January 13

Northwest Territories - Political Jurisdiction Division

An agreement on the boundary to divide the Northwest Territories into two independent political jurisdictions is reached. The eastern territory will be populated mainly by Inuit who live in the eastern Arctic. Living in the west are Dene Indians, Metis and Inuvialuit with a slight white majority. The Beaufort Sea is allocated to the western territory but the agreement allows the eastern territory to share oil and gas revenues. Revenues from resource deposits in either territory will be pooled and divided among the federal, Nunavut and western governments. Indian and Northern Affairs Minister David Crombie endorses the move in early February, setting out a tentative timetable for the division and citing 1987 as the earliest date.

January 15

Education - Ontario Universities

The Commission on the Future Development of the Universities of Ontario releases its report. The report recommends a 50 per cent increase in tuition fees over the next few years, a six per cent cut in enrolment, and provincial-wide entrance exams. The purpose of these measures is to place Ontario universities on financially stable ground without sacrificing excellence in instruction and research. The Commission also recommends new arrangements for provincial government financing of universities which include tying government grants to graduate student fellowships and academic research grants.
Regional Industrial Expansion Minister Sinclair Stevens and Quebec Industry Minister Rodrigue Biron sign a $350 million, five-year industrial development agreement, pursuant to the 10-year, $1.8 billion Economic and Regional Development Agreement (ERDA) between the federal and Quebec governments signed in December, 1984. The new agreement ensures only one level of government will handle negotiations on individual investment projects in Quebec, depending on what jurisdiction the project is under. Grants or subsidies for industrial projects will be offered, each government providing half the financing.

Quebec MP Raymond Garneau affirms the need for the Quebec and federal governments to discuss a resolution passed in the Quebec National Assembly in November, 1981, before further constitutional negotiations take place. The resolution calls for a Quebec society with the attributes of a distinct nation, to include its own language, culture and institutions. Garneau says the Quebec government should modify the resolution so that negotiations can proceed, and calls on the Prime Minister to outline what changes should be made.

Minister of Justice John Crosbie presents to Parliament the government's first proposal for bringing federal statutes in line with the Canadian Charter of Rights and Freedoms. Over 50 statutes are to be amended, some of which contain discrimination on the basis of age and gender. Ottawa announces plans to set up a special committee of the House of Commons to hold public hearings on Charter related questions.

The federal and Quebec governments sign a $40 million agreement to stimulate research and development in the Quebec communications industry. The agreement which is part of the umbrella Economic and Regional Development Agreement (ERDA) signed between the governments in December 1984, is the first agreement in the communications sector to be signed between the Quebec and federal governments.
February 4

Housing

A report entitled *A Consultation Paper on Housing* is released by William McNight, Minister responsible for the Canada Mortgage and Housing Corporation. The report suggests the government should: define the roles that various levels of government should play in the housing industry; clearly identify the priorities for housing expenditures; and create programs that are effective in meeting intended objectives.

February 7

Fiscal
	Federalism -
	Northwest Territories

Finance Minister of the Northwest Territories Tom Butters introduces a budget giving the Territories' government the ability and responsibility to identify its own priorities and allocate its own resources, functions previously carried out largely by the federal government. The federal government will transfer money to the territories in one lump sum for a given year, replacing the current system of providing funds on an ad hoc basis.

February 11

Energy -
	Atlantic Accord

Prime Minister Brian Mulroney and Newfoundland Premier Brian Peckford sign an offshore energy agreement called the Atlantic Accord. The Accord gives the province substantial decision making power over offshore energy development such as the power to set and collect royalties and taxes. A $300 million grant, 75 per cent federally funded and 25 per cent provincially funded, is set up for offshore oil and gas development. The federal and provincial governments will share Crown revenues from offshore development equally. An offshore management board will be set up and consist of equal representation from both governments. The Accord will not affect equalization payments to the province. (For a full account, see B. Pollard: "Newfoundland: Resisting Dependency", in *Canada: The State of the Federation 1985*.)

February 14, 15

First Ministers' Conference

The agenda for the First Ministers' Conference on the economy, held at Regina addresses investment, training, regional economic development and international trade. The first ministers agree to meet at least once per year for
the next five years. The premiers urge the federal government to pursue a free trade agreement with the United States. The federal government announces it will redirect $695 million, previously budgeted job training programs in an attempt to combine the operations of the two levels of government and private companies in the area of worker retraining. New training and job creation programs are announced: $125 million for programs aimed at women and youth; $350 for job creation for the long-term unemployed; $80 million for those whose jobs are threatened by technology; $40 million will be spent on declining communities; and $100 million for pilot studies and experimental programs. Total federal spending on job creation for the 1985-86 fiscal year will be the same as the previous year, $2.2 billion. The principles of a national strategy for export development are supported by all the ministers. The premiers' request for an upper limit on interest rates is not met.

February 17
Aboriginals
- Charter of Rights

A leaked federal cabinet document reports that there are sections of the Indian Act which violate the equality section of the Canadian Charter of Rights and Freedoms. The document predicts it will cost the federal government $420 million to restore the rights and benefits of 26,700 Indians who are affected by the Act.

February 22
Regional Development - Quebec (Domtar)

The federal Department of Regional and Industrial Expansion withdraws a $100 million grant, promised by the previous government, to modernize a Domtar Inc. fine-paper mill in Windsor, Quebec. The Quebec government says it will donate $83 million to the project if the federal government reinstates the grant. On April 5, a federal-provincial package, including a $150 million interest-free loan, is accepted by Domtar Inc. The loan will be provided by a Quebec government agency and interest charges will be split evenly between the two governments. A $21 million grant will be contributed by Quebec’s energy and resource department.

February 23

The agreement to divide the Northwest Territories into two political jurisdictions is set back because
the Nunavut Constitutional Forum (NCF) rescinds its support. The NCF, which represents Inuit interests and is based in the Eastern Arctic objects to the present agreement because it places Inuvialuit communities of the Beaufort Sea in the western territory and allows four central Arctic Inuit communities a choice as to which side they will join. The NCF state that their aim in the division is to create an Inuit homeland.

February 28

Indian Affairs Minister David Crombie introduces Bill C-31, legislation which enables Indian women who have married non-natives to regain their Indian status and rights. Many Indian groups oppose the legislation and see it as yet another example of federal intervention into matters over which native groups ought to have autonomous power. The legislation is passed June 20 and is given Royal Assent June 28.

March 1

Amendments to the Canada Labour Code come into effect. These include provision for an extra 24 weeks of unpaid paternal leave (to be added to the 17 weeks already provided) for parents employed in industries under federal jurisdiction, without loss of their previous positions at work. In addition, employers are being encouraged to further protect employees from sexual harassment. Finally, amendments require that disabled employees under federal jurisdiction be paid at least federal minimum wage.

March 1

To date, 52 sub-agreements under the umbrella of the Economic and Regional development Agreement (ERDA) have been signed between the federal and provincial governments. The new agreements allow for an increase of the amount of federal money to be spent on regional development in the next five years. Spending presently stands at 12 per cent of total federal spending per year or $12.96 billion. The sub agreements place an emphasis on technology and research and development.

March 6

Fisheries Products International Limited in Newfoundland receives $25 million in government
subsidies: $15.5 million from the federal government; $6.5 million from the Newfoundland government; and $3 million from the Bank of Nova Scotia, to be used on strengthening trawlers for ice navigation and resumption of operations. The federal government owns 62.5 per cent of the shares and the Newfoundland government owns 25 per cent of FPI; both declare that privatization is the ultimate goal for the company.

March 6

Constitution
- Quebec
- Senate Reform
- Charter of Rights

Quebec Justice Minister Pierre Marc Johnson announces Quebec will sign the Constitution only if it recognizes that Quebec is a distinct society, which needs special powers to protect its unique character. Specifically, Quebec wants control over the “linguistic situation” in the province, referring to the need for modifications to Article 23 of the Charter of Rights, which guarantees French and English minorities education in their language across Canada. Quebec will not agree to any constitutional amendments desired by the rest of the country until its own constitutional demands have been met. For example, Quebec will not assent to a proposed constitutional amendment limiting the length of time the Senate can debate a money bill.

March 12

Pension Reform

Federal Health and Welfare Minister Jake Epp releases a report by the Canada Pension Plan Advisory Committee. The recommendations of the report include (1) a modified “pay-as-you-go” funding for the CPP, to begin in 1994 and designed to maintain enough funds on hand to cover two years of benefits and administrative expenses; (2) adjusting contribution rates to pay for changes in benefits; (3) commencement of federal-provincial talks in order that decisions can be made well before 1994.

March 15

Energy
- Atlantic Accord
- Environment

Minister of Energy Pat Carney and Newfoundland Energy Minister Bill Marshall announce the schedule for the submission of the Environmental Impact Statement (EIS) for the Hibernia Development Project and the establishment of a federal-provincial panel to review the EIS. Hibernia operator Mobil Oil Canada Ltd. releases its EIS May 15, announcing the number of jobs
created at Hibernia will peak at 2,085 in 1989. The Newfoundland government had predicted 15,000 to 20,000 jobs would be created. A safety program, to be included in all stages of the development, is included in the EIS. It also states that the probability of an oil spill is low. Mobil Oil announces July 31 it will use a concrete production system instead of a floating system to develop the Hibernia oil field. The cost is an estimated $5 billion, with a maximum capacity of 150,000 barrels a day, and operation will begin by the early 1990s.

March 26

Official Languages Commissioner, D'Iberville Fortier, releases a report entitled Fifteen Years Later: Renewal or Reversal, The Minority Challenge. The report warns that French in Manitoba will become extinct without a concerted effort by the federal and provincial governments to expand the provision of French services in that province. On March 27 the Manitoba government indicated that it would not hasten the pace by which the present program is expanding the provision of French language services.

March 27

Ontario Liberal leader David Peterson says the Ontario government is passing on to Ontario colleges and universities an increase of only five per cent rather than the 7.5 per cent increase in transfer payments from the federal government that the province received for post-secondary education for the 1985-86 fiscal year. The 2.5 per cent difference amounts to almost $29 million.

March 28

An energy agreement between the federal government and the Alberta, British Columbia and Saskatchewan governments is announced. The agreement will cost the federal government $500 million a year. The Petroleum Compensation Charge, an oil import subsidy, will be eliminated. Energy Minister Pat Carney estimates 300,000 jobs will be created. As a result of the deal, a three to five cent per litre tax on oil will be included in the next federal budget. She says the deregulation will give the oil industry an estimated $800 million a
year. The provinces involved agree not to impose additional royalties as a result of the higher oil prices. A task force is to be set up to create a gas pricing deal to make gas prices more sensitive to market forces. On June 1, the Canadian oil market is deregulated. On November 1, 1986, natural gas prices are to be deregulated, subject to federal-provincial agreement.

March 29

Regional Development - Newfoundland

The federal and Newfoundland governments announce a six-year, $180 million highways construction agreement pursuant to the Economic and Regional Development Agreement (ERDA) signed between the two governments in December, 1984. The money is to be used on both upgrading and construction of the Trans-Labrador and Trans-Canada Highways. The agreement is signed June 24.

March 30

Quebec Nationalism

The Rassemblement Démocratique pour l'Indépendence (RDI), an offshoot of the Parti Québécois, holds its founding convention. The RDI is a movement dedicated to the independence of Quebec. The movement’s temporary leader Camille Laurin says the RDI will decide in the autumn whether to turn the movement into a political party.

March 31

Crown Corporations - Canagrex

The Crown corporation Canagrex, the central agency for exporting farm goods, will be dismantled by the federal government. It has authority to extend credit to foreign buyers, to set up joint ventures with Canadian farmers and to buy and sell agricultural products. Canagrex has been in operation since January 1, 1984. Operations will end in September, 1985. The federal government says dismantling the corporation will save $6.6 million.

April 1

Fiscal Federalism - Equalization

The federal government increases equalization payments by $285 million to the six least wealthy provinces: New Brunswick, Newfoundland, Nova Scotia, Manitoba, Prince Edward Island and Quebec. According to an announcement made on February 27 by Finance Minister Michael Wilson,
the provinces were to receive a decrease in transfer payments of $397 million with Quebec receiving a cut of $263 million, Manitoba $72 million, Nova Scotia $52 million and Prince Edward Island $3 million. Newfoundland and New Brunswick were not affected by these cuts. Under the new arrangement, cuts for Quebec are reduced by $110 million, for Manitoba by $50 million, for Nova Scotia and New Brunswick by $20 million each, for Newfoundland by $15 million and for Prince Edward Island by $5 million. The new figures were determined by guaranteeing 95 per cent of the previous year's payments in the case of Manitoba, Quebec and Nova Scotia and providing a per capita average, based on the payments for those three provinces, for the three poorer have-not provinces. The transfer payments are dictated by the federal Fiscal Arrangements Act, which took effect in 1982 and ends in 1987.

April 1

Law - Young Offenders Act

A section of the Young Offenders Act setting 17 as the maximum age for young offenders, comes into effect. Under the old Juvenile Delinquents Act, each province had the power to determine which age groups would be sent to adult and juvenile court. (British Columbia, New Brunswick, Nova Scotia, Ontario and Saskatchewan pressured the federal government to postpone the implementation of the section of the Act which sets the maximum age.) On March 20, the Saskatchewan government announces a $13 million program to fulfill the province's responsibilities under the Young Offenders Act which include the provision of facilities for people aged 12 to 17 who commit crimes under the Criminal Code. On April 2, the Alberta government announces the introduction of the Alternative Measures Program which provides an alternative to formal court proceedings allowed for in the Act. Under the Act a young offender may be required to attend counselling sessions, to compensate the victim financially or to provide service to either the victim or the community. In mid-May, the Ontario Supreme Court rules that offenders charged before April 1 should still have
their trial conducted before a youth court. In Nova Scotia, youths aged 16 and 17 charged before April 1 will continue to be tried before adult court. At the September 19 meeting of six provincial attorneys general, consensus is reached that changes in the Act are needed, but agreement is not reached on what should be changed or how drastic the changes should be.

April 2, 3
First Ministers' Conference - Aboriginal Self-Government

Agreement is not reached on the federal government's proposed amendment regarding aboriginal self-government at the First Ministers' Conference on Aboriginal Constitutional Matters. The federal proposal sought to "recognize and affirm the rights of the aboriginal peoples of Canada to self-government", to have these rights given effect through negotiated agreements, and to commit governments to such negotiations. About one-half of the provincial governments were reluctant to make a constitutional commitment to negotiate, while several aboriginal peoples' organizations were concerned that the amendment would diminish their rights.

April 3
Tax Reform

The House of Commons committee studying social programs for families recommends that the existing $710 tax exemption on each dependent under 18 years be reduced. The revenue from the cuts which will go to both federal and provincial governments should be redirected by both levels of government to other social programs. The committee also recommends that the current family allowance system should be retained, that a surtax to tax back those benefits from the wealthy not be entertained and that tax discounters be banned.

April 7
Aboriginals - Self-Government

Alberta Premier Peter Lougheed suggests the federal government change its focus on entrenching native self-government in the Constitution by only negotiating with status Indians who fall within federal jurisdiction, and leaving the provinces to negotiate with the Metis.

April 15

Minister of State for Finance Barbara McDougall's discussion paper on financial institutions entitled
Financial Institutions

*Regulation of Canadian Financial Institutions: Proposals for Discussion,* is released. The paper proposes that federally-incorporated financial holding companies (FHCs) be allowed to operate banking businesses. The government requirement to set up an FHC would apply to all investors who hold more than 10 per cent of two or more regulated financial institutions, at least one of which is federally incorporated: the two institutions must fall under different pieces of legislation. A new class of banks, Schedule C banks, could also be owned outright by an FHC. Schedule C banks would be subject to most of the rules governing Schedule A and B banks, and their owners would be permitted majority control. A proposed Financial Conflicts of Interest Office is to be modelled on the operation of the United States Securities and Exchange Commission. This report and the Wyman Report are forwarded to the House of Commons Committee on Finance, Trade and Economic Affairs. The Senate Banking Committee report, studying changes to the Canada Deposit Insurance Corporation is released the week of December 9.

April 17

Constitution - Charter of Rights

The equality clause, section 15, of the Canadian Charter of Rights and Freedoms comes into effect. It guarantees equality before and under the law and equal protection and benefit of law. Subsection one provides for affirmative action programs. Although the Constitution Act came into effect on April 17, 1982, governments were given three years to amend their statutes before section 15 became law. Nova Scotia, Saskatchewan and Manitoba governments introduce legislation to make provincial laws conform to the Charter. On April 18, Prince Edward Island passes similar legislation. British Columbia introduces legislation April 16. Ontario Premier Frank Miller announces plans for equal pay for work of equal value legislation for the civil service, but will not immediately force private industry to do the same. Due to the election call, introduction of legislation is delayed until June 11. The Alberta government announces legislation will be introduced in early May. On April 18, the Newfoundland government announces legislation
April 18

Aboriginals

A report is leaked by cabinet proposing $169 million would be cut from the Department of Indian Affairs and Northern Development's (DIAND) budget, and 3,500 of DIAND's 5,000 employees would be redirected. (On May 7, New Democratic Party leader Ed Broadbent reveals a secret cabinet document recommending $311 million be cut from DIAND's budget.) New Brunswick Premier Richard Hatfield and Manitoba Premier Howard Pawley announce their opposition to any transfer of constitutional responsibilities regarding Indian affairs from the federal government to the provinces.

April 23

Law
- Prostitution
- Pornography

A federal report on prostitution and pornography recommends prostitutes be allowed to work in their homes. The report recommends that the Criminal Code be modified so that the licensing of brothels and the sanctioning of red-light districts by provincial and municipal authorities is possible. Other recommendations include halting criminal sanctions against many forms of explicit adult pornography that do not involve violence or human degradation while tightening restrictions on child pornography. Justice Minister John Crosbie announces that amendments to the Criminal Code will be introduced in early May to get prostitutes off the streets. The Saskatchewan and Nova Scotia governments announce they will not introduce legislation to legalize prostitution. Amendments to the Criminal Code, Bill C-49, are introduced May 2, are passed November 20 and receive Royal Assent December 20. The legislation provided for a review of the section of the Criminal Code dealing with prostitution, to be undertaken by a House of Commons committee.
The Supreme Court of Canada strikes down the federal Lord’s Day Act as violating religious freedoms and hence the Canadian Charter of Rights and Freedoms. Alberta, British Columbia, Manitoba, Ontario and Saskatchewan have their own municipal or retail business holiday laws that govern Sunday store closings; the impact of the Supreme Court’s decision on these provincial laws is unclear.

The Quebec government proposes that contributions to the Quebec Pension Plan almost double over seven years, beginning in 1987. The contribution rate would rise from its present level of 3.6 per cent of gross salary, with the employee and the employer each paying half, to 4.0 per cent in 1987, reaching 6.4 per cent in 1993. Regarding private plans, the government proposes to make them portable for people changing jobs. In addition, employers would be required to offer plans to employees after two years of employment.

Fisheries Minister John Fraser announces commercial salmon fishing will be banned in the Maritime provinces in 1985 and part-time Newfoundland fishermen will have to give up their licenses. The move is aimed at allowing stocks of Atlantic salmon to recover.

The federal and Quebec governments sign a $300 million, five-year forestry development agreement as part of a $1.6 billion Economic and Regional Development Agreement (ERDA). The money will be spent primarily on reforestation projects. The governments hope 16,000 person-years of jobs in reforestation will be created.

A report prepared by the Hall committee, a group appointed by former Liberal transport minister Lloyd Axworthy, unanimously recommends that all of the Crow benefits be paid to grain producers instead of the railways, which currently receive the payments. The $658.6 million grain stabilization payments would be made to grain producers on the basis of delivery of eligible grains. The funds
would be administered under the grain stabilization act and would be called the Grains Transporation Refund. The report stated that this refund system would result in additional growth in the West, increasing the incomes of farmers in Alberta, Saskatchewan and Manitoba.

April 30

Senate Reform

Prime Minister Brian Mulroney agrees to a full-scale constitutional conference on Senate reform by 1987. Eight of the 10 provinces previously agreed to support a constitutional resolution which will place a 30-day limit on the time the Senate can hold up money bills and a slightly longer limit for other legislation passed by the House of Commons. Quebec, which did not sign the Constitution, and Manitoba, which is in favor of abolishing the Senate, do not support the resolution. On February 26, Mulroney threatens to give Senate reform higher priority in light of the Senate's refusal to pass a finance borrowing bill before the government's 1985-86 spending estimates were tabled. As a result of the delay, an estimated cost of $10 million in additional borrowing charges was incurred. On March 6, the Alberta, British Columbia and Ontario governments announce they are not in favor of abolishing the Senate. The Quebec government announces Quebec will not endorse any constitutional change concerning the Senate as long as Quebec has not signed the Constitution. On March 23, a committee of the Alberta Legislature recommends an elected Senate with six Senators for every province. On May 1, Mulroney says he wants to hold the conference before the end of his mandate. On May 14, Crosbie says he will push ahead with reforms even though Ontario Premier Frank Miller will not support the reforms unless his minority government receives backing from one of the two opposition parties. If Ontario does not approve the amendment, the resolution will lack the necessary population requirements to amend the Constitution. A Gallup poll released December 2 reveals 41 per cent of Canadians would prefer an elected Senate, 26 per cent would abolish it and 15 per cent would retain the Senate in its present form.
At the Western Premiers’ Conference, the premiers call for the implementation of the proposed Canada Equity Plan, a system of tax credits providing incentives for investment. The plan is similar to the Quebec Stock Savings Plan, already in effect. The premiers agree to the principle of free trade with the United States. A series of communiqués call for stabilization programs for farmers.

External Affairs Minister Joe Clark announces he will wait to invite Quebec to the Francophone Summit until the Canadian and French governments settle the dispute surrounding Quebec’s role at the summit. The summit is to be held in January in Paris. On May 24, Prime Minister Brian Mulroney approves Quebec’s participation in the Summit, without specifying what Quebec’s role will be. On December 10, Quebec Premier Pierre-Marc Johnson accuses Mulroney of betraying Quebec by giving New Brunswick the same status as Quebec in the Francophone Summit.

Quebec Premier René Lévesque releases The Draft Agreement on the Constitution. On May 25, Quebec Intergovernmental Affairs Minister Pierre-Marc Johnson says reaching an agreement on the Constitution does not mean acceptance of the federal policy of bilingualism. Liberal leader John Turner supports initiatives to have Quebec sign the Constitution, but not if the initiatives are to the detriment of the Charter of Rights.

A report prepared by the federal and Quebec governments outlines an agreement on the future of Quebec television, recognizing that both French and English television systems, with separate rules governing each, are required in Canada. Changes being contemplated include: maintaining Radio-Canada as a general interest service if the mandate of the English equivalent is redefined as a cultural channel; creating French content requirements for those stations outside Quebec.
which have over 500 francophones in the community; and requiring Quebec television
stations to spend profits above a certain level on
French productions.

In presenting the federal budget, Minister of
Finance, Michael Wilson, announces reductions in
the rate at which EPT transfers will increase. EPF
transfers are federal funds which go to the
provinces in order to fund health care and
post-secondary education. The cuts will affect EPF
funds in starting in 1986-87.

The Supreme Court of Canada will consider
whether employers in every province should be
legally accountable for discrimination practised by
their employees. Depending on the Court’s ruling,
victims of discrimination by store clerks or office
workers could sue employers for damages. Such
legal rights presently exist only in British Columbia
and Ontario.

Finance Minister Michael Wilson presents his first
budget. Features relevant to federal-provincial
relations are as follows: 1) The rate of growth in
federal transfer payments to provincial
governments will be limited, yielding savings to the
federal treasury of $2 billion annually by 1990-91;
the minister will meet with his provincial
counterparts in the fall to discuss “how quickly
and how best we can move to secure the savings
the government intends to achieve.” 2) The
indexation of personal income tax exemptions and
tax brackets will be reduced, reflecting only the
annual increase in the consumer price index
greater than three per cent, yielding increased tax
incomes for Ottawa. Because all provinces except
Quebec levy their taxes as a percentage of the
federal tax (about 50%), their revenues too will
increase (at about half the rate of the increase in
federal revenues). 3) Atomic Energy of Canada
Ltd. will close its two heavy water plants on Cape
Breton Island, Nova Scotia. The plants, which
employ 800 workers, have cost the government
over $100 million annually for five years.
However, a major adjustment program for Cape Breton Island will be put in place. 4) Ottawa will re-negotiate agreements on crop insurance and agricultural stabilization programs to obtain a more “equitable balance of financial obligations” among federal and provincial governments and producers. 5) Provision of tourism facilities will be left solely to the private sector and the provinces, ending partial funding under existing Economic and Regional Development Agreements (ERDAs).

In addition to the above, the minister announces that the indexation of old age pensions will be limited to increases in the consumer price index beyond three per cent. (This measure, if it had been implemented, would have reduced the purchasing power of pensions by three per cent annually.) This announcement provokes a storm of protest, causing withdrawal of the proposed partial de-indexation.

On June 11, the Maritime premiers express concern over the federal budget, the partial de-indexing of old age pensions in particular, but do not take a joint stand against the decision, at the 61st session of the Council of Maritime Premiers. In June, both Prince Edward Island Premier Jim Lee and Newfoundland Premier Brian Peckford criticize the federal government for not taking measures in the budget to correct regional disparities. On May 27, a finance department document, released by Liberal MP Raymond Garneau, reveals taxpayers will pay $2.2 billion more in the form of added revenues for provincial governments, $2 billion of which the federal government wants to extract from the provinces. $6.4 billion a year will be gained through the de-indexation of old age pensions and income tax exemptions.

May 25

The federal and British Columbia governments announce a $300 million reforestation agreement,
Natural Resources - British Columbia

as part of a $525 million, five-year Economic and Regional Development Agreement, signed on May 15. The reforestation will be on private, Crown and Indian lands. The governments will split the costs evenly.

May 27

Energy - Western Accord

Energy Minister Pat Carney announces over $15 billion worth of energy projects will be implemented as a result of the Western Accord between the federal government and the western producing provinces.

May 28

Aboriginals - Self-Government

Inuit leaders reject Prime Minister Brian Mulroney's proposed constitutional amendment on aboriginal self-government. The leaders say that federal and provincial governments should be required to negotiate the details of self-government with native groups.

May 28

Political Alliance - Ontario

The Ontario Liberal and New Democratic parties sign a pact to defeat the Progressive Conservative government in the Ontario legislature through a non-confidence vote. The accord makes it impossible for the Liberal administration to be defeated for two years on a matter of non-confidence. In the first legislative session, the government plans to: implement separate school financing; ban extra-billing by medical doctors; increase youth employment and training; reform the tenant protection laws; and proclaim the section of the Environmental Protection Act dealing with toxic chemical spills. In the long term, the government promises to: promote affirmative action; finance a housing plan for non-profit units; create new pollution controls; reform services for the elderly and job security laws; and increase aid for farmers. In the area of legislative reform, the government plans to change the powers of House committees and individual members, reform the freedom of information and privacy acts, and alter election financing.

May 29

Crown Corporations

The Conference Board of Canada releases its study on the role of the board of directors in the accountability of Crown corporations. It calls for an overhaul of the legal and administrative
structures within which the boards must operate. The study recommends that the government, as a shareholder, must make its goals known to board members, and directors should be allowed to participate in key decision making and corporate policy formulation. Also, government must not respond to political pressures by making a Crown corporation concurrently responsible to a series of different groups. The board should also be responsible for developing a corporate strategy, fixing capital and operating budgets and choosing a chairperson, company president and new directors.

June 5

Aboriginals
- Alberta

The Alberta government proposes that Alberta legislation for the province’s Metis be entrenched in the Constitution. The legislation is an amendment to the Alberta Act, granting title of existing Metis settlement lands to Metis corporations and protecting the title in the Constitution. The Metis Association of Alberta criticizes the policy because it fails to affect Metis not living in designated Metis settlements in Alberta.

June 12

Constitution
- Charter of Rights
- Saskatchewan

The Saskatchewan Court of Queen’s Bench rules that an accused has the right to have his trial conducted in French. The decision is based on section 15, the equality section of the Canadian Charter of Rights and Freedoms. On June 24, Saskatchewan Justice Minister Gary Lane announces that the government will appeal the decision.

June 13

Constitution
- Charter of Rights
- Manitoba

The Supreme Court of Canada declares virtually all of Manitoba’s statutes and most of its subordinate legislation invalid because they are in English only and not in French. The judgment renders Manitoba laws temporarily valid from the date of the judgment to “the expiry of the minimum period necessary for translation, re-enactment, printing and publishing.” The case was first brought before the courts on May 29, 1980 by Roger Bilodeau. The judgment conforms to the provisions of the Canadian Manitoba Act of 1870. On June 14, Manitoba Premier Howard Pawley says Manitoba needs time and financial aid
from the federal government in translating its laws into French.

June 14
Regional Development - Nova Scotia

Regional Industrial Expansion Minister Sinclair Stevens announces that federal efforts to bring industries to Cape Breton Island are underway. Three Ontario companies are interested in building plants on the island.

June 17
Financial Institutions

A private sector committee, appointed by Minister of State for Finance Barbara McDougall in January, releases its report on deposit insurance, the Wyman Report which recommends co-insurance be adopted by the Canada Deposit Insurance Corporation. Insured depositors would carry some of the loss in the case of a financial institution's failure. The committee recommends co-insurance be phased in over a three-year period. In the first year, coverage would remain at its present level of up to $60,000. Beginning in the second year, the total insured amount would increase yet, the depositor would risk 10 per cent of his or her money.

June 17, 18
Premiers' Conference - Acid Rain - Energy

At the thirteenth annual Conference of Eastern Premiers and New England governments, Quebec and Atlantic province leaders adopt a short-term acid rain reduction plan, committing themselves to 34 per cent sulphur dioxide emissions reduction. The New England states agree to cut their output by 24.7 per cent. The leaders endorse development of east coast natural gas off Nova Scotia and oil off Newfoundland. The issues of free trade and Canadian fish exports, which the United States complains are protected by federal government subsidies, are not resolved.

June 20
Science - Quebec ERDA

The federal and Quebec governments sign a five-year, $100 million agreement to finance research and development in Quebec as part of the Economic and Regional Development Agreement signed by the two governments in December. The overall costs are to be shared equally between the two governments. The largest beneficiary of the agreement is The Institute of Optics which will receive $34 million over the next five years.
June 24

Regional Development - Saskatchewan

An extension of a five-year Economic and Regional Development Agreement (ERDA) between the federal and Saskatchewan governments is announced. $45 million will be used for irrigation and transportation development in Saskatchewan.

June 25

Education - Quebec

The Quebec Superior Court strikes down Bill 3, which attempts to reorganize the Quebec school system according to language rather than religion, as unconstitutional. Bill 3 calls for the abolition of most denominational school boards in favor of French or English-language school commissions. The Court rules that school boards that existed before 1867 are protected as denominational schools under section 93 of the Constitution Act of 1867, as are dissident boards set after that time. On June 26, the Quebec government announces its intention to appeal the decision.

June 27

Pension Reform

The federal government announces a reversal of the May 23 budget proposal of partially de-indexing old age security payments. To pay for the move, Finance Minister Michael Wilson announces a one cent per litre increase in gasoline taxes starting in 1987 and the extension of a special surtax on large corporations.

June 28

Employment

The federal government announces a $2-billion annual employment program called the Canadian Job Strategy, which is to be in full operation by September. The program emphasizes training rather than job creation and is made up of six programs designed to aid people unemployed for over 35 weeks, youth, women, those in social assistance and those whose jobs are threatened by technological change. Studying alternative industries and development for single industry communities is also included in the program. It is estimated to benefit 400,000 people. On August 24, the ten premiers issue a communiqué demanding that the federal government postpone the September 5 deadline set for the commencement of the training initiatives, saying the provinces were not consulted sufficiently in
designing the training programs. On September 10, Employment Minister Flora MacDonald says four provinces (Alberta, Manitoba, Newfoundland and Saskatchewan) have signed individual agreements with the federal government on training programs and three others (New Brunswick, Nova Scotia and Prince Edward Island) are close to giving their final approval. On September 3, a preliminary agreement with Quebec is accepted.

July 1

Aboriginals - Charter of Rights

The federal Indian Act is amended to comply with the equality section of Canadian Charter of Rights and Freedoms. It restores Indian status and band membership to native women (and most children) who lost those rights by marrying non-status Indians.

July 4

Housing Ministers' Conference

The federal, provincial and territorial housing ministers agree to the transfer of certain social housing programs from federal to provincial control. Each province or territory is to negotiate its own housing agreement with the federal agency, Canada Mortgage and Housing Corporation. The ministers announce their unanimous support for a mortgage-backed securities proposal as a way of providing homeowners with stable long-term fixed rate mortgages. The move will require changes to the federal Interest Act. The ministers agree to a set of principles to govern future federal/provincial/territorial activity in the area of social housing aimed at improving the ability of the governments to target housing programs to those most in need, reduce duplication, improve the efficiency of program delivery and reduce the cost of these programs.

July 4

Aboriginals - Federal Policy

Indian Affairs Minister David Crombie appoints a five-member task force to review the federal comprehensive land claims policy in light of recent constitutional developments and court cases related to aboriginal land claims.

July 4

Ontario Education Minister Sean Conway introduces Bill 30 which will extend public
financing of Catholic high schools. The move is made by Cabinet decree; the government does not wait for approval from the Legislature. The Ontario government formerly funded all grades up to grade 11. The government is seeking to extend funding to grade 12 starting September, 1986 and grade 13, in September, 1987. On July 11, the bill gets second reading. On July 16, the Legislature's Social Development Committee begins hearings which conclude on November 19. Consideration of the bill is deferred until the Ontario Court of Appeal rules on its constitutionality. Until the judgment is made, the government provides funding on an interim basis. Under the bill, separate schools are obligated to accept non-Catholic students only if space is available. The Progressive Conservative members support the legislation in principle, but call it discriminatory because full access for non-Catholic is not granted.

July 8

Regional Development - Quebec

The federal and Quebec governments sign a $170 million subsidiary agreement on the development of transportation in Quebec as part of the Economic and Regional Development Agreements of 1984. Each government will pay $85 million, to be spent on research and development, air, marine, highway and urban transportation.

July 9

Regional Development - Nova Scotia - Communications

A five-year technology transfer agreement between Nova Scotia and the federal government is signed as part of the Economic and Regional Development Agreement (ERDA). The agreement is intended to enhance Nova Scotia's computer centres and advance technological training. The costs will be shared 70 per cent by the federal government and 30 per cent by the Nova Scotia government.

July 15

Health - Extra-billing - Manitoba - Saskatchewan

Extra billing by physicians for insured medical services is banned in Manitoba and Saskatchewan. In Manitoba, doctors may not charge more than the scheduled rates of the province's health plan. In Saskatchewan, physicians may opt out of the province's health plan.
Transport Minister David Mazankowski proposes deregulation of airline, railroad and trucking companies and shipping lines, in a white paper entitled *Freedom to Move*. The firms would be free to set their own prices and decide what routes they would serve and the frequency of service. Mazankowski also proposes replacing the Canadian Transport Commission with a new agency with minimal powers to review air fare increases. Current restrictions on mergers and takeovers will be eliminated, but Cabinet will have the power to disallow such transactions where the assets involved are worth $20 million or more. Crown corporations in the transportation industry will be discouraged from "engaging in non-businesslike pricing and in loss-making activities." On February 28, provincial-territorial and federal transport ministers agree to significantly deregulate the operation of the Canadian trucking industry. An approved timetable of implementation sets autumn of 1986 as a target of completion of the deregulation of the trucking industry.

The federal and New Brunswick governments conclude negotiations for 1984-85 regarding the Official Languages in Education Agreement. The federal government will give the New Brunswick government $23 million to ensure equitable educational opportunities for the French and English including second language instruction. Under a separate agreement, the federal government will give over $3.6 million to the New Brunswick government toward two francophone school-community centres.

An Alberta Court of Queen's Bench gives francophone Albertans "the right to a degree of exclusive control over French minority instruction for their children in Alberta." The present law governing education was labelled unconstitutional by the court for violating section 23 of the Canadian Charter of Rights and Freedoms, which deals with minority education rights.
July 30
Natural Resources - British Columbia - Mining

The federal and British Columbia governments sign a $10 million mineral development agreement, as part of the federal Economic and Regional Development Agreements (ERDA).

August 1
Health - Extra-billing

The Canadian Medical Association files a statement of claim that the federal Canada Health Act is unconstitutional and sections fall out of the federal government's jurisdiction. Under the Act, passed in 1984, the federal government withholds $1 in transfer payments to provinces for every dollar patients pay directly. The money is reimbursed if the province outlaws extra-billing within three years.

August 1
Agriculture - British Columbia

The federal and British Columbia governments sign a five-year $40 million agreement to expand farm production in the province pursuant to the Economic and Regional Development Agreement (ERDA) signed between the two governments in December, 1984. The money will be spent on product and technology research, market development, farmer and public education and soil and water conservation efforts. Costs will be shared equally by the two governments.

August 5
Premiers' Conference - Lumber

A task force on lumber trade between Canada and the United States is announced at the annual meeting of the National Governors Association, attended by Canadian premiers. The six governors on the task force are from lumber producing states in the Pacific northwest; the task force will be suggesting to their national governments ways to resolve lumber trade problems which include non-tariff barriers.

August 8
Aboriginals - Housing

The Native Council of Canada sets up a committee to ensure suitable native housing is provided, following a federal government decision to begin transferring responsibility for a native housing program to the provinces.

August 12

Petro-Canada purchases 1,800 petroleum service stations and four petroleum refineries from Gulf
Crown
Corporations
- Petro-Canada

August 15

Alberta
Environment
- Waterfowl

August 15

Natural Resources
- Maritimes
- Fisheries

August 21

Premiers’
Conference
- Regional
Development
- Free Trade

August 29

Social
Assistance
- CAP

Canada Ltd. for $886 million. The service stations and refineries are located in Ontario and the western provinces. On July 16 Petro-Canada received authorization from the federal Cabinet to spend as much as $1.8 billion to buy some of Gulf Canada Ltd.’s assets.

The Alberta government announces its support of a $1 billion agreement between the federal and provincial governments and the United States government called the North American Waterfowl Management Plan. The agreement is to be signed by the governments in April 1986.

Fisheries and Oceans Minister John Fraser announces the establishment of the Atlantic Regional Council of Fisheries created to advise the federal minister on fisheries policy.

A joint statement is released by the premiers expressing concern that the principles agreed upon at the February first ministers’ conference are not being followed by the federal government in areas such as regional development and the federal budget. The principles call for stronger federal-provincial cooperation and more balanced regional development. Ontario Premier David Peterson casts the only dissenting vote on the issue of free trade with the United States. As a result, no communique is issued on the subject.

The Health and Welfare Ministerial Task Force on Program Review studying the Canada Assistance Plan (CAP) publishes its results. The task force reports that nearly half of all Canadians on social assistance are employable and unable to find work. Also, the cost of the program for the federal and provincial governments was over $4 billion in 1984-85 and if the growth in the proportion of employable Canadians who receive social assistance continues, CAP payments would reach $8.5 billion a year by 1989-90. Health Minister Jake Epp recommends easing the restrictions on the amount of private earnings that social assistance
recipients can receive before their welfare benefits are reduced, so that the regulations do not discourage work activity. On September 18, Epp and his provincial counterparts approve a seven-point agreement removing certain financial penalties for welfare recipients participating in job training or placement programs. Benefits such as dental care can be maintained for a 12-month transition period under the agreement. The federal government's Canadian Job Strategy training and employment programs will will be made more accessible and training allowance will supplement social assistance payments.

September 1

Education -
Ontario - Catholics

The Ontario government extends public financing of Catholic schools. On September 11, the Ontario Cabinet passes an order-in-council providing grants to Catholic school boards to finance grade 11 programs for the 1985-86 academic year. On September 23, the Ontario Court of Appeal begins hearing arguments for and against the constitutionality of Bill 30. On September 24, Ontario Attorney General Ian Scott says the province has the constitutional authority to establish separate schools and the courts cannot stop the provincial government from establishing and financing a Catholic school system.

September 10

Health -
Ontario
Drug Prices

The Ontario government announces it will oppose federal government moves to change the system of licensing generic drugs unless the changes are accompanied by firm guarantees of benefits. Under the present law, competing firms pay a royalty to companies who patent the drugs and are then able to produce inexpensive generic equivalents.

September 12

Natural Resources - Lumber

The federal and provincial forestry ministers announce their unanimous support for efforts to block United States protectionist measures against Canadian lumber.

September 13

Energy -

A set of agreements between the federal and Prince Edward Island governments is unveiled to reduce P.E.I.'s electricity rates by as much as 25
Prince Edward Island

per cent. The federal government will contribute 80 per cent of an $8.5 million program to reduce the rates.

September 19

Constitution
- Charter of Rights
Manitoba

The Supreme Court of Canada strikes down a provision in the Manitoba Public Schools Act which gives school boards the authority to set the age for mandatory retirement. The court rules that the Manitoba Human Rights Act, which prohibits discrimination based on age, takes precedence over other provincial statutes.

September 25

Constitution
- Charter of Rights

The federal government announces that under the newly expanded court challenges program $1 million in the current fiscal year and $2 million in each of the next four years will be provided to help to finance important court challenges under the Canadian Charter of Rights and Freedoms. Cases involving equality rights, sexual equality and multiculturalism are eligible for funding through the program.

September 25

Natural Resources
- Forestry

The Canadian Council of Forest Ministers is established. The forest ministers from across the country meet for the first time as an independent group.

September 26

Agriculture - Stabilization Act

Amendments to the Agriculture Stabilization Act are announced by Agriculture Minister John Wise. Provincial governments will be given five years to join a national farm income stabilization plan, which guarantees farmers a floor price for certain products to protect against price fluctuations. Provinces can join the program during that period and leave at any time. Provinces that join must phase out their provincial subsidies so that farmers in every province eventually receive equal treatment. The program will be financed equally by the federal and provincial governments and participating farmers. The plan will be implemented immediately for hogs and cattle, and other agricultural products will be included at a later date. On November 21, the Alberta government announces its own assistance plan for farmers. The government will provide $150 million
in farm fuel subsidies and $62.9 million will be given to livestock producers. On November 25, Ontario joins the income stabilization plan; Ontario farmers will receive $42 million in compensation for low prices earlier in the year.

A federal-provincial committee recommends Manitoba use its $1 million aid package to expand insurance coverage for livestock feed instead of giving farmers individual payments to compensate for the drought in Manitoba. A long-term forage security program presently being offered in 20 municipalities could be expanded to include the whole province and forage could be added to the list of crops protected. The plan is managed by the Manitoba Crop Insurance Corporation which is funded by both the federal and Manitoba governments.

Currents of Change, the report of an inquiry on Federal Water Policy chaired by P.H. Pearse, releases its report. The $1.5 million inquiry recommends homeowners and industries be required to pay the full costs of the water they use, as a way of discouraging waste. The report does not rule out exporting water to the United States, and it states Canada’s supply of fresh water is threatened by pollution and regional shortages. Environment Minister Thomas MacMillan announces the appointment of a task force to examine the inquiry’s 56 proposals for water diversion to the U.S.. The report also calls for the federal and provincial governments to negotiate a Safe Drinking Water Act, to improve municipal sewers and sewage-treatment plants, and to spend more money on water research.

Proposed amendments to the Electoral Boundaries Act are introduced in the House of Commons. A House of Commons committee will study the recommendations which call for slowing the rate of growth of the House of Commons. Under the new legislation, the House of Commons would expand from the present 282 seats to 289 instead of 310 under the current redistribution system. After 1991, there would be 293 seats instead of 343
and after 2001, 296 seats would exist instead of 369.

October 2  
Newfoundland - Fisheries

The federal and Newfoundland governments announce a $105 million refinancing plan for Newfoundland’s Fishery Products International (FPI). The federal government provides 62.5 per cent of the grant, the Newfoundland government provides 25 per cent and the Bank of Nova Scotia provides 12.5 per cent. Also, in its five-year business plan, the company states it intends to sell or lease 15 of its inshore plants to private industry. Newfoundland Premier Brian Peckford says the 15 plants listed for privatization are not entitled to money from the $105 million refinancing plan. On October 3, Nova Scotia Fisheries Minister John Leefe says the move will jeopardize the east coast fishery because it will encourage countervail duties on Canadian fish from the United States.

October 13  
Environment - Forestry

The results of a scientific survey released by Minister of State (Forestry), Gerald Merrithew, warns that unless pollutants are cut in half, forest productivity declines will be nationwide and “substantial”. As a result, the minister promises to redouble efforts to have the United States reduce its airborne pollutants. The survey was conducted by Canadian Forestry Service between September 1984 and February 1985.

October 15  
Constitution - Charter of Rights

Justice Minister John Crosbie announces the federal government will introduce legislation in the winter to make federal laws conform to the Canadian Charter of Rights and Freedoms. Areas to be discussed are: allowing homosexuals in the Canadian Forces, the RCMP, schools and government; removing mandatory retirement; and allowing women in combat roles in the military.

October 23  
Social Assistance

Finance Minister Michael Wilson rejects an Opposition recommendation to withdraw a bill to partially de-index family allowances. The NDP referred to a report stating that the number of families living in poverty had increased in 1984 for the fourth year in a row, bringing the number over one million families or 15 per cent of all families.
October 28

Newfoundland
- Fisheries
- Emergency Aid Fund

The federal and Newfoundland governments announce the creation of an emergency fund of up to $9.5 million to aid Newfoundland fishermen affected by the poor fishing season in 1985. Because of the poor season, fishermen and plant workers do not have a sufficiently long employment period to be eligible for employment insurance for the winter months. The fund will be used to create special employment projects which will run for two to 20 weeks.

October 30

Constitution
- Charter of Rights

A report is released by an all-party parliamentary committee established to review federal statutes and laws to make sure they conform to the equality section of the Canadian Charter of Human Rights and Freedoms. The report, entitled Equality for All, recommends mandatory retirement be abolished in Canada. The committee also says that public civil servants should get more political rights, that spouses on military bases should be allowed to take part in community activities and lobby for increased services, that the government should begin enforcing the concept of equal pay for work of equal value in federally regulated firms and that part-time workers should get more benefits and protection.

October 31

Energy - Western Accord

Details of the federal policy on natural gas are released. Prices charged by Canadian producers will be frozen for one year. The federal government will cancel the Canadian Ownership Special Charge (this was announced in the spring). Alberta agrees to absorb higher transportation costs. On November 1, 1986, gas prices will be totally deregulated. Canada’s single export price will be dropped in favor of regional export prices, so that Canadians do not pay more for gas than Americans in nearby areas. The new export system is estimated to increase exports to the United States by $500 million to $4.5 billion this year. On December 11, a study by the Canadian Petroleum Association is released, reporting Atlantic Canada would experience out-migration and economic hardship as a result of deregulating natural gas export volumes.
The House of Commons Committee on Finance, Trade and Economic Affairs examining the McDougall Green Paper and the Wyman Report releases its report, entitled Canadian Financial Institutions. Report on the Standing Committee on Finance, Trade and Economic Affairs. It recommends tougher regulation of all financial institutions to protect consumers from loss of funds and to prevent improper deals by corporate insiders. Also, there should be fewer restrictions on non-bank institutions’ financial activities so that diversification into related fields is possible. It recommends the December 31 merger between Canada Trust and Canada Permanent be blocked until an ownership policy for financial institutions is formulated by the federal government. The committee advocates the creation of a National Financial Administration Agency (NFAA) which would perform the functions handled by the Inspector General of Banks, Department of Insurance and Canada Deposit Insurance Corporation. The NFAA would be controlled by a board made up of federal, provincial and industry representatives. It rejects two of Minister of State (Finance) Barbara McDougall’s main mechanisms to allow more competition among financial institutions: the financial holding company and Schedule C banks.

Justice Minister John Crosbie announces a maximum of three factory freezer trawler licenses for the Atlantic fisheries industry will be granted by the federal government. Newfoundland Premier Brian Peckford accuses the federal government of a breach of trust, referring to a 1983 federal-provincial fisheries restructuring agreement which prohibits the use of FFTs in harvesting northern cod. Peckford argues the licences will result in a loss of hundreds of jobs in the province’s onshore fish processing plants. Crosbie says the industry will not be affected.

Ontario Attorney General Ian Scott announces Ontario’s francophones will have the right to a trial in French in any of Ontario’s courts. This right will
Languages - Ontario
take effect in most courts by July 1, 1986. Full language rights in the courts will be implemented by December 31, 1986. Previously, francophones have been able to have trials in French only in courts that were in regions in the province designated as having a significant number of French speaking people in the population.

November 13
Crown Corporations - Northwest Territories
The Northwest Territories Energy Minister, Tagak Curley, says he will request that the federal government write off a $125 million debt owed by the Northern Canada Power Commission before it turns the Crown corporation over to the Northwest and Yukon territories in March, 1987. Erasing the debt would create $10 million in revenue for the territories, money otherwise spent on interest for the loan.

November 14
Education - Ontario - Catholics
The Ontario Supreme Court orders a temporary stop on the Ontario government's payments to the province's Catholic schools until the courts have ruled on the legality of the Cabinet decree authorizing financing. The courts must determine if the funding contravenes the Canadian Charter of Rights and Freedoms. On December 12, the Ontario Supreme Court reserves judgment on the constitutionality of the legislation. Since payments were to begin mid-December, Catholic school boards are forced to borrow money to pay for grade 11 programs.

November 14
Transportation - Deregulation
Transport Minister Donald Mazankowski rejects truckers' bid for slower implementation of deregulation, saying the truckers are only clouding the issue by claiming higher costs than their U.S. competitors. In October, provincial and federal transport ministers agree to remove regulations on the trucking industry by January 1, 1987. Ontario Transport Minister Edward Fulton promises truckers he will move slowly on deregulation and will only act after he knows what effects it will have on the industry.

November 16
Education -
A government financed study on the educational needs of franco-Ontarians prepared by the Ontario Institute for Studies in Education, reports that at
At least 30 per cent of Ontario's francophone residents are in danger of being assimilated within the next 20 years partly because their education system is not as good as that of the anglophone residents of Ontario. The study on elementary and secondary education cites problems for francophones in almost every aspect of the school system including the training of teachers, school organization and the political control over the structure of the school board. The report states that franco-Ontarians do not need to attend bilingual schools in order to become bilingual and should not be encouraged to do so. Rather, they should be attending French-language schools.

Ontario Energy Minister Vince Kerrio charges that most Ontario natural gas consumers will not see price cuts due to deregulation for at least a decade because, according to Consumers Gas figures, approximately 85 per cent of contracts for natural gas sold in Ontario do not expire until 1995; only a minority of consumers have access to short term contracts for natural gas.

The federal cabinet approves amendments to the Electoral Boundaries Bill. Due to their growing populations, Alberta, British Columbia and Ontario will each be given more seats in the House of Commons in the next election. Each province will get two more seats than were proposed under the original bill. The House of Commons will expand to 295 seats under the new legislation. Legislation passed on September 16 gives Alberta three additional seats in the House of Commons.

The Council of Maritime Premiers endorses a Feed Sufficiency Strategy which calls for a 35 per cent increase (from 25 to 60 per cent) in feed freight rate assistance from the federal government and outlines a job creation program. The council supports a proposal submitted to the federal government for mapping resource information in the Maritimes.
The Supreme Court of Canada rules that according to section 35 of the Canadian Charter of Rights and Freedoms a 233-year old treaty guaranteeing native Indians hunting and fishing rights takes precedence over Nova Scotia's 1967 Lands and Forests Act. Section 35 guarantees existing aboriginal and treaty rights which include pre-Confederation treaties.

November 21
Aboriginal Rights
Land Claims
Nova Scotia

November 21
Regional Development
Quebec

The federal and Quebec governments sign an agreement to help Hyundai Motor Company of South Korea finance a $300 million auto plant in Bromont, Quebec. The federal government will help Quebec pay interest for five years on a $200 million loan. The federal and Quebec governments will each pay half of up to $110 million in interest payments over five years.

November 25
Crown Corporations - Canada
Development Corporation

The House of Commons gives final approval of a bill permitting the federal government to sell its 47 per cent share in the Canada Development Corporation. Under the legislation, no foreign investor or allied group of foreign investors may own more than 10 per cent of the company. No Canadian company or allied group of companies may own more than 25 per cent.

November 28, 29
First Ministers' Conference
- Free Trade
- Agriculture
- Fiscal Federalism
- Fisheries

Prime Minister Brian Mulroney does not give in to premiers' demands to drop his budget proposal of cutting transfer payments to the province by $2 billion. An agreement on an approach to free trade negotiations with the United States is reached. Under the agreement, full provincial participation in the negotiations is agreed upon, although the term "full participation" is left undefined. A 90-day deadline is set for the two levels of government to work out common goals for a free trade agreement. The Ontario government proposes that the provinces be made almost equal to the federal government in the conduct of free trade negotiations. The proposal suggests the chief free trade negotiator Simon Reisman receive instructions from a special committee of federal and provincial ministers. The negotiator's strategies could also be reported back to each of the premiers. Reisman's final proposal would be
examined by the committee for approval or rejection. Prime Minister Brian Mulroney agrees to work towards establishing a long term national agricultural policy. Federal and provincial agriculture ministers will spend the next months negotiating the policy. A priority will be working out details of a new permanent disaster relief program. Mulroney does not agree to the premiers’ request for low interest rates loans to farmers on a large scale. Comprehensive crop insurance and increased agricultural research spending are also tabled for negotiation. Nova Scotia Premier John Buchanan says the federal government is discriminating against Nova Scotia in its feed freight costs subsidies. He says the federal government has not increased feed grain assistance in 10 years and since Nova Scotia imports two-thirds of its feed grain, it pays the highest grain costs in Canada. Newfoundland Premier Brian Peckford calls for more provincial say in fishery management, and New Brunswick Premier Richard Hatfield requests new approaches to federal-provincial co-ordination in fishery development.

December 2

Elections - Quebec

The Quebec election results give 99 seats to the Liberal Party (58 per cent of the popular vote) and 23 seats to the Parti Québécois (PQ) (37 per cent of the popular vote). The Liberal campaign consists of: job creation and increasing manpower retraining; reducing the deficit by $800 million, raising revenue through privatization and creating a favorable investment environment; a four-year deadline for signing the Constitution; increasing school financing; improving social and health services; a one per cent reduction in income taxes effective January 1, 1986; increasing welfare payments to those under 30 years of age; the elimination of a surtax on automobile, health, personal disability and accident insurance; guaranteeing English language health and social institutions; improving health and social services; investigating the feasibility of including homemakers in the Quebec Pension Plan;
providing interest-free loans to farmers; creating a closer relationship between management and labour; encouraging more competitive business and decreasing government intervention. The PQ campaign includes: increasing job creation and job protection; the mandatory participation of Quebec in any free trade discussions that would affect the province; increasing environmental protection, recycling and pollution prevention; improving social and health services, particularly emergency ward care; the entrenchment of the right of anglophones to receive social and health services in English; increasing agricultural assistance; creating a closer relationship between management and labour; encouraging more competitive business and decreasing government intervention; and improving the lot of women. The PQ leaves open the possibility of making Quebec politically sovereign at some future time.

December 2

Crown corporation de Havilland Aircraft of Canada is sold to Boeing Co for $155 million. The federal government's expenditure on the corporation was $834 million over 11 years. The federal government has promised Boeing an estimated $58 million to help finance the costs of expansion and modernization projects which have been proposed.

December 5

The federal cabinet authorizes, a five-year renewal of a project to promote overseas exports of British Columbia lumber. The federal and provincial governments and the Council of Forest Industries will each shoulder one third of the $35,372,200 cost.

December 5

Quebec Premier Robert Bourassa and Ontario Premier David Peterson agree the provinces need a veto in free trade negotiations with the United States.

December 9

The Senate banking committee report is released proposing major changes to the Canada Deposit Insurance Corporation. The committee proposes
full insurance be provided on the first $25,000 of deposits and 80 per cent insurance be provided on the next $50,000. It recommends that more powers be given to the corporation to prevent self-dealing among member institutions that do not have adequate regulations themselves. In addition, the corporation should have more power to deal with financial institutions that get into trouble yet it should not be able to close down institutions. The report recommended that the federal cabinet appoint a new board of directors.

December 9

Health - Federal Guidelines

Federal Health Minister Jake Epp announces the establishment of guidelines limiting the amount of ethyl carbamate in alcoholic beverages. The federal guidelines take precedence over provincial standards.

December 10

Social Assistance

Secretary of State Benoit Bouchard announces the federal government will spend $16 million over five years to provide community support for disabled people. He announces a secretariat will be established to deal with concerns of disabled people, to join the provinces and various groups in providing financial and technical resources for research and education, and to convene a federal-provincial-territorial conference to discuss the needs of disabled people.

December 10

Aboriginals - Alberta

The Alberta and federal governments agree to set up 62 square kilometres as a reserve for the Lubicon Lake Indian Band. The federal government will give the band $1.8 million in benefits.

December 12

Social Policy - Housing

The federal government releases a report on changes to federal housing programs, entitled, A National Direction for Housing Solutions. The program emphasizes aiding the needy. The provinces will be allowed some say in the programs used in their jurisdictions. The Canada Mortgage and Housing Corporation's (CMHC) budget will not be cut. In the non-profit housing programs, tenants will not pay more than 25 per cent of their income for rent. Starting in early 1986, a system
of mortgage-backed securities will be guaranteed by the federal government. Wider distribution of grants under the Residential Rehabilitation Assistance Program to bring older homes up to building code standards is included. The cooperative housing program will link financing to the cost of living, replacing the old system which provided subsidies. The Rural and Native Housing Demonstration Program will involve 500 units over a five-year period with the government supplying the funds and the communities supplying the labour.

December 12

Energy - Western Accord

A study prepared by the Canadian Petroleum Association estimates that deregulation of natural gas exports would cut the federal deficit by $110 billion over the next 25 years through increased economic activity, gas exports and new explorations, but would cost the Atlantic provinces $23 billion in decreased disposable income and retail sales.

December 12

Education - Official Languages - Ontario

Legislation is proposed in the Ontario Legislature which would guarantee representation for francophones on every school board in the province that operates a French-language school or class. The legislation calls for the creation of the province's first independent French-language school board, to be established in Ottawa-Carleton by 1988. The bill would provide for the election of French-speaking representatives to 28 public school boards and 30 separate school boards in Ontario.

December 12

Constitution - Quebec

Quebec Premier Robert Bourassa says he wants to negotiate a constitutional agreement within two years. On December 13, Prime Minister Brian Mulroney agrees to begin negotiations soon. On December 18, Quebec Intergovernmental Affairs Minister Gil Rémillard says the Quebec stance on constitutional negotiations will be based on the new Liberal government's convictions rather than those of the Parti Québécois. Rémillard refuses to outline the stance in front of the National Assembly before the negotiations with Ottawa
begin. Mulroney says he cannot promise Quebec a veto because that decision belongs to the other provinces.

**December 13**

Social Assistance - Pensions

The federal and provincial governments convene to augment contributions to the Canada Pension Plan, as of January 1, 1987. The CPP rate increase will be 0.2 per cent per year for five years. The current rate is 3.6 per cent of salary. The maximum CPP contribution increase in 1987 will be $24.10.

**December 13**

Economy - Transfer Payments

Federal Finance Minister Michael Wilson announced a new Established Programs Financing formula, which determines federal funding for health care and post-secondary education. Under the new formula funding will increase five per cent each year instead of the seven per cent which the previous arrangement provided. The Finance Minister stated that this will save the federal government $6 billion by the end of the 1990-91 fiscal year. Provincial opposition to the new arrangements is based upon the federal government’s unilateral imposition of the new formula without consulting the provinces and the worry that the tax burden will have to be shifted to other people in order to maintain the present quality of health care and post-secondary education services.

**December 17**

Social Assistance - Aboriginals

Two accords to negotiate future child and family services agreements are signed by the First Nations Confederacy and the provincial and federal governments. The accords provide for the negotiation of an extension of existing Indian child and family services for another year and for the discussion of new arrangements for operation and funding for the future.

**December 18**

Transportation - Deregulation

The House of Commons Transport Committee calls for changes to government proposals on transportation deregulation and a reduction in recently increased airline passenger taxes. The committee recommends specific regulations to protect low-density air routes and northern air travel from the full impact of a completely
deregulated environment. The committee also advises giving priority to the full or partial privatization of Air Canada. New Brunswick Premier Richard Hatfield and Newfoundland Transport Minister Ron Dawe told the committee further study and consultation is required to adequately address the topic of deregulation and how it will affect the Atlantic provinces. Hatfield said transportation must be recognized as a key to regional economic development in a new National Transportation Act.

December 19

Environment - Acid Rain

Environment Minister Thomas McMillan says the federal government will not grant Ontario its request of $85 million to control industrial acid emissions until the other provinces have submitted their requests for financial assistance. The federal government has a $150 million budget for reducing acid emissions of the country's major polluters.

December 19

Health - Extra-billing - Ontario

A bill is introduced in the Ontario Legislature by the Ontario government to ban extra-billing by physicians for insured medical services.

December 19

Financial Institutions - Bank Failures

The Senate banking committee reports that the high risk corporate strategies and poor management practices followed by the Canadian Commercial and Northland banks are the primary reasons for the banks' failure. The Canadian Commercial Bank failed September 1 and the Northland Bank failed September 30. A judicial probe was launched October 2, headed by Mr. Justice Willard Estey. The Senate report says the banks made themselves vulnerable in the recession by having the overriding objective of increasing their assets in good and bad years. The Senate committee also criticizes the directors and external auditors of both banks, the inspector general of banks and the Bank of Canada. The report says auditors did not provide an independent check on the statements for shareholders, the inspector general of banks did not act quickly enough on reports that problems existed at the banks, and the Bank of Canada has no way of assessing the value of collateral banks put up.
Federal Indian Affairs Minister David Crombie, Ontario Attorney General Ian Scott and five native leaders sign an agreement providing for aboriginal self-government negotiations among the three groups of representatives.