

Prime Minister announces creation of ministerial economic board and changes in the Cabinet

The creation of a Board of Economic Development Ministers, changes in the Cabinet and the disbanding of the Ministry of State for Urban Affairs (MSUA) were announced by the Prime Minister on November 24.

The formation of the senior board of ministers, presided over by former Treasury Board President Robert Andras, is a major shift in Cabinet organization, and is designed to strengthen efforts to promote economic development.

The establishment of the new body, which will co-ordinate and consolidate all Government economic programs, follows the restraint measures and shift in priorities announced by the Prime Minister on August 1, towards support for economic growth. All economic development proposals must be approved by the Board before going forward to Cabinet and the Treasury Board.

Mr. Trudeau said that six "senior" ministers had been named to sit on what is in effect an inner Cabinet for economic affairs. Other members of the Board of Economic Development Ministers will be the Ministers of Industry, Trade and Commerce; Employment and Immigration; Regional Economic Expansion; Energy, Mines and Resources; Labour; Small Business, Revenue and Science and Technology. In view of their comprehensive responsibilities for economic policy and financial management, the Minister of Finance and the President of the Treasury

Board will sit as *ex officio* members of the Economic Development Board.

Mr. Andras' first task will be to carry forward the industrial sector review with business and labour resulting from the First Ministers' Conference in February, and to lead the Government's efforts to enhance co-operation and consultation with the provinces as well as the private sector.

Disbanding of Urban Affairs

The decision to disband the Ministry of State for Urban Affairs, effective March 31, 1979, was taken to reduce expenditures, and to limit the scope of federal activity in areas where there is obvious potential for duplication of effort with other levels of government.

Urban Affairs Minister André Ouellet has been named Minister of Public Works, and will retain responsibility for Central Mortgage and Housing Corporation and the National Capital Commission. He remains Minister of State for Urban Affairs until March 31, 1979.

The MSUA was created in 1971 under a section of the Government Organization Act providing for the temporary establishment of such ministries to develop policy in specified areas. The Government of Canada will continue to be concerned with urban development and the quality of urban life. Federal departments and agencies will co-operate actively with provincial and local authorities in support

of their urban plans and priorities.

Cabinet changes

The following appointments to the Cabinet were announced:

- Robert K. Andras, formerly President of the Treasury Board, is President of the Board of Economic Development Ministers.
- Alastair William Gillespie is Minister of State for Science and Technology and remains Minister of Energy, Mines and Resources.
- Martin Patrick O'Connell, a new appointee, is Minister of Labour. Mr. O'Connell held the labour portfolio for a brief period in 1972.
- André Ouellet is Minister of Public Works.
- Marc Lalonde, formerly Minister of State for Federal-Provincial Relations, is Minister of Justice and Attorney General of Canada; Minister responsible for the Status of Women.
- J. Judd Buchanan, formerly Minister of Public Works and Minister of State for Science and Technology, is President of the Treasury Board.
- Anthony Chisholm Abbott is Minister of National Revenue and remains Minister of State (Small Business).
- John M. Reid, a new appointee, is Minister of State for Federal-Provincial Relations.
- Pierre De Bané, a new appointee, is Minister of Supply and Services.

Saskatchewan oil recovery plan

An experiment to extract heavy oil in the Eyehill Pool, 90 kilometres south of Lloydminster, Saskatchewan, was announced last month by federal Energy Minister Alastair Gillespie, Saskatchewan's Mineral Resources Minister John Messer, Murphy Oil Company President B.H. Monzingo, and Canadian Reserve Oil and Gas President R.B. Bailey.

The Murphy Oil Company, which will be in charge of operations for the pilot program, will use a combined combustion and steam injection system to drill 25 new wells about 770 metres deep on ten-acre spacing. Air will be injected down nine wells to support combustion which will heat the oil in the formation. Steam will be injected down the remaining 16

wells to improve oil production.

The wells and facilities are expected to cost \$8.5 million, with operating costs of \$1.9 million a year.

The Governments of Canada and Saskatchewan will contribute \$2 million each under terms of the Canada-Saskatchewan Heavy Oil Agreement. This agreement, signed in October 1976, allocated \$16.2 million for shared cost programs to develop techniques in the recovery of heavy oil applicable to the Lloydminster oil field and similar ones.

Oil wells under primary production in the Eyehill-Senlac area can only recover 1 per cent of the estimated 1 billion barrels of oil there. The method of enhanced recovery which Murphy will use is expected to increase the recovery level to 40 per cent.

New year brings ban on PCBs

Use of highly toxic polychlorinated biphenyls will be prohibited in all new products effective January 1. New restrictions will prohibit the import, manufacture, processing or sale of PCBs in all areas.

PCBs, which have been linked with cancer, liver damage and birth defects, are considered a serious environmental problem because of widespread distribution, resistance to decomposition and tendency to accumulate in food chains.

Recent publicity about a 1,500-gallon spill of PCBs in Regina has aroused much public and scientific concern.

In 1973, 1,000 gallons of the dangerous chemical spilled at Dowling, near Sudbury, Ontario.