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Prime Minister pledges new priorities to stimulate the economy

In a broadcast address to the nation on August 1, Prime Minister Pierre Trudeau promised new federal initiatives to stimulate Canada's economy towards meeting commitments he had made at the recent summit meeting in Bonn (a real growth this year of 5 per cent); to reduce unemployment; to boost new investment in industry, energy and resources; and to aid those, particularly the elderly, who were being hurt by inflation.

The Prime Minister stated that because he believed bolder action was necessary to ensure "continued prosperity and reaffirm the unity of the country", he had recalled several ministers from their holidays for meetings.

He also assured Canadians that there would be no election at this time, that his primary concern was "to work on the fundamental problems of the economy". He cited several examples of recent efforts to stimulate the economy, including: reducing sales taxes; providing new incentives for small business; encouraging the building of the Yukon gas pipeline; giving impetus to research and development; and urging the development of renewable energy, particularly solar and wood waste.

Change in Post Office status

In his address, the Prime Minister announced that the Post Office would become a Crown corporation which, he said, would be "free from the constraints of a Government department". (This change has been a goal of the Canadian Union of Postal Workers who, at this time, have been threatening a national strike if current contract negotiations were unsuccessful.)

The new program would not be financed by increased federal spending, stated Mr. Trudeau, but, he pledged, "by cutting from within, by using only *saved* resources to stimulate the economy". As a necessity, therefore, to "the re-ordering of government priorities", the Prime Minister announced the following measures:

"We will be cutting \$2 billion from

current and planned expenditures. Much of this money will be shifted to our new economic priorities. Without damaging the additional stimulus that must be provided, we shall be proposing reductions in both our expenditures and taxes.

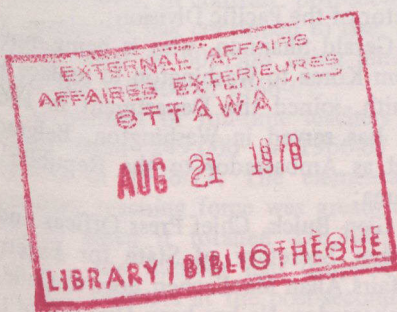
"We will achieve zero growth in the federal public service, and there will be an actual reduction in numbers of civil servants next year. The rule of this Government will be — deliver more for less.

"The Federal Government will be very tough in public sector wage negotiations. The public sector will not lead the private sector in wages and benefits. We are committed to following a strict policy of comparability with the private sector.

"We will remove the intrusions of many government policies and regulations from individuals and businesses; in some cases this will mean returning functions to the private sector, in others it will mean removing the heavy hand of government and its drag on personal initiatives.

"The situation in the Post Office is intolerable and has been for some time. Canadians are losing patience; they are increasingly fed up. So am I. The Postmaster General and I are convinced that a whole new start for management and labour is needed. Therefore, I have decided in consultation with the Postmaster General that the Post Office will become a Crown corporation, free from many of the constraints of a Government department. Steps will be taken towards this re-structuring so that once again Canadians will have efficient, business-like postal service.

"The Bonn Summit gave to each of its participants a new sense of urgency. It has also offered us a special opportunity to undertake needed reforms. I am very confident that the future of this country has great promise and that the measures that I have announced tonight will help bring that promise about. I am sure you want those measures attended to on an urgent basis. This new work will start at once...."



One-hundred-and-forty-five years ago Friday... A Canadian ship, the *Royal William*, sailed from Nova Scotia to London, which is reported to be the first time a vessel powered by steam had crossed the Atlantic.

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