could be resolved on purely technical grounds.

—*Montréal Matin*, July 5, 1976

\*Note: "Mais, je parle français." —Newsmagazine, CBC, January 8, 1979.

**Clark sets meeting with francophone air traffic controllers**

The leader of the PC party, Joe Clark, announced yesterday that he was, on his own request, inviting representatives of les Gens de l'air du Québec to come and meet him in Ottawa.

—*Le Devoir*, July 5, 1976

**Clark cancels meeting with francophone air traffic controllers**

The meeting that Joe Clark has asked for with les Gens de l'air du Québec and which was to have taken place yesterday has been cancelled. The leader of the opposition made it known to the leaders of the AGAQ that his time schedule was too busy.

—*Le Devoir*, July 5, 1976

**Too late to help native culture—Clark**

Clark said the recent Berger report on proposals for a Mackenzie Valley pipeline were "very valuable" but added that "it's too late to talk about preserving the traditional culture or the traditional ways up there."

—*Daily Colonist*, May 29, 1977

**Not too late...—Clark**

Clark said "I think the 10-year delay appears on the basis of the evidence we now have to be a sensible one." On Friday in the face of a NDP motion asking the House to endorse the Mackenzie moratorium, Mr. Clark made the case not only against the Broadbent proposition, but also against his own conclusion of Tuesday.

—*Winnipeg Free Press*, May 18, 1977

**Insufficiently informed on immigration—Clark**

On the subject of immigration, he (Clark) said he was not sufficiently informed to take a categorical position.

—*Le Devoir*, January 30, 1976

**Clark favors more provincial control over immigration**

Mr. Clark said he was prepared to give provinces more control over immigration...

—*Globe and Mail*, February 7, 1977

**Dief opposes more provincial power over immigration**

"John Diefenbaker is the personification of the second class syndrome that existed in Canada almost from its conception."

—Robert Coates, *Halifax Chronicle-Herald*, March 27, 1976

**Taiwanese democracy praised by Tory party president**

"They (the Taiwanese) believe in the democratic way of life as we do."

"...the degreee of their dedication to democracy was immediately recognizable in the orderly transition in leadership (following the death of Chiang Kai-shek), much as we would expect it to happen in Canada."

—Robert Coates, In this MP's opinion,  
*N.B. Saturday*, June 28, 1975

**Taiwanese torture condemned by Amnesty International**

According to a briefing paper of October 1976 by Amnesty International, the state of democracy in Taiwan has the following characteristics:

- the arrest and detention of suspected political opponents;
- the permanent suspension of the civil rights provisions of the 1946 Constitution;
- conduct of trials and appeals by military tribunals without adequate legal safeguards;
- the use of torture in some instances during interrogation.

—*Amnesty International Report*, p. 220,  
April 1977

## South African, Namibian treatment of blacks

praised by Tory president

"Change is everywhere in South Africa. The only thing that will kill change is continuous attacks from those in the free world who should know better. The change in South Africa is not tokenism. It is not recognized as tokenism by the black South African. Why should we in Canada be conned into condemning it as that."

—Robert Coates, *Daily Colonist*,  
May 25, 1977

"...successful, not because it uses cheap labor, but because it has managed to put together a complex of 30 companies that fully utilize coal and its by-products....Those who criticized and questioned the trip don't know all the facts, he said....South Africa's use of coal is a "tremendous success story."

—Robert Coates, *Halifax Chronicle-Herald*, April 9, 1977

Cumberland—Colchester North MP Robert Coates showed extremely poor judgment in accepting an all expenses paid junket to South Africa sponsored by the government of that country. ...Mr. Coates neglected to mention that Sasol's (South African company) "tremendous success" was largely made possible by the availability of black and colored laborers working under appalling conditions for pathetic wages...Is this really how the Conservative party formulates its proposals for foreign policy?

—*Cape Breton Post*, April 14, 1977

"Southwest Africa/Namibia is the most refreshing experiment in black Africa today."

—Robert Coates, *Daily Colonist*,  
May 25, 1977

**Amnesty International condemns South Africa/Namibia**

- the widespread use of detention without trial to suppress political opposition and intimidate opponents of continued South African rule in Namibia;
- the torture of political detainees;
- the application in Namibia of various South African security laws...;
- the imprisonment in South African—rather than in Namibian prisons of Namibians convicted of political offences....

—Amnesty International Report,  
April 1977

June-December 1976: At least 499 men, women and children were victims of police shootings in Soweto, South Africa. Mass detentions under the Internal Security and Terrorism Acts—detainees subject to brutal physical assault and torture—several deaths resulted. House arrests increased to 150 by mid-1977.

Transkei declared independent, October 1976. By May 1977, no country had recognized it. Thirty political opponents of the prime minister detained without charge.

—*Amnesty International Report*,  
April 1977

# On Matters of Energy

## Petro-Canada

### **Petro-Canada: wind it down—Clark**

Joe Clark said he would "wind down" Petro-Canada, the federally owned petroleum company.

—*Albertan*, November 3, 1976

### **Crazy to shut down Petro-Canada, Tory says**

"Obviously, if it's a thriving operation we'd be crazy to shut it down."

—Harvie Andre, *Calgary Herald*,  
March 24, 1977

### **More Petro-Canada exploration needed, Tory says**

"May I ask if...pressure could not be brought to bear on Petro-Canada...to get on with exploration (off Labrador)? "

—James McGrath, *Hansard*,  
April 22, 1977

### **Clark's criticism of Petro-Canada refuted by Globe and Mail**

On November 28, 1978, the *Globe and Mail* refuted Mr. Clark's criticism of Petrocan as follows:

- The \$1.4 billion Petrocan will pay for Pacific Petroleum is not a burden on the taxpayer: it is a regular bank loan which Petrocan will repay, as any other corporation would. By buying Pacific Petroleum, Petrocan will make enough profits to repay the loan and to pay taxes to the federal government. If the \$1.4 billion had been spent on subsidized housing, as Mr. Clark suggested, then that would have been a charge on the taxpayer and an increase in the sort of social spending businessmen oppose.

- Oil companies have often asked for government participation in high risk, low return investments as in Syncrude, Panarctic. Private oil companies have signed joint venture agreements with Petrocan thus, this is not a new intrusion by government in the private enterprise field.

- Petrocan does not have the right to buy 25% of any lease on

which there has been no major discovery. But the owners of that lease can avoid Petrocan intervention by making sure that the lease is 35% Canadian owned.

- Petrocan would not have preferred access to National Energy Board files.

### **Tory provinces have their own Petro-Canadas**

Even if the Conservative "policy" makes any political sense (which it doesn't), it would seem strange because it is directly contrary to the policy of the Conservative government of Ontario. The Davis government created the Ontario Energy Corporation and the legislation set out these objectives: "to explore for, produce, manufacture, buy, transport, refine, sell and otherwise acquire, develop and deal in hydrocarbons and other forms of fuel and energy." The federal Liberal government proposes to give precisely the same power to Petro-Canada.

—Geoffrey Stevens, *Globe and Mail*,  
June 6, 1975

He (Joe Clark) is naive if he thinks that the majority of Canadians outside of Alberta buy his argument. Given Alberta's success with crown corporations (Pacific Western Airlines, Alberta Energy Corporation, Alberta Government Telephones and so on) perhaps even Albertans can see the merit of the federal government's investment.

—*Ottawa Citizen*, November 23, 1978

## **Oil Policy**

### **Clark gives Canadian needs priority**

Clark said he told Mr. Ford there is "no fundamental difference in thinking" between the Conservatives and Liberals in Canada on energy...in Canada-U.S. relations.

"Any government would have to give primacy to serving Canadian needs."

—*Ottawa Journal*, June 16, 1976

**Priority for Canadian needs hampering relations with Japan**

Clark also noted that oil and gas industry joint ventures between the two countries (Canada-Japan) are hampered at the moment by Canada's need to guarantee domestic energy supplies before allowing exports.

—*Ottawa Citizen*, January 9, 1979

**Canadian oil swap for Japanese investment here—Clark**

Japanese industry may come to the rescue of thousands of unemployed Canadians in return for access to our oil, Progressive Conservative leader Joe Clark said today....At the same time, Japanese officials hinted that Canada represented a secure source of energy to their oil poor nation. They were interested in "increased imports to Japan in return for more investments," Clark said.

—*Toronto Star*, January 9, 1979

**Canadian oil for Israel—Clark**

Clark said his party would be prepared to cooperate with the U.S. by providing surplus Canadian oil to Israel to make sure the country "is not seriously disadvantaged" by any cut in its supply.

—*Montreal Gazette*, January 15, 1979

**Shortage of oil in Canada...till 1995**

Refineries in Eastern Canada likely will run short of gasoline this summer because of the stop in oil supplies from Iran, officials say. A shortage cannot be reduced by a multi-billion dollar oil deal with Mexico announced earlier this week, they say.

—*Toronto Star*, January 13, 1979

Initiate a crash program of incentives to tar sand and heavy oil development. With a real effort...we could be self-sufficient in oil by 1995.

—Ottawa Briefing, Research Office,  
Official Opposition, May 30, 1977

# On Matters External

## **Clark wants Canadian leadership in UN**

"Canada must be willing to take a strong position at the United Nations and offer leadership, not abstentions."

—Joe Clark, Campaign Literature,  
February 1976

## **Pull Canada out of UN—Clark**

Clark said he would pull Canada out of the United Nations...

—*Ottawa Journal*, Leadership Convention,  
February 21, 1976

## **Europe in Soviet orbit intolerable for Canada—Clark**

"If it were to happen, through negligence and complacency on our part, that Europe drifted into the Soviet orbit, our own position would become intolerable. And that is not an impossible event."

—Joe Clark, *Montreal Gazette*,  
April 25, 1977

## **No intervention against European Communist takeovers—Clark**

Joe Clark said yesterday that a Canadian government under his leadership would never attempt to block Communist political advances by intervening in the affairs of other western countries.

—*Globe and Mail*, September 11, 1976

## **Cut off aid to Communist dominated countries, Tories say**

Robert Briscoe and Lloyd Crouse wanted to know why Canada has not withdrawn from Mozambique (Communist dominated) and Cuba, or Ethiopia and Angola. Lloyd Crouse wanted to know if political views of a country are taken into consideration when allocating foreign aid.

—External Affairs Committee,  
April 6, 1978

### **Clark unsure of Tory position on Middle East**

After Mr. Clark made his speech he admitted to reporters that he wasn't sure what his party's position was on the controversial and complex Middle East question.

—*Calgary Herald*, May 21, 1976

### **Foreign affairs: a halfday every two weeks—Clark**

By his own admission, foreign affairs have been occupying his time to the tune of "a half a day every two weeks."

—Joe Clark, *Ottawa Citizen*,  
January 9, 1979

In a revealing comment two years ago in London, Clark admitted, "Canadians want some assurance that their government leaders are concerned about international issues even if they don't have a personal interest in foreign affairs."

—*Toronto Star*, January 2, 1979

### **Clark foreign policy contradictions breed contempt— Edmonton Journal**

There are contradictions in his (Clark) statements from day to day that breed contempt. On one occasion, he indicated he foresees no major changes in Canada's foreign policy under a Clark government. Later, however, he told reporters his party plans a major review of foreign policy.

—*Edmonton Journal*, January 15, 1979

### **Commercial links with Europe, symbolic—Clark**

"Canadians shouldn't under-estimate the symbolic importance of the contractual link with the EEC forged by Prime Minister Trudeau."

—Joe Clark, *Toronto Star*,  
September 9, 1976

### **Tories would accept NATO neutron bomb but they oppose it**

The Conservative party has a coherent position on the neutron bomb. The Conservatives make a point of saying that they will not quarrel with any NATO decision to arm itself with the neutron bomb, should that be the alliance's eventual decision. They merely advise against it.

—*Ottawa Journal*, June 15, 1978

**Main role to police Canadian territory**

New aircraft are undoubtedly needed but their main role should be to intercept unidentified aircraft and maintain sovereignty over Canadian airspace.

—Allan McKinnon, *Montreal Gazette*,  
June 19, 1978

**Inadequate contribution to NATO costing us goodwill**

"Détente is important but we mustn't put too much faith in it. Our contribution to NATO is inadequate, and that's costing us goodwill in Europe."

—Joe Clark, *Financial Post*,  
February 14, 1976

**Enforce 200-mile limit—Clark**

"Canada must be prepared to declare and enforce a 200-mile resources management zone."

—Joe Clark, *St. John's Evening Telegram*  
April 13, 1976

**Enforcement opposed by Tory MP**

"However, we are concerned with several aspects of the bill (C-38, 1977)—the extensive search and seizure powers of the fishery officers...."

—Lloyd Crouse, News Release,  
May 16, 1977

**Give foreign fishermen more rights, Tory MP says**

Any nation whose vessels have fished the outer six miles of the 12-mile fisheries limit for at least five years to be given the right to continue such fishing for another 10 years.

—Lloyd Crouse, *Victoria Daily Times*,  
October 7, 1968

**Foreign fishermen overfish, Tory says**

Lloyd Crouse has charged that foreign fishing fleets are taking up to 70% of the catch off the Atlantic Coast. (actually less than 50%)

—*Halifax Chronicle-Herald*,  
October 28, 1977

### **Don't tweak tail of American eagle—Clark**

As examples of this tweaking (of the American eagle's tail feathers), Clark mentioned Prime Minister Trudeau's trip to Cuba early this year and the federal government's removal of *Time* Magazine's special tax classification as a Canadian publication. Both of these he said, represented "unnecessary offence" to the U.S.

—Joe Clark, *Toronto Star*,  
September 12, 1976

### **Control beef imports**

The existence of such a law (beef import control) would stop other countries from dumping excess quantities of beef into the Canadian market.

—Joe Clark, *Regina Leader Post*,  
July 4, 1977

### **Canada no bridge between rich and poor**

It was time to expand the country's commercial presence internationally. At the same time, Clark said, Canada could not adopt a role as "a bridge" between developed and poorer countries. It had too many structural problems of its own.

—*Montreal Gazette*, January 19, 1979

### **Foreign aid giving should benefit Canada, Tory says— other Tory disagrees**

"we are providing equipment and goods that must be made in Canada and that means jobs."

—Bob Wenman, External Affairs,  
Committee, p. 4:20-21,  
December 7, 1977

Mr. Douglas Roche on the other hand...thinks that dwelling on the benefits of tied aid would be wrong.

"It is disturbing to note that CIDA officials are attempting to build public support for aid on grounds that it is good for the Canadian economy."

—Douglas Roche, External Affairs  
Committee, p. 10:29, April 6, 1978

**Tory MP, guest of South African government**

Mr. Crouse visited South Africa "for three weeks as the guest of the South African government."

—*Halifax Chronicle-Herald*,  
August 13, 1975

**Tory president praises South Africa**

"Change is everywhere in South Africa. The only thing that will kill change is the continuous attack from those in the free world who should know better. The change in South Africa is not tokenism....Why should we in Canada be conned into condemning it as that? Our attacks are like 'manna' to the Communists and the black dictators to the north of South Africa."

—Robert Coates, *Daily Colonist*,  
May 25, 1977

**Canada aligning itself with Communists, Tory says**

Canada may be indirectly aligning itself with Communist countries...Lloyd Crouse told members of the External Affairs Committee, Canada "has given millions of dollars to Cuba in grants and long term loans...Is it really Canada's military policy to be aligned with Cuba and the Soviet Union in a war of aggression in Africa?"

—*Halifax Chronicle-Herald*,  
March 17, 1978

**Tory MP sees conspirators in business**

The Progressive Conservative member of parliament for Leeds, Tom Cossitt, says that he is not one of those who sees a Communist under every bed. However, he does see conspirators of all sorts behind a wide variety of private companies operating in Canada and controlled from outside the country. So far, Mr. Cossitt has confined himself to allegations and promises of proof to come. That is not enough. His charges are grave. If he has any evidence, he should present it immediately. If he has none, he should stop talking.

—*Montreal Gazette*, February 21, 1978

**International Monetary Fund should help New Brunswick pulpwood exports, Tory MP says**

"That Canada, as a member of OECD and the IMF, make every effort, on an urgent basis, to facilitate exports of pulpwood from provinces such as New Brunswick..."

—Elmer MacKay, *Hansard*, p. 220,  
October 18, 1978

### **Tories disagree on Canadian Embassy in Israel**

Mr. Clark repeated his party opposes moving the Canadian Embassy in Tel Aviv to Jerusalem, although the move is sought by the Israelis and supported by Ronald Atkey, the Conservative candidate in St. Paul's, who accompanied Mr. Clark on his Middle East tour.

—*Globe and Mail*, January 19, 1979

### **Canadian equals American**

"We are becoming sure enough of ourselves that we can now express, without apology, genuine Canadian characteristics, even if they also happen to be genuine American characteristics."

—Joe Clark, *Toronto Star*,  
January 28, 1979

"I don't know why I'm fascinated by California."

—Joe Clark, *Weekend Magazine*,  
February 18, 1978

### **Ends versus means**

The speech also included lines like "the balance between ends and means is constantly shifting."

—Joe Clark, *Toronto Star*,  
January 28, 1979

# Priorities

## What Are the Important Things To Do

### Clark has game plan

"I have a game plan for the first six months of government fairly well set out in my mind..."

—Joe Clark, *Financial Post*,  
October 9, 1978

### Establishing Tory party in Quebec, top priority—Clark

He said that while the party has to maintain its position in the rest of the country, the priority is to "establish the Conservative party as a permanent alternative for Quebecers."

—Joe Clark, *Financial Post*,  
November 27, 1978

### Official Languages Act basic principle—Clark

Mr. Clark assured them that the Official Languages Act was a basic principle for the Tories.

—*Montreal Star*, February 24, 1977

### Tory president says French low priority

He (Robert Coates) said he was not planning to take any French lessons because there were quite a lot of other things he could better spend his time on.

—*Halifax Chronicle-Herald*,  
November 7, 1977

### Constitutional reform a serious priority—Clark

Mr. Clark assured them...that constitutional reform was a serious priority.

—*Montreal Star*, February 21, 1977

### **Canadian Constitution cannot be revised**

Clark says he doesn't believe the Canadian Constitution can be revised, as the chances are poor of agreement among the federal and provincial governments on an amending formula.

—*Vancouver Sun*, January 1976

### **Economic problems, top priority—Clark**

"The priorities for this economy are clear. First, Canada needs a program of major economic stimulus."

—Joe Clark, *Hansard*, p. 25,  
October 12, 1978

Our most pressing problems are economic.

—Joe Clark, Kingston Communiqué,  
September 26, 1977

Mr. Clark devoted much of his speech to...and his view that lack of economic growth is more dangerous than cultural differences to Canada staying united.

—*Toronto Globe and Mail*,  
January 25, 1977

### **Cultural problems more important than economic—Clark**

"...cultural thing troubles me more than the economic one and I also think it is more important."

—Doug Small, *Ottawa Citizen*,  
February 19, 1977

### **Clark will publish industrial strategy**

Within six months to a year (hopefully closer to six months after an election), I would hope that we would be able to publish a discussion or working paper which would be a fairly straight-forward proposal for an industrial strategy.

—Joe Clark, *Financial Post*,  
October 9, 1978

### **Provinces should decide industrial strategy—Clark**

Provincial decisions should have priority with respect to industrial strategy.

—Joe Clark, *Montreal Gazette*,  
March 25, 1977

**Provincial power? "You can't run a nation that way"—Clark**  
Dan Johnson put it forward, of recuperating tax power, in effect having economic power in the provinces. You can't run a nation that way. I won't accept that.

—Newsmagazine, CBC, January 8, 1979

**Extend exclusive provincial jurisdiction over natural resources—Clark**

"Our Constitution must extend the exclusive jurisdiction of the provinces over natural resources to include those in offshore waters."

—Joe Clark, Kingston Communiqué,  
September 16, 1977

**Natural resources and external affairs interrelated**

The single most important thing we can do as government in these areas (natural resources) is to recognize the interrelatedness of natural resources and external affairs\* and pursue consistent policies.

—Joe Clark, Campaign Literature

\*Note: External Affairs are a federal responsibility.

**Family allowances, unemployment benefits, first major Clark cut**  
Clark's first major spending cut would be in reconsidering the universality of such programs as family allowances and unemployment insurance.

—Campaign Paper, February 20, 1976

**Crack down on welfare programs, Tory MP says**

The quickest way to cure inflation is to crack down on government welfare programs, Jack Murta (PC Lisgar) said.

—Winnipeg Free Press, July 24, 1976

**Military spending particularly important—Clark**

"...he said that capital expenditures on items such as military equipment were particularly important."

—Joe Clark, *Toronto Star*,  
September 7, 1976

**Particular priority for agricultural research in farms**

**rather than labs**

"...we will give particular priority to strengthening our agricultural research and development program and we will ensure too that more of that research is done in the fields, farms and feed-lots across the country rather than in urban laboratories."

—Joe Clark, Speech, Tilbury, Ontario,  
March 2, 1978

**Priority for research**

"First, we will ensure that R&D funding has a much larger priority in the allocation of our national resources."

—Joe Clark, Speech, Tilbury, Ontario,  
March 2, 1978

**Priority for research tax credit**

"A significant increase in the R&D tax credit will be a first priority of a PC government."

—Joe Clark, Speech, Tilbury, Ontario,  
March 2, 1978

**High priority to deregulation**

"I would give high priority to a deregulation process because I think it essential to demonstrate our bona fides."

—Joe Clark, *Financial Times*,  
October 9, 1978

**Access to Eastern Canada for CP Air, a Clark first step**

Clark said yesterday one of his first steps as prime minister would be to grant CP Air access to Eastern Canada....The goal of a Tory administration would be to increase competition among airlines on regional routes and to expand STOL facilities at local airports.

—*Toronto Star*, November 9, 1978

**Another Clark first step**

Clark told a Chamber of Commerce luncheon in Jasper, Alberta, that one of his first steps if elected prime minister would be to switch national parks jurisdiction to Environment from the Department of Indian Affairs and Northern Development.

—*Globe and Mail*, December 4, 1978

**Tories to fight for pot reform...maybe in 1981**

Opposition leader Joseph Clark said that if the PCs formed the next federal government, they would fight for the reform of marijuana laws. And when would his government adopt this laudable stance? In 1980, maybe 1981—after it had tangled with the economy for a while. "It is not an urgent problem," Mr. Clark explained.

—*Globe and Mail*, March 21, 1978

**Immediate reopening of CN office in Brockville—  
Tory MP priority**

"That the government order the immediate reopening of the CN telecommunications office in Brockville" ...and "a decision be made whether the office can continue to remain permanently open in the future after that time."

—Tom Cossitt, *Hansard*, p. 160,  
October 17, 1978

**Allow drinking on election day—Tory MP priority**

"Allow licensed establishment, etc., to remain open on federal election days, and thus remove the Victorian anachronism not in accord with present day thinking."

—Tom Cossitt, *Hansard*, p. 99,  
October 16, 1978

**Patriation of Constitution—Clark commitment**

"I want to emphasize that our party...and myself as its national leader...are committed to the principle of patriation of the Canadian Constitution."

—Joe Clark, Calgary, April 2, 1976

# On Matters Constitutional

## **The Kingston Declaration includes**

- a constitutional limitation on the use of federal spending power in areas of provincial jurisdiction
- a sharing of jurisdiction in cultural matters
- constitutional protection for the principle of equalization
- recognition of provincial ownership of offshore mineral resources.

—*Montreal Gazette*, September 19, 1978

## **Official languages, Constitution, serious priority—Clark**

Mr. Clark assured them that the Official Languages Act was a basic principle for the Tories and that constitutional reform was a serious priority.

—Joe Clark, *Montreal Star*,  
February 21, 1977

## **Canadian Constitution cannot be revised—Clark**

Clark says he doesn't believe the Canadian Constitution can be revised, as the chances are poor of agreement among the federal and provincial governments on an amending formula.

—*Vancouver Sun*, January 1976

## **Constitutional accommodation essential to unity, Tory says**

He said he believes some significant constitutional accommodation for the province is mandatory if it is to remain part of Canada.

—Roch La Salle, *Toronto Star*,  
January 28, 1977

**National unity boring, Tory says**



Tory MP Patrick Nowlan has said that the CBC is boring Canadians because of the extensive coverage it is giving to the national unity problem."

—*Ottawa Citizen*, November 4, 1977

**Must be flexible on Constitution—Clark**

"I believe that we should take a more flexible view of the Constitution."

—Joe Clark, Calgary, May 5, 1976

**Will resist provinces—Clark**

"There will be times when I am going to have to assert national interests in ways that will not at all please the provinces."

—Joe Clark, *Hansard*, p. 12,  
October 12, 1978

**Clark to give provinces more power**

Mr. Clark said he was prepared to give provinces more control over immigration, urban affairs and communications.

—*Globe and Mail*, February 7, 1977

**Patriation principle emphasized—Clark**

I want to emphasize that our party...are committed to the principle of patriation of the Canadian Constitution.

—Joe Clark, Calgary, April 2, 1976

**Agreement on Constitution unlikely—Clark**

Clark said he doesn't believe the Canadian Constitution can be revised, as chances are poor of agreement among the federal and provincial governments on an amending formula.

—*Vancouver Sun*, January 1976

**Rejects special status for Quebec but favors different administrative arrangements for province**

While rejecting the concept of special status for any province, Mr. Clark said: "It is a long established principle for different provinces to have different administrative arrangements with the federal government."

—*Globe and Mail*, July 9, 1977

**Diefenbaker opposes more provincial power**

In the House of Commons, Mr. Diefenbaker said the whole concept of giving more power over immigration to any provincial government "is a proposition which is a denial of any concept of one Canada."

—*Globe and Mail*, May 31, 1977

**Clark to give provinces more controls**

The changes in the framework Clark would be willing to institute immediately include greater control over cultural and educational institutions for the provinces.

—*Calgary Herald*, December 29, 1977

**Provinces to have no option on language rights—Clark**

"...saying he is firmly opposed to making language rights a matter of option for any province."

—Joe Clark, *Ottawa Citizen*,  
September 24, 1977

**No authority to guarantee language of education—Clark**

The government's proposal to give Canadians the right to have their children educated in the language of their choice is a right "we have no authority to guarantee," Clark said in the Commons.

—*Edmonton Journal*, June 22, 1977

**Provincial primacy in industrial development**

"In the government sector, the provinces would be asked to assume primary responsibility for industrial development."

—Joe Clark, May 11, 1978

**Economic power in the provinces? "I won't accept that"—Clark**

"...of recuperating taxing power, in effect having economic power in the provinces. You can't run a nation that way. I won't accept that."

—Joe Clark, *Newsmagazine*, CBC,  
January 8, 1979

### **Return powers to provinces—Clark**



“...and certainly one of the things that we’re going to talk about when we sit down with the provinces is returning to them powers that they had and that they exercise better than Ottawa does.”

—Joe Clark, *Newsmagazine*, CBC,  
January 8, 1979

### **Strong central government important**

He (Robert Coates) said rather than further divide powers it is important to retain a strong central government which will protect the interests of provinces like Nova Scotia...

—*Halifax Chronicle-Herald*,  
November 2, 1978

### **Bring provinces into national legislative process**

“We propose to bring the provinces more directly into the day-to-day decisions of the national agencies like the CRTC, like the Canadian Transport Commission, like the National Energy Board, like the Canadian Wheat Board, and perhaps more into the national legislative process itself.”

—Joe Clark, Speech notes to the Canadian Club, Montreal, March 3, 1978

### **More powers to provinces, bad news for Atlantic Canada—Tory president**

Any revision of the Constitution which would grant more power to the provinces would be “bad news” for Atlantic Canada which is better protected under the status quo, Robert Coates, MP... said Wednesday.

—*Halifax Chronicle-Herald*,  
November 2, 1978

### **Decentralization of government power, major Clark campaign**

A major part of his campaign is decentralization of government departments, of industrial development, of urban growth and of government powers.

—Joe Clark, *Ottawa Citizen*,  
February 19, 1976

**Halt decentralization, Tory MP says**

Ottawa Centre MP Bob de Cotret told a centretown audience he would like to see the federal government halt its decentralization program until affected manufacturers can adjust to change.

—*Ottawa Citizen*, 1978

**Decentralize federal financial resources—Clark**

"Decentralization can, and should, in my judgment involve some transfer of power and program control between jurisdictions..." What's more...transfers of power should be accompanied by transfers of financial resources."

—Joe Clark, *Vancouver Province*,  
March 4, 1977

A Progressive Conservative government would abolish Loto Canada and turn the lottery field over to the provinces, Opposition leader Joe Clark said yesterday....He agreed jurisdiction over lotteries was not spelled out in the BNA Act but said lotteries are "a revenue source of the kind that should be available to the provinces."

—*Montreal Gazette*, December 7, 1978

**Decentralization, danger to unity—Ontario premier**

Premier William Davis of Ontario and federal leader Ed Broadbent have issued apt warnings about the further dangers to national unity inherent in decentralization, a hazy concept much in vogue among federal Conservatives...

—*London Free Press*, March 24, 1977

**Senate reform proposal, an improvement—Clark**

Mr. Clark, on the other hand, welcomed the Senate reform as improving the working of Parliament. He said the House of Federation would be a step back in the original function of the Senate.

—*Globe and Mail*, June 21, 1978

**Senate, court, reform proposals cuckoo-land—Diefenbaker**

The Senate and Supreme Court proposals were described by former Prime Minister Diefenbaker recently as "a product of cuckoo-land."

—*Ottawa Citizen*, April 20, 1978

He (Diefenbaker) added that the idea of a House of Provinces

could be proposed by people who hadn't studied Confederation's relations to a second chamber."

—*Halifax Chronicle-Herald*,  
April 20, 1978

**Senate reform proposal is coup d'état, Tory says**

Gerald Baldwin, MP for Peace River, said in a statement yesterday that the proposals are a "blueprint" for a constitutional coup d'état to accelerate the existing trend to authoritarianism.

—*Globe and Mail*, August 1, 1978

**Clark would negotiate sovereignty-association**

Progressive Conservative leader Joseph Clark says that if he becomes prime minister, he would negotiate sovereignty-association with Quebec if 60% of Quebec voters give the Parti Québécois a mandate in its planned referendum next year.

—*Globe and Mail*, October 30, 1978

**Clark rejects sovereignty-association**

Progressive Conservative leader Joe Clark has rejected the concept of sovereignty-association between Canada and the rest of Canada.

—*Globe and Mail*, January 23, 1979

**Tory Quebec candidates say feds must respect referendum result**

But some Conservative candidates in Quebec, while maintaining their allegiance to the federal system, insisted that the federal government must respect any democratic decision made by Quebecers, including a desire for sovereignty-association.

—*Globe and Mail*, January 31, 1979

**Quebec referendum will have no impact on Joe Clark**

"...it (Quebec referendum) has no legal impact; it's not going to have any legal impact upon the government of Quebec or upon discussions that I as prime minister of Canada have with them."

—Joe Clark, *Newsmagazine*, CBC,  
January 8, 1979

**Lévesque seeks deal with honor through sovereignty-association, Crombie says**

Toronto Tory MP David Crombie said he believes the federal government should negotiate sovereignty-association with Quebec Premier René Lévesque saying the separatist leader was after "a deal with honor." "I think anyone who refuses to negotiate is silly."

**Bilingualism thing of the past for Western Tories**

Mr. Clark said "the whole question of bilingualism among Conservative Western MPs is a problem of the past..."

—*Vancouver Sun*, October 6, 1976

**Clark agrees with some Lévesque cultural positions**

"Well, you talk to them...you say well you've got that referendum and...And you say that means that people who are voting for you agree with some of your positions on cultural matters. Well so do I."

—Joe Clark, *Newsmagazine*, CBC,  
January 8, 1979

**Tories to scrap bilingual theatre company**

The Tories remain committed to the scrapping of the NAC's controversial bilingual touring theatre company.

—*Ottawa Citizen*, January 19, 1979

**Clark will encourage and protect French culture in Canada**

"For our part in this party, Mr. Speaker, we would be prepared as a government to proceed seriously with reforms which would encourage and protect the French culture in Canada..."

—Joe Clark, *Hansard*, p. 3207,  
February 18, 1977

**Tory MP wants federal public works suspended in Quebec**

The last time anyone looked, Quebec was still part of Canada. That alone should be enough to highlight the flimsiness of Tory MP Tom Cossitt's suggestion that federal public works projects in Quebec be suspended until the province firmly indicates it wants to remain a partner in Confederation.

—*Montreal Gazette*, April 13, 1977

**Clark to demonstrate recognition of Quebec aspirations**

"We can demonstrate that there is a different kind of federalism that's prepared to recognize the aspirations of Quebec on cultural questions."

—Joe Clark, *Newsmagazine*, CBC,  
January 8, 1979

**Newfoundland may separate before Quebec—Tory party president**

Robert Coates, national president of the PC party, says there is a good chance Newfoundland will leave Confederation before Quebec does.

—Cited at Fort Macleod, Alberta,  
*Halifax Chronicle-Herald*,  
February 14, 1978

**Clark seeks votes of non-separatist Lévesque supporters**

...that his party will seek the support of non-separatists who voted PQ last November 15, but will have no dealings with the Parti Québécois itself.

—Joe Clark, *Toronto Star*,  
January 28, 1977

...received a very strong hint from its leader, Rodrigue Biron, that a sweetheart palsy-walsy deal could be arranged to help the Conservatives...What did Mr. Clark do? He confirmed, on the one hand, that he would like to have the support of the Parti Québécois too...

—*Halifax Chronicle-Herald*,  
February 8, 1977

To this end, more of the party's budget will be spent in Quebec and a full-time organizer, Keith Morgan, has been hired for the forthcoming election campaign.

—*Globe and Mail*, November 27, 1978

**Favoritism to Quebec downgrades monarchy—**

**Tory party president**

He (Robert Coates) linked what he called the government's downgrading of the monarchy with what he charged was its increasing favoritism to Quebec.

—*Halifax Chronicle-Herald*,  
June 17, 1970

### **Major role for Quebecers in PC government**

"...and I am a leader determined to give to Quebecers a major role in the new Conservative government."

—Joe Clark, *Globe and Mail*,  
November 27, 1978

### **Tory wants Péquiste electoral help against Liberals**

In the *Le Devoir* article (January 27, 1977), Roch La Salle very clearly states he is actively seeking the assistance of the Parti Québécois, its organizers and elected members, in defeating the federal Liberals. *Le Devoir* quoted La Salle as saying that Clark through an upcoming meeting with Lévesque, will try to obtain help of one fashion or another, of Péquistes troops to battle the Trudeau Liberals.

—*Globe and Mail*, February 4, 1977

### **Non-francophones suffer federal discrimination—Tory president**

"There is talk of western alienation. That alienation is not the monopoly of Western Canada. It is the feeling that unless you speak French, there is a real danger that you will not be treated equally by the federal government."

—Robert Coates, *Halifax Chronicle-Herald*, March 27, 1976

### **Clark wants court confrontation over Quebec language law**

Clark says the federal government should be preparing a legal case against the Quebec government's proposed bill that would make French the sole official language of the province.

—*Ottawa Citizen*, July 18, 1977

### **Clark criticizes Liberal confrontation tactics**

But just two days earlier in Port Carling, Ontario, he criticized the prime minister for doing the same thing: "What he was trying to do" Clark told 300 young (and probably gullible) Tories, "was to escalate the sense of conflict between the federal government and the province of Quebec."

—*Ottawa Citizen*, September 24, 1977

### ***Constitutional guarantee of ferries***

The Conservatives want a better deal in ferry services, a "constitutional right" to guarantee ferry service for all time for Atlantic Canadians, particularly the people of Newfoundland and P.E.I.

—*Halifax Chronicle-Herald*,  
March 13, 1978

### ***Yukon a province***

"I am on the record...supporting the implementation of provincial status for the Yukon Territory."

—Joe Clark, Whitehorse, July 9, 1976

# The Bureaucracy

## **No right to strike for public service**

"...the public sector should not enjoy the right to strike."

—Joe Clark, *Vancouver Sun*,

September 23, 1976

## **Public service has better strike record than private sector**

"There have been over 400 collective agreements in the public service since the right to strike was instituted and in that time only 12 have been preceded by legal strikes—this is a record better than the private sector..."

—Walter Baker, March 29, 1978

## **Treasury will not pay public service pension indexing—Clark**

"...the cost of indexing of public service pensions will not come from the public treasury of Canada."

—Joe Clark, *Toronto Star*,

November 5, 1977

## **Scrap Armed Forces indexed pensions:**

### **Give indexed pensions to more pensioners**

Allan McKinnon suggested Sunday the federal government should scrap the Armed Forces Pension Fund, estimated at more than \$6.5 billion, and bring out a new plan providing indexed pensions to more pensioners.

—*London Free Press*, October 24, 1977

## **No dramatic cuts in public service**

Where does the Tory party stand on the ever-contentious issue of bureaucratic bloat? Would a Tory government cut the bureaucracy? Answer: "It's not practical to talk about dramatic cuts in the public service...you inch it down, you don't slice it."

—Joe Clark, *Vancouver Sun*,

October 6, 1976

### **Cut public service by 60,000**

Public service hiring would be frozen for three years, while the attrition would reduce public service manpower by 20,000 employees a year. The manpower strength of the RCMP, Armed Forces and penitentiary staff would be maintained, however.

—Joe Clark, March 16, 1978

### **Decentralize public service**

"Decentralization can, and should, in my judgment involve some transfer of power and program control between jurisdictions—from the federal government to the provinces and hopefully, in some cases, on to local and regional governments." What's more, Clark stressed in that speech that transfers of power should be accompanied by transfers of financial resources.

—Joe Clark, *Vancouver Province*,  
March 4, 1977

A major part of his campaign is decentralization—of government departments, of industrial development, or urban growth, and of government powers. He says the federal government can lead the way by shipping some of its own agencies to needy cities outside Ottawa.

—Joe Clark, *Ottawa Citizen*,  
February 19, 1976

### **Do not decentralize public service**

Ottawa Centre MP Bob de Cotret told a centretown audience he would like to see the federal government halt its decentralization program until affected municipalities can adjust to change...his party "mildly supports" decentralization...

—*Ottawa Citizen*, 1978

### **Bring new people into public service**

I am going to bring new people in. But I expect to make good use of some excellent people who are there, including some who are not new at the senior level."

—Joe Clark, *Financial Times*,  
October 9, 1978

**Outsiders as public servants to implement change**

"...an inventory of able men and women who will come with us to Ottawa as senior advisers to help implement the changes we are elected to achieve."

—Joe Clark, *Ottawa Citizen*, John Gray,  
April 12, 1976

**Some changes coming in public service**

"Naturally there would be some changes in the senior public service. Several rotations, and some people coming in."

—Joe Clark, *Financial Times*,  
October 9, 1978

**Interchange of public service senior executives with other governments, business**

Ideally, he would like to see an extensive interchange of senior executives among federal, provincial and municipal governments, business, unions and other institutions to avoid "tunnel vision". Federal public servants, in his view, should spend more time "under fire" from the people their policies affect so they might understand the society they serve.

—Joe Clark, April 13, 1976

**Authoritarian Influence of Economic and Science Councils**

"The growing influence of 'anti-parliaments' like the Economic Council and the Science Council...were moving Canada towards an authoritarian government."

—Joe Clark, *Globe and Mail*,  
April 23, 1976

**Won't fire them all—Clark**

"I don't intend firing them all...I won't name those who do but yes, most of them have a guaranteed job..."

—Joe Clark, *Newsmagazine*, CBC,  
January 8, 1979

**Replace all deputy ministers, Tory says**

"Every deputy minister would have to be replaced in every government department, we most certainly don't carry on with the same crew."

—Dan McKenzie, *The World at 8*, CBC,  
April 26, 1978

### **Decentralize to provide new jobs**

"We will undertake, in a comprehensive planned way, a decentralization of federal government services to provide new jobs and stimulate demand in the regions."

—Joe Clark, June 9, 1977

### **Most public servants will keep jobs**

"...but yes, most of them have a guaranteed job under a Clark administration, but I won't name those, naturally."

—Newsmagazine, CBC, January 8, 1979