

Canada Weekly

REF

Volume 6, No. 43

October 25, 1978



Ottawa, Canada

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Strengthened economy, constitutional reform main aims as session opens

The Speech from the Throne, opening the fourth session of Canada's Thirtieth Parliament on October 11, specified that the Federal Government would concentrate on "Canada's two most pressing needs...the strengthening of our economy, and the renewal of our federation".

Reading the Speech for Governor-General Jules Léger, Mrs. Léger stated that "those two inseparable imperatives" were different expressions of the same goal: "to strengthen Canada through unity: to unify Canada through economic strength".

While some of the economic initiatives announced in August were contained in the Speech, others were new, including a proposal for a revised constitutional bill that would replace one introduced in the last session. Passages from the Speech follow:

...To achieve sustained progress in the battle against inflation, the Government believes it is absolutely essential for Canadians to practise restraint in their price and income demands. The Government is also aware of its own responsibilities. Expenditure restraint has been a central theme of federal policy and practice since October 1975. It was reinforced by the First Ministers' joint commitment in February to contain government spending below the trend growth rate of the gross national product.

In August, the Government set itself a more ambitious restraint objective. Planned federal spending this fiscal year will be reduced by \$500 million and next year's projected spending will be reduced by \$2 billion. As a result, the projected rate of expenditure growth during the next fiscal year is 8.9 per cent. That is well below the forecast growth of 11 per cent for the GNP.

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Public Service

...The Government is committed to reducing the size of the federal Public Service. You will be asked to approve amendments to the Public Service Superannuation Act, designed to ensure that public service pensions are in line with the level of contributions.

The Government is committed to continued wage restraint in the public sector. You will be asked to approve amendments to the Public Service Staff Relations Act

to ensure that compensation to the federal Public Service remains in step with the private sector, and does not lead the way.

You will also be asked to enact legislation making the Post Office a Crown corporation, with a view to making postal services more efficient and responsive to public needs.

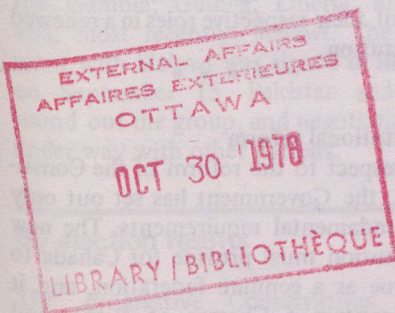
Because such a large portion of the federal budget is dedicated to transfer payments to the provinces, no large-scale restraint program could be successful without their co-operation. The Government intends to negotiate reductions which will cause a minimum of difficulty for provincial governments.

You will be asked to consider amendments to the National Housing Act, the Unemployment Insurance Act, and other legislation in order to give effect to the program of expenditure restraint.

Shifting dollars to priority needs

...By cutting back programs in virtually every department, the Government intends to channel \$1 billion into programs of economic and social development.

In the area of economic development, the Government's recent proposals are intended to build upon its earlier initiatives to promote job creation, stimulate private sector growth, and encourage industrial innovation. Those initiatives included the April budget, which cut sales taxes in co-operation with the provinces, and provided a stimulus to non-conventional oil development.



Sixty years ago today...

Canadian Pacific steamship *Sophia*, bound for Vancouver from Skagway, Alaska, foundered on Vanderbilt Reef. The 350 passengers on board, many of whom were carrying valuables acquired during the Klondike gold rush, died.

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