

### *Promoting Economic Development*

The third objective put forth in 1980 was national economic development. In addition to the measures already cited to promote job creation, improved job training and lower inflation, sectoral and regional initiatives were undertaken as part of our economic development policy.

The government has pursued industrial development on a variety of fronts to utilize the strengths inherent in our well-diversified industrial base. It took measures to:

- preserve and rebuild Canada's industrial base;
- provide incentives for increased research and development;
- promote the expansion of export markets;
- upgrade Canada's transportation infrastructure;
- improve the health of Canadian resource industries.

Several major government departments are being reorganized to improve the process of economic policy development and the implementation of regional development concerns.

A 1 billion dollar Industrial and Regional Development Program has been established to help Canadian industry become more competitive internationally and to attract new industries. Under this program a more equitable index of regional disparities is being used to determine levels of assistance, and for the first time all economic development programs will be available throughout the country.

A large number of initiatives were undertaken during this session to stimulate disadvantaged areas, boost promising new projects and industries, spur productivity growth, upgrade infrastructure, and provide assistance to sectors experiencing temporary difficulties. Federal funds for the shipbuilding industry are promoting ship construction and assisting in shipyard improvement, while support has been extended to help Chrysler Canada and Massey-Ferguson weather periods of temporary difficulty. A major federal program of adjustment assistance is facilitating modernization and rationalization of the textile industry, and creation of new employment opportunities for displaced workers. An Office of Industrial and Regional Benefits is promoting Canadian sourcing of equipment and expertise for resource development projects. Government programs were a factor which helped Bombardier secure a major export contract for urban transit vehicles. The Canadian Space Program is providing continued support to leading-edge industries.

In view of the Government's commitment to raise Canadian spending on research and development to 1.5 percent of Gross National Product by 1985, a policy planning framework was announced. More recently, as part of a comprehensive technology policy, the Government has announced construction of fifteen new research facilities, additional funding allocations for high technology procurement and proposals to simplify and enhance tax incentives. Funding for the Natural Sciences and Engineering Research Council and for the Industrial Research Assistance Program was increased. Stimulated in part by these and other government measures, research and development spending as a percentage of Canadian Gross National Product has risen from 1.03 percent in 1979 to a forecast level of 1.4 percent for 1983.

Effective export promotion was the goal of several Government initiatives. The Department of External Affairs was restructured to help ensure that trade considerations receive priority in the development of our foreign policy. Funding was increased to help small and medium-sized businesses fulfill their export potential, and a new financing facility introduced to better assist Canadian companies to compete abroad. Overall funding for the Export Development Corporation was raised.

Since 1979 Canada's trade surplus has quadrupled, to a record high level of 17 billion dollars for 1983 to date. This rise contributed to the 7 billion dollar improvement in the overall balance of payments which occurred over the same period, resulting in the first current account surplus in nine years.

In transportation, a central part of the Government's approach to industrial development, the greatest single achievement has been resolution of the Crow's Nest Pass Rate issue. The legislation directs 3.5 billion dollars over four years towards implementation of a fairer freight rate structure and expansion of western rail capacity, and will lever up to 16.5 billion dollars more to these objectives. The decision to change the Crow Rate will mean a permanent subsidy to western Canada of 651 million dollars per year. Much of the Canadian National line between Winnipeg and Vancouver will be double-tracked. Altogether, 375,000 person-years of employment will thus be generated.

Steps have been taken to match increased rail capacity with enhanced port facilities. At Prince Rupert, construction is nearing completion of a new port

### *Prorogation of Parliament*

which will include coal and grain terminals; the coal terminal will provide the facilities required for the northeast British Columbia coal development project. The Canada Ports Corporation has been established to increase local port autonomy and to improve overall efficiency of the national ports system. These improvements to our transportation system will become particularly vital when world market demand recovers.

In another major Canadian industry, the Government has already acted on many recommendations of comprehensive studies of the east and west coast fisheries, in order to improve their productivity and enhance the livelihoods of fishermen and plant workers. A federal-provincial agreement was signed to revitalize the Newfoundland deep-sea fishing industry, creating a new fishing company from the assets of several which are financially troubled, and agreement in principle was negotiated with Nova Scotia for a comparable initiative in that province. Enabling legislation was passed to authorize federal involvement in the restructuring of the Atlantic fishery. The Government has also taken action to help fishermen benefit more fully from the 200 mile zone by increasing the severity of penalties for foreign fishermen who break Canada's coastal fishing laws.

In forestry, one of the country's largest employers, Government support has been extended in the form of enhanced federal forestry facilities in St. John's, Fredericton, Ste. Foy, Sault Ste. Marie and Victoria; Unemployment Insurance funds to subsidize forestry jobs when world demand for forest products softened; assistance to forestry schools; and purchases of new water bombers.

Support has been provided to assist research and development in the mining sector. The industry has been given access to facilities of the Canadian Centre for Energy and Mineral Technology, whose work has led to important breakthroughs in occupational health and safety.

In recognition of the growing number of countries which prefer to make food purchases on a state-to-state basis, a new Crown corporation, Canagrex, has been established that will help agricultural producers expand their export markets. Other new legislation affecting farmers includes the Meat Import Act, which protects both producers and consumers, and an Act which enables the Farm Credit Corporation to borrow on financial markets.

### *Strengthening National Institutions*

The fourth government goal set forth three years ago was the strengthening of national institutions and our country's unity.

In 1980, residents of the province of Quebec voted "no" to sovereignty-association in the Quebec referendum and the federal Government promised a process of federal renewal.

Clearly, the greatest achievements in this area have been the patriation of our Constitution with an amending formula, and the entrenchment of a Charter of Rights and Freedoms. These actions completed the final steps towards Canadian sovereignty and formally guaranteed every citizen certain basic rights and freedoms.

The task of strengthening the rights of Canadians will proceed. To this end, Parliament recently adopted a resolution urging the Manitoba Government to take early action to ensure that treatment of the province's official language minority conforms with constitutional requirements.

An important part of the process of renewal is to ensure that Canada's native peoples are able to realize their rightful aspirations within Canadian society. The First Ministers' Conference on Aboriginal Constitutional Matters last spring produced agreement on an amending resolution guaranteeing aboriginal and treaty rights equally to native men and women, and including land claims settlements under treaty rights. That amendment has now been ratified by Parliament and the required number of provincial legislatures, and will be incorporated into our Constitution next year.

Various native claims settlements have been reached within the last three and a half years. A Native Economic Development Fund was created to assist native peoples in the pursuit of their own economic development objectives. Funding for native housing programs and friendship centres has been increased. A new northern broadcasting policy is being implemented to increase native involvement in broadcasting in northern areas.

Other achievements of the past three years have contributed to the strengthening of our national institutions.