

# Canada Weekly

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## Budget offers special measures to encourage and sustain economic recovery

The federal government introduced a new budget, April 19, aimed at encouraging a strong, lasting economic recovery and significant reduction in unemployment.

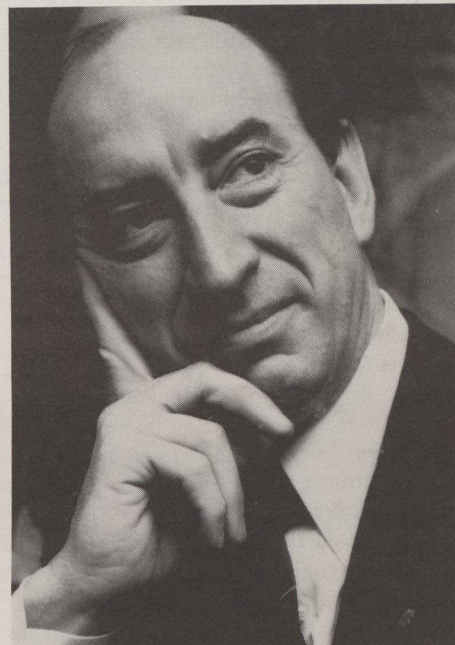
In introducing his "recovery" budget to the House of Commons, Minister of Finance Marc Lalonde said that the primary concern in preparing it was "to help the more than one-and-a-half million Canadians who want to work but cannot find jobs".

"The pursuit of these twin goals calls for actions that take hold immediately but are also geared to the medium term. The first goal demands additional stimulus this year. But the second goal would be unattainable without decisive action now to reduce the deficit in future years. Expenditure restraint will therefore continue, and measures will be introduced to raise more revenue as the recovery buoys up income and employment," said Mr. Lalonde in his speech.

### Special recovery program

In its budget the government introduced a four-year special recovery program to provide some \$4.8 billion of investment support to accelerate the economic recovery and provide new capital facilities that will increase competitiveness and generate new jobs. This recovery plan involves seven key initiatives. The program will provide equal support for private and public investment, but all initiatives are designed ultimately to improve the financial position, growth prospects and job creation capacity of the private sector.

Public capital projects totalling \$2.4 billion will be put in place over the next four years — more than 100 projects involving all regions of the country. This is some \$1.5 billion more than previously planned, mostly representing an acceleration of projects intended for later in the decade. More than half of total spending will occur in the next two years to provide early economic stimulus.



Minister of Finance Marc Lalonde

Special steps are being taken to "fast-track" the new projects and ensure they are carried through on time and on budget. They include major investments in airports, highways and port facilities, research and development capability, assets needed for resource development, land and tourism development, and procurement of ships and high-tech communications equipment.

Another component of the special recovery program is aimed at accelerating productive investment and job creation in the private sector. These special recovery incentives for private investment will total \$2.4 billion over the next four years.

### Investment tax changes

Mr. Lalonde also proposed relaxing rules governing the investment tax credit to allow companies fuller use of this incentive for increased investment in productive plant and equipment. Some \$1.3 billion of added tax support for post-budget investments will come from lifting



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existing limits on the amount of credit that can be deducted from tax payable, and from enhancing the ability to use credits earned but not claimed in a year to reduce taxes in other years. These are intended as permanent changes in the tax law.

The scope of investments qualifying for the 7 per cent investment tax credit is being permanently broadened to cover new heavy construction equipment purchased after April 19, 1983. This will provide about \$125 million of tax support over the next four years.

To accelerate private sector investment over the next three years, a portion of the investment tax credit earned on qualifying investments before May 1, 1986 will be refunded directly in cash to taxpayers who could not otherwise fully use the credit to reduce their federal tax. This temporary change will direct \$400 million to increasing business cash flow and reducing immediate investment costs. For small business corporations and for farmers and other unincorporated businesses, 40 per cent of investment tax credits that cannot be used to offset taxes in the year they are earned will be refunded; for other corporations the refundable portion will be 20 per cent. The measure will be of particular importance to start-up firms in their early, crucial years.

The budget also included a share-purchase tax credit plan that will provide some \$240 million to reduce the cost of new equity issued before 1987 by firms undertaking investments after the budget. In effect, corporations will transfer tax credits earned on this investment to attract purchasers of new equity shares. The first purchaser of these shares will be able to use the tax credit to the extent of 25 per cent of the value of the shares, and the investment tax credit earned by the issuing corporation will be reduced by an equivalent amount. The measure will promote the financing of investment during the recovery.

The federal government will set up a \$300-million investment fund to be used over the next two years to encourage the private sector to bring major investment projects on stream early in the recovery. The assistance will focus on projects of special national, regional or sectoral importance.

A \$180-million special recovery export financing fund will also be created to provide extra resources to the Export Development Corporation to help Canadian firms win large export contracts. The added resources will enable the Crown

corporation to seek out export opportunities more aggressively than it could under present funding constraints. The corporation will have the financial capacity to enter into financing arrangements in 1983 totalling about \$2.8 billion, a 15 per cent increase over financing agreements concluded in 1982.

The new costs involved in implementing the special recovery program will be met over time by a special recovery tax — an additional one percentage point in the rates of the federal sales tax. To avoid impeding the pace of economic recovery, the extra levy will be delayed until October 1, 1984 and it will run until December 31, 1988.

#### **New housing measures**

Two major changes are being made to the Registered Home Ownership Savings Plan (RHOSP) to provide short-term incentives for purchases of newly-built homes and major items of furnishings. Five existing housing programs are extended or expanded.

Individuals eligible to contribute to a RHOSP who buy newly-constructed homes and associated furnishings before 1985 will be able to deduct from taxable income in a lump sum any amount needed to bring their total RHOSP contributions up to the \$10 000 limit.

As an additional economic stimulus, individuals will be permitted a tax-free withdrawal of part or all of their accumulated savings now in RHOSPs for the purchase of new home furnishings and appliances between April 19 and December 31, 1983. Such withdrawals will not affect their eligibility to make future tax-deductible contributions to the plan.

Other housing programs outlined by Mr. Lalonde in his speech were:

- an additional \$120 million is being provided to extend the Canada Home Renovation Plan to March 31, 1984. This plan provides grants of up to \$3 000 to cover 30 per cent of renovation costs for low- and middle-income families;
- an additional \$40 million over two years is being provided for the Residential Rehabilitation Assistance Program to upgrade substandard housing in designated urban and rural areas;
- an additional 2 500 social housing units for low-income households will be financed in 1983-84, maintaining the total annual allocation at 25 000 units;
- a further \$40 million is allocated for new housing and home renovations on Indian reserves; and
- a further \$30-million allocation to the

Canadian Home Ownership Stimulation Plan should allow the program to continue close to the end of May. It provides \$3 000 home purchase grants to eligible individuals.

#### **Support for employment**

Under the budget an additional \$710 million, including \$280 million specifically allocated to youth programs, is being provided over two years for new and expanded programs of direct support for employment, of which \$440 million will be spent in 1983-84. Total spending by the federal government for direct support for employment, in 1983-84, is \$1 484 million.

The New Employment Expansion and Development (NEED) program, begun last October to create jobs for those unemployed for long periods, will be expanded by \$280 million — \$180 million of this is new funds.

An additional \$150 million goes to the Special Employment Initiatives Program for increased spending on employment-intensive projects under existing construction programs.

An increase of \$100 million is approved for expenditures on the job creation program under the Unemployment Insurance Act, which allows laid-off workers to continue to receive unemployment insurance benefits while doing voluntary work on community projects.

In addition, another \$70 million has been allocated for the Summer Canada program of career-related summer jobs for students with non-profit organizations and government departments.

A new \$95-million allocation will go to a new youth internship program of wage subsidies for employers who hire young people, and to expand the Youth Job Corps which provides special training for young people having particular difficulties in entering the labour market.

Also part of its youth programs the Department of National Defence will enrol some 5 000 young people for about a year of military and technical trades training, at a cost of \$75 million in the next two fiscal years.

Katimavik, a national development program for young people operated by a private non-profit corporation, will receive an increase of \$40 million in federal funding, adding a further 4 000 participants over two years.

#### **Research and development promoted**

In consultation with business and labour, the government is proposing the establish-

ment of a national centre for productivity and employment growth.

The accelerated funding under the special recovery capital projects program will include \$290 million for research and training facilities and \$180 million will be spent on high-technology procurement.

A two-year commitment of \$100 million will fund priority work in areas of new technology that are vital to Canada's competitive strength and productivity.

An additional \$155 million in federal funding over the next two years will go into training and human resource programs aimed at developing the skilled workers needed for future economic growth.

A budget document, put forward for consultation, sets out two proposals to enhance the ability to claim research and development tax incentives, to make them more effective and simpler, and to aid in the financing of research and development companies, particularly smaller companies. The two proposals are: an additional tax credit of 10 percentage points for all research and development expenditure, in place of the current 50 per cent tax deduction for increased research and development and a measure to allow research and development companies to transfer the value of research and development tax incentives to outside investors in the form of a 50 per cent tax credit so as to attract additional capital to finance their growth.

#### Small business measures

The Federal Business Development Bank's mandate will be expanded to provide broader support for small businesses, including a new investment banking capability to help meet the capital needs of promising small companies.

The budget contains general tax incentives of assistance to farmers and fishermen and some special tax incentives specifically addressed to these groups. In addition, a further \$100 million in loans will be extended over the next year to farmers in financial distress through a special program administered by the Farm Credit Corporation. Eligible recipients benefit from interest rate reductions of 4 percentage points for the first two years of their loans.

The budget sets out proposals for a new plan to exempt from tax the inflationary portion of capital gains on publicly-traded common shares in Canadian companies. It will go into effect October 1, 1983 following private sector

consultation on its details.

The indexed security investment plan is designed to offset the distorting impact of inflation on the tax liabilities of individual investors. When fully matured, the plan will mean estimated savings to individuals of \$300 million a year in federal taxes. It will also assist the economic recovery by encouraging Canadians to invest more of their savings in common shares of Canadian companies. This should facilitate public share issues and thus help reduce the excessive debt load on corporate balance sheets.

New tax measures will give businesses and investors more scope to carry over losses incurred in one year to reduce taxes in other years. The changes will provide increased cash flow to businesses in the early phase of the recovery, and over the longer term will allow firms and investors to claim tax deductions more effectively for tax losses that they sustain.

Under the measures business losses will be allowed to be carried back three years, instead of one, and carried forward for seven years instead of five. The full three-year carryback will take effect immediately for small business corporations and unincorporated businesses. It will be phased in for other corporations.

Farming and fishing losses will be allowed a three-year carryback and ten-year carryforward. Taxpayers will be allowed to carry back three years, instead of one, the deductibility of capital losses against capital gains. This change will be phased in.

The budget proposes several changes to the system of child benefits to better target the benefits to families needing them most.

The new proposals include a doubling in 1983 of the limit on child care expenses that can be deducted from taxable income effective for 1983. Deductions will now be allowed up to \$2 000 a child, to a maximum \$8 000 for a family. A change will ensure that the deduction does not discriminate between men and women.

In addition, the child tax credit will be extended for the 1983 taxation year to \$343, rather than the \$326 set by existing law. Future indexation will be applied starting from the \$343 base. The threshold of family income, above which the child tax credit is phased out, will be held at its 1982 level of \$26 330 for the current and subsequent taxation years.

The tax exemption for children and  
(Continued on P. 8)

## Canada-Japan nuclear agreement

Canada and Japan have signed an agreement in the form of an exchange of notes concerning the reprocessing by Japan of Canadian-origin spent nuclear fuel.

Canada and Japan have a nuclear relationship of long standing with the existing agreement for co-operation in the peaceful uses of atomic energy dating back to 1959. A protocol amending this agreement came into force in September 1980.

The most recent agreement determines how the amended agreement which, amongst other things, provides controls over reprocessing of spent nuclear fuel and over the retransfer of spent fuel for the purpose of reprocessing, will be implemented by the two parties on a long-term basis.

#### Largest uranium customer

By obtaining an approval in advance for reprocessing to be carried out, Japan will be able to plan its nuclear fuel cycle activities with more certainty. Japan is Canada's largest uranium customer and this agreement will make Canadian uranium more attractive to Japanese utilities because of its contribution to Japan's energy security.

Canada has signed similar agreements with Sweden and Euratom.



Deputy Prime Minister and Secretary of State for External Affairs Allan J. MacEachen (right) and Japanese Ambassador to Canada Kiyohisa Mikanagi shake hands following the exchange of notes forming the agreement on Japanese reprocessing of Canadian-origin spent nuclear fuel.

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## Canada chairs disarmament group

Canada has assumed the chairmanship of the chemical weapons working group for the 1983 session of the Committee on Disarmament, Deputy Prime Minister and Secretary of State for External Affairs Allan J. MacEachen has announced.

Canada's Ambassador to the Committee on Disarmament Donald S. McPhail will chair the working group which is engaged in negotiating a ban on chemical weapons.

The negotiation of a chemical weapons convention has long been a priority of Canadian arms control and disarmament policy. Canada has been an active participant in the Working Group since it was first established in 1980.

Canada has allocated funds to enable Canadian technical experts to participate for longer periods beginning with the 1983 session. Canadian expertise is being applied on the essential and difficult verification issues.

The chemical weapons working group is one of several such groups established by the 40-member Committee on Disarmament, the multilateral negotiating body in Geneva, which meets each year from early February until late August. The working groups have facilitated consideration in depth of issues on its agenda.

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## Consortium to build equipment for African dams

The Canadian International Development Agency has granted \$33 million to the Senegal River Improvement Authority to assist dam construction in Mali.

In response to a call for tenders in Canada, the Man-Soméfal consortium has been awarded a contract to manufacture hydraulic equipment for dams. The consortium consists of a number of companies, the main ones being Marine Industrie, Soméfal and the Man Company.

Canada's intention to participate in the funding of the project was announced in 1978 by Prime Minister Pierre Trudeau, making Canada one of 13 sources of funding for the initial stages of construction.

The present project includes the construction of two dams: one at Diéma, Mali, to be completed in 1986, and another at Manantali, Mali, targeted for completion in 1988. The contract obtained by Man-Soméfal is for the Manantali project.

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## Researchers awarded Killam prizes

Dr. Brenda Milner of the Montreal Neurological Institute has been awarded the 1983 Izaak Walton Killam Memorial Prize in recognition of her outstanding contribution to neuropsychology.

In addition, another 23 Canadian scientists and scholars have been named recipients of awards, totalling \$1.2 million, in the sixteenth annual Killam competition sponsored by the Canada Council.

The Killam awards are made possible through a bequest of the late Dorothy J. Killam before her death. They are intended to support scholars of exceptional ability engaged in research projects of outstanding merit in the humanities, social sciences, natural sciences, medicine, engineering and interdisciplinary studies within these fields.

The Izaak Walton Killam Memorial Prize, worth \$50 000, is the most prestigious of the awards. Dr. Milner, this year's winner, is internationally recognized as one of the world's leading research workers in neuropsychology — the field that bridges the study of the brain and behaviour. Her work has provided a better understanding of the brain mechanisms of behaviour; it has also helped develop valuable screening tests for protecting patients with epilepsy from undue risk to speech or memory as a result of surgery.

A frequent contributor to international meetings and conferences, Dr. Milner was plenary speaker at the First



Canada Council chairman Mavor Moore (right) presents the Killam Prize to 1983 winner Dr. Brenda Milner.

World Congress of the International Brain Research Organization which met in Lausanne, Switzerland in 1982.

The Montreal researcher has received a number of international honours and awards. Dr. Milner was named Fellow of the Royal Society of Canada in 1976 and Fellow of the Royal Society in 1979; she is also one of only six foreign associates in the field in the National Academy of Sciences in the United States. In 1964, Dr. Milner was appointed a Career Investigator by the Medical Research Council of Canada.

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## Mexican minister visits Canada

Mexico's Foreign Minister Bernardo Sepulveda Amor visited Ottawa in March to discuss bilateral relations and multilateral issues with Secretary of State for External Affairs Allan MacEachen and other Canadian ministers.

In addition to his meetings with Mr. MacEachen, Mr. Sepulveda held talks with Finance Minister Marc Lalonde, and Minister of State (International Trade) Gerald Regan before being received at Parliament by Speaker of the House of Commons Jeanne Sauvé.

At a luncheon given by Mexican Ambassador to Canada Agustin Barrios Gomez, Foreign Affairs Minister Sepulveda had the opportunity to speak with a number of Canadian members of Parliament and government officials, including Minister of Energy, Mines and Resources Jean Chrétien.

Before his departure on March 17, Mr. Sepulveda called on Prime Minister Pierre Trudeau for a discussion on Canada-Mexico economic and co-operation issues.

Relations between Canada and Mexico have grown in the last few years marked by an increase in commercial exchanges. A number of important agreements have reinforced the bilateral relationship, in particular in the areas of industry, agriculture, energy and culture. In addition, a joint ministerial committee meets every two years.

Canadian exports to Mexico increased from \$236 million in 1979 to \$450 million in 1982. These exports consist primarily of dairy products, railway materials and asbestos. Canada would like to sell more oil and gas equipment and communications equipment to Mexico. Mexico is an important source of oil for Canada with about 20 per cent of gas imports to Canada coming from that country.

Neurophotography, MNI

## Response to Vietnamese attacks

The Department of External Affairs issued the following statement, April 7, regarding the escalation of the conflict along Cambodia's border with Thailand:

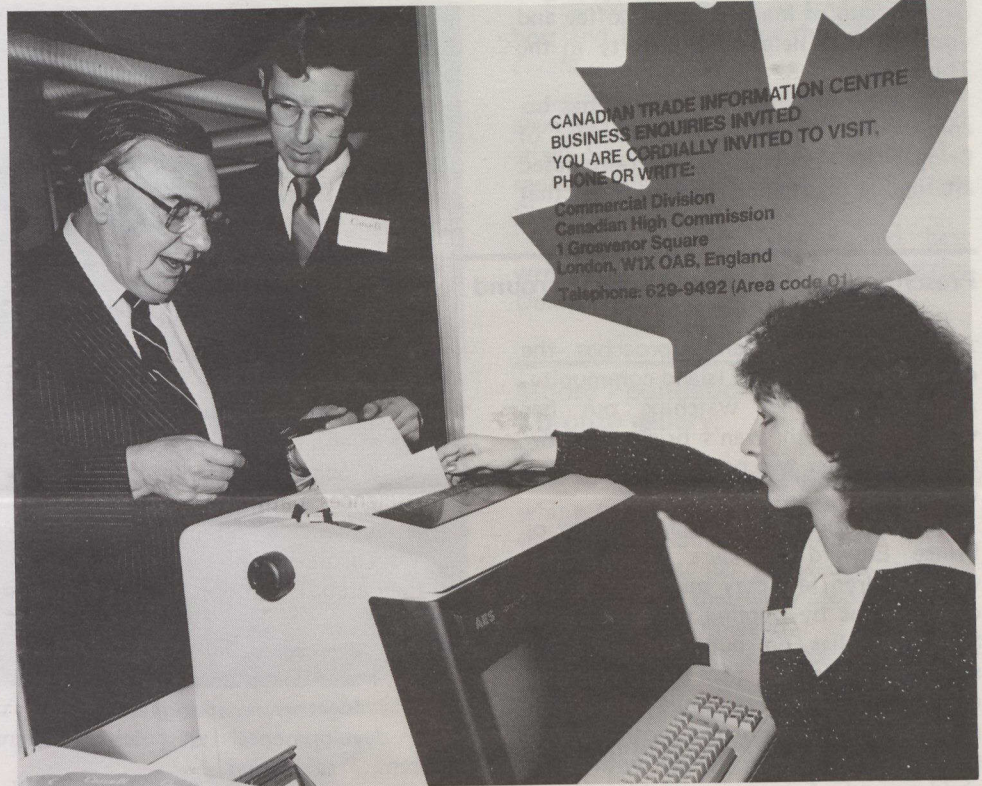
"The Vietnamese military offensive began on March 31 and has resulted so far in the destruction of several Khmer refugee camps along the Thai-Cambodian border, the deaths of several hundred Khmer civilians, the displacement of over 40 000 Khmer civilians into Thailand, armed Vietnamese incursions against Thailand and attacks on Thai civilians and property.

"Canada deplores the increased aggressive military action by Vietnamese forces in Cambodia and Thailand. This action has increased political tensions and threatens stability in Southeast Asia. Canada regrets that the government of the Socialist Republic of Vietnam, by its actions on this occasion, has again spurned the efforts of the United Nations and the vast majority of the international community, including Canada, to find a peaceful solution to the problem of Cambodia in accordance with resolutions of the United Nations General Assembly and the 1981 International Conference on Kampuchea.

"Canada particularly regrets the invasion and attempted occupation of Thai territory by Vietnamese forces and attacks on innocent Thai civilians and property. Thailand and other member countries of the Association of Southeast Asian Nations have worked assiduously to contribute to peace and stability in Southeast Asia. The actions by the government of Vietnam against Thailand demonstrate disrespect for this peace process and a blatant disregard for the principles of international law and normally accepted international rules of conduct with respect to the territorial integrity of Thailand.

"Canada is also concerned by the deepening human tragedy which the Vietnamese offensive has inflicted on the Khmer people. The loss of civilian lives, the wounding of innocent people and the destruction of relief facilities provided through international relief organizations is deplored. The government of Vietnam must be held responsible for this wanton destruction of life and property. Canada calls on Vietnam to desist from further aggressive acts and to co-operate in the pursuit of peace and development in Southeast Asia."

## Canadian food companies cater to good taste



Canada's High Commissioner to Britain Donald Jamieson (left) and Bill Roberts, show manager, European trade development office, Department of External Affairs, receive demonstration of information retrieval system used at the fair.

Twenty-four Canadian food and drink companies gave British and foreign visitors a taste of Canada at the International Food and Drink Exhibition held in London, England, February 28 to March 4.

At the same time, trade officials of the Department of External Affairs and commercial staff from the Canadian High Commission in London were serving up information electronically on other Canadian food companies which can export to the European Community.

The information retrieval system was tried experimentally at the French Food Fair SIAL (Salon International de l'Alimentation) held in Paris last November and was refined for use in the London food exhibition.

The information was provided by an AES Alphaplus 12 enhanced word processing unit comprising 67 files on the food industry. Each file was contained on a pocket-sized rectangular plastic record which can hold up to 35 standard-size pages of information.

At the London food exhibition, the unit was not using its telecommunications capability but at future trade fairs this capacity can be used to send Cana-

dian companies the names of prospects at the same time potential customers are receiving the names of Canadian companies. A new trade fair computer-based information system is being developed by the Department of External Affairs.

A special effort was made at the London exhibition to sell food products in the European Community. Another Canadian exhibitors group, sponsored by External Affairs trade development, will be at the German food trade fair, ANUGA, to be held in Cologne in November.

Part of the export thrust involves selling Canadian tastes to the Europeans. Canadian blueberries, for example, are almost unknown in many parts of Europe and the Wild Blueberry Association was offering the product with cream, in tarts and pies at the London food trade fair.

Maple syrup manufacturers were also promoting their product in candy and liquid form, while an Alberta brewery was attempting to sell its beers. Traditional British fish and chips sometimes feature fish caught in Canadian waters. Some 23 000 tonnes of frozen fish were sold last year by Canada to Britain.

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## Tea and coffee sales fight Third World poverty

Drink a cup of Mark Wilson's coffee and you will also help fight poverty in the Third World.

Twenty-seven-year-old Wilson has become the Ottawa representative of Bridgehead Trading, a Toronto-based alternative marketing organization that

imports tea and coffee directly from developing countries.

Bypassing multinational companies, Bridgehead encourages self-reliance and profit sharing among workers in the producing countries.

Canadian consumers, in turn, become

more aware of the exploitation and difficult conditions under which the people work. A small but significant link between rich and poor countries is established.

Bridgehead products include Nicaraguan filter coffee, Sri Lankan Orange Pekoe tea, and Tanzanian instant coffee. Bridgehead was started last year by four members of church and social action groups.

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## Preschoolers' playground travels around Prince Edward Island

A sunny yellow van approaches the eastern Prince Edward Island community. A young mother watching out her window spots the van's bright rainbow and calls to her two preschoolers, "Come on, kids. PAL's here."

Almost three years ago, a group of Prince Edward Islanders who worked with children felt they might serve rural communities by pooling their resources. Since PEI has no public kindergarten system, they felt a centre from where the equipment and ideas could be shared might help where isolated mothers were stuck for something to do with their children under 5.

It was just one quick step from there to, as Gilda Good of Health and Welfare Canada's national welfare grants (NWG) directorate put it, "a parent-preschool resource centre on wheels."

Good, the NWG directorate's regional consultant for the Atlantic provinces and Manitoba, explained why PAL (Play and Learn) received federal approval for three years' funding.

"Welfare grants provide two kinds of funding: grants to national voluntary associations which are outright gifts for core operating costs, and contributions to community groups for innovative

activities in the social welfare field."

Most of the federal money goes to those projects which demonstrate a new way to offer a social service or a new way to meet a social need.

PAL rates as innovative because it is a mobile version of existing services such as Toronto's Children's Store Front and the Parent Preschool Resource Centre in Ottawa.

"It's an organizing tool for rural women," said Gilda Good. "It gets them out and together, working and playing in a developmental way with their children..." said Good.

"It works so well," she reported "that during the project's first six weeks, two communities formed Parents-for-Pal groups which meet between PAL's visits."

Equipped with toys and learning materials, supplying information on child-rearing, health-care, nutrition and other topics as requested by the parents, the van serves eight communities — sometimes in ways unforeseen by its originators.

When estimates for equipment came to thousands of dollars, local carpenters, with a nudge from their wives, made the furniture themselves for a much-reduced cost.



*PAL, the play and learn van, arrives in St. Peters, Prince Edward Island and Audrey Barter, the co-ordinator of the project, gets Jolynn MacDonald, age two-and-a-half, organized for a morning's developmental play. The program serves 416 preschoolers.*

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## Profits aid development

Profits from the sale of coffee and tea in the first five months of trading amounted to about \$7 500, leaving \$3 712 after operating expenses for development projects in Nicaragua and Tanzania.

Profits from the coffee go to Oxfam Canada to support a public health project of the Nicaraguan Agricultural Workers' Association, in which 60 women are trained in health and hygiene and then work among farmers in their communities.

Profits from the sale of tea, grown and packed in Sri Lanka, are passed on to the co-ordinating secretariat for plantation areas — a federation of Sri Lankan organizations seeking an end to the oppressed conditions of the Sinhala peasants and Tamil tea estate workers.

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## Oil and gas report released

Forty-seven exploration agreements for rights in the Canada Lands were negotiated during 1982 under the resource management regime established by the Canada Oil and Gas Act, according to the 1982 annual report of the Canada Oil and Gas Lands Administration.

The agreements, covering about 26-million hectares in the Arctic and East Coast offshore, involve 65 wells to be drilled in the next six years at an estimated cost of about \$3 billion. Further agreements have been, and remain to be, negotiated this year.

During 1982, 23 exploratory wells were drilled in the Canada Lands, one more than in 1981. Three oil discoveries and six gas discoveries were made. The report said Canada Lands' established oil and gas resources are 469-million cubic metres of oil and 893-billion cubic metres of natural gas, compared with 414-million cubic metres of oil and 813-billion cubic metres of gas at the end of 1981.

During 1982, the oil and gas industry spent about \$1.5 billion in the Canada Lands and of that, 73 per cent was spent in Canada.

## Air Farce tops ACTRA radio and television awards



Prime Minister Pierre Trudeau and guitarist Liona Boyd enjoy some tableside talk prior to dinner at the ACTRA awards ceremony in Toronto.

The satirical Royal Canadian Air Farce won three Nellys to dominate the twelfth annual Association of Canadian Television and Radio Artists (ACTRA) radio and television awards for the second consecutive year.

The Air Farce comedy team of Roger Abbott, Dave Broadfoot, Don Ferguson, Luba Goy and John Morgan took the honours for best writers of a radio variety, best writers of a television variety and best television variety performance.

The three awards brought their total of ACTRA awards to seven.

Prime Minister Pierre Trudeau presented the award for top television program to *Billy Bishop Goes to War*, the story of the Canadian Second World War flying ace from Owen Sound, Ontario, produced by W. Paterson Ferns and starring Eric Peterson.

The popular Canadian Broadcasting Corporation (CBC) series *Seeing Things* took two awards. Louis Del Grande won for best television performance in a continuing role and Sheldon Chad for best writer in television drama.

Rosemary Dunsmore captured the Nellie for best television performance in a leading role for her part in the CBC's *Blind Faith* from the series *For the Record*.

Skater Toller Cranston, an Olympic medalist, won best variety performance for the CBC-produced skating extravaganza *Strawberry Ice*.

Veteran broadcaster Budd Knapp, who died last year of cancer, won the award for best television performance in a supporting role for the National Film Board production *Choice of Two*.

Cousins Allan and Judah Katz both won in a surprise tie for best new performance in television. Allan was honoured for his role in the CBC series *Home Fires* and Judah won for the comedy series *Hangin' In*.

*Fruit of the Poisoned Tree*, produced by George Jonas, won top radio program honours while Gerard Parkes was cited for best radio acting performance for his role in *1 000 Years of the Nights*.

Composer-conductor Lucio Agostini won the honorary Drainie Award, named for the late radio actor John Drainie, for his outstanding contribution to broadcasting since the 1930s.

Steve Armitage took the Nellie for excellence in sportscasting.

Peter Kent of CBC's *The Journal* won for best writer of a television public affairs program for his *Struggle for Poland* and Peter Gzowski of CBC Radio's *Morningside* was honoured as best radio host and interviewer.

Laurier LaPierre, who pioneered television public affairs with the controversial 1960s public affairs program *This Hour Has Seven Days* won his first Nellie for outstanding opinions and integrity in

broadcasting. The honour went for his Vancouver-based show *Laurier's People*.

Eric Malling won for best television host and interviewer for the CBC's *Fifth Estate*.

Denis Hargrave's production of *On My Own* won as best children's program and Diane Silverman won as best writer of a radio public affairs program for *How Shall I Live Without You*.

Michael Riordon was named best writer of a radio drama for his script *Quiet in the Hills*.

## Moore Foundation grant given to Toronto gallery

The Art Gallery of Ontario in Toronto, which has the world's largest and most important public collection of Henry Moore's works, has received a grant of £100 000 from the Henry Moore Foundation in London, England.

The foundation is a charitable organization set up by the internationally-renowned British sculptor to supervise investments of proceeds from his works, and to support museums and exhibitions related to modern sculpture.

In 1966, Moore's controversial *Three-Way Piece No. 2 (The Archer)* was planned for the plaza of Toronto's new city hall. Due to cutbacks in the building budget, the sculpture was not finally purchased by city council. The then mayor of Toronto Philip Givens was a prime force in a campaign urging private citizens to raise the money for the work. It was the start of Toronto's love affair with the sculpture of Henry Moore.

Shortly after, encouraged by Toronto businessman Allan Ross, gallery president Samuel J. Zacks and other interested citizens began to gather support for a major collection of Moore's work in Toronto and for a place to show them.

In the next few years, architect John C. Parkin, the Henry Moore Sculpture Centre Committee, headed by Mrs. Zacks after her husband's death, and gallery trustees worked closely with the artist on the design of the centre. Mr. Moore made several trips to Toronto and became a close friend of both staff and trustees of the Art Gallery of Ontario. He was consulted on every detail of the design of the large Moore Gallery, where his original plasters would be displayed. The Moore Centre opened in the fall of 1974, part of the first stage of the gallery's expansion program, with Mr. Moore and his family present.

CANAPRESS

## New budget (Continued from P. 3)

other dependants under 18 years of age will be held at the current \$710 level for 1984 and subsequent taxation years.

### Other tax changes

In the area of energy and resource taxes the federal government has announced that the incremental oil revenue tax (IORT) on conventional oil, which was due to be reinstated after a one-year suspension, will be suspended for a further year to May 31, 1984.

To encourage enhanced oil recovery projects, the petroleum and gas revenue tax (PGRT) will not become payable in respect of such projects until eligible capital costs have been recovered. This will apply to eligible expenditures after December 31, 1982.

In view of the narrowing spread between world and domestic oil prices, the extra income tax relating to aviation turbine fuel used on international flights and the special levy on exported marine bunker fuel will be ended effective May 1, 1983.

Effective July 1, 1983, a 6 per cent sales tax will apply to commercial charges for radio, television and other programming services that are provided by telecommunication. This will include charges for TV cable rental, pay-TV and movies shown on hotel TV sets.

Limits for the tourist exemption — the value of goods that can be brought back to Canada free of duty and tax by returning Canadians — are being doubled. Effective April 20, 1983, the quarterly exemption is raised to \$100 and the annual exemption to \$300.

In addition the budget contains lower rates for customs duty on some \$10 million in annual imports from developing countries under the General Preferential Tariff.

### Economic outlook

Real gross national product (GNP) this year is forecast to grow, on average, 2.3 per cent above the 1982 average output, though the downswing last year means that real GNP at the end of 1983 should be about 6.5 per cent higher than it was at the end of 1982. Strong growth is forecast in 1984, averaging 5.2 per cent.

Inflation is expected to average 6.3 per cent this year and 5 per cent in 1984.

Employment should grow fairly strongly this year and even more strongly in 1984. Over 600 000 more Canadians

are expected to be working at the end of 1984 than at the end of 1982. However, unemployed workers returning to the labour force will maintain upward pressure on the unemployment rate, which is forecast to average 12.4 per cent this year. Although the average level may only fall to 11.4 per cent in 1984, unemployment will be on a clear downward trend through the coming years.

The deficit for 1982-83 is estimated at \$25.3 billion, some \$2 billion less than forecast in February.

The 1983-84 budgetary deficit is forecast to rise to \$31.3 billion, with \$1.8 billion of the increase caused by measures in the budget. The moderate rate of economic growth this year, continuing high unemployment and declines in oil prices will also contribute to the higher deficit.

As the economy gains strength over the medium term, the government's fiscal plan is to bring the deficit down as quickly as economic conditions permit. Restraint on expenditure growth will hold federal government outlays to a steadily declining share of GNP from now to 1986-87.

Over the medium term, the net impact of the budget measures is to increase the federal deficit by \$1.9 billion in the current year and by \$650 million next year, but reduce it by \$1.8 billion and \$2.6 billion in the following two years, as the economy improves.

## News briefs

**Sixteen Canadians** recently received Lifestyle Awards and Certificates of Honour from Health and Welfare Minister Monique Bégin at a ceremony in Ottawa during National Volunteer Week. The Lifestyle Award was established in 1977 and is presented twice each year by the minister to individuals who have made, on a voluntary basis, a remarkable and continuing contribution in promoting health and social services in their communities. Although it is a national award, it recognizes special efforts made at the local and regional level. To date more than 150 Canadians have been honoured under the program.

**The federal government** has earmarked \$15.5 million to support forestry training over the next three years. Another \$5.5 million will go towards strengthening the federal effort in forestry research and development over the next year.



The Citizen

*Massimo Rossi, 12, tucks into a plate of spaghetti during Italian Day at an Ottawa school. In true multicultural fashion, English-speaking Grade 6 students at the school were learning about Italy in their French program.*

**Sylvie Daigle** of Sherbrooke, Quebec set a world record recently in winning the women's 3 000 metres at the international short-track, speed-skating championship at Kobe, Japan. Daigle won the event in 5 minutes 32.31 seconds; the previous world best was 5:40.73. In addition, a quartet composed of Daigle, Nathalie Lambert, Maryse Perreault of Sherbrooke and Marie-José Martin of Longueuil, Quebec, took the 3 000-metre relay in a time of 4:56.24. In the men's competitions, Benoit Lamarche of Ste. Foy, Quebec, was a double winner, finishing first in the 1 000- and the 3 000-metre races. He also helped Canada win the 5 000-metre relay.

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