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Canada Handbook

The 51st handbook
of present conditions
and recent progress

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Communications
Division
Statistics Canada

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Preface

The 1986 edition of the *Canada Handbook*, continues a tradition begun nearly sixty years ago to record social, cultural and economic developments in Canada. Through a combination of photographs, concise tables and readable text, it presents a wealth of information about our country.

The *Canada Handbook* is designed to capture the interest of readers, both at home and abroad, who seek a general appreciation of life in Canada or more specific information on particular aspects of our society.

While it is impossible to acknowledge personally the many individuals who contributed to this 51st edition of the *Canada Handbook*, I would like to extend a general expression of gratitude to those from Statistics Canada and from other government departments who generously provided material for its text.

Ivan P. Fellegi
Chief Statistician of Canada
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June 1986

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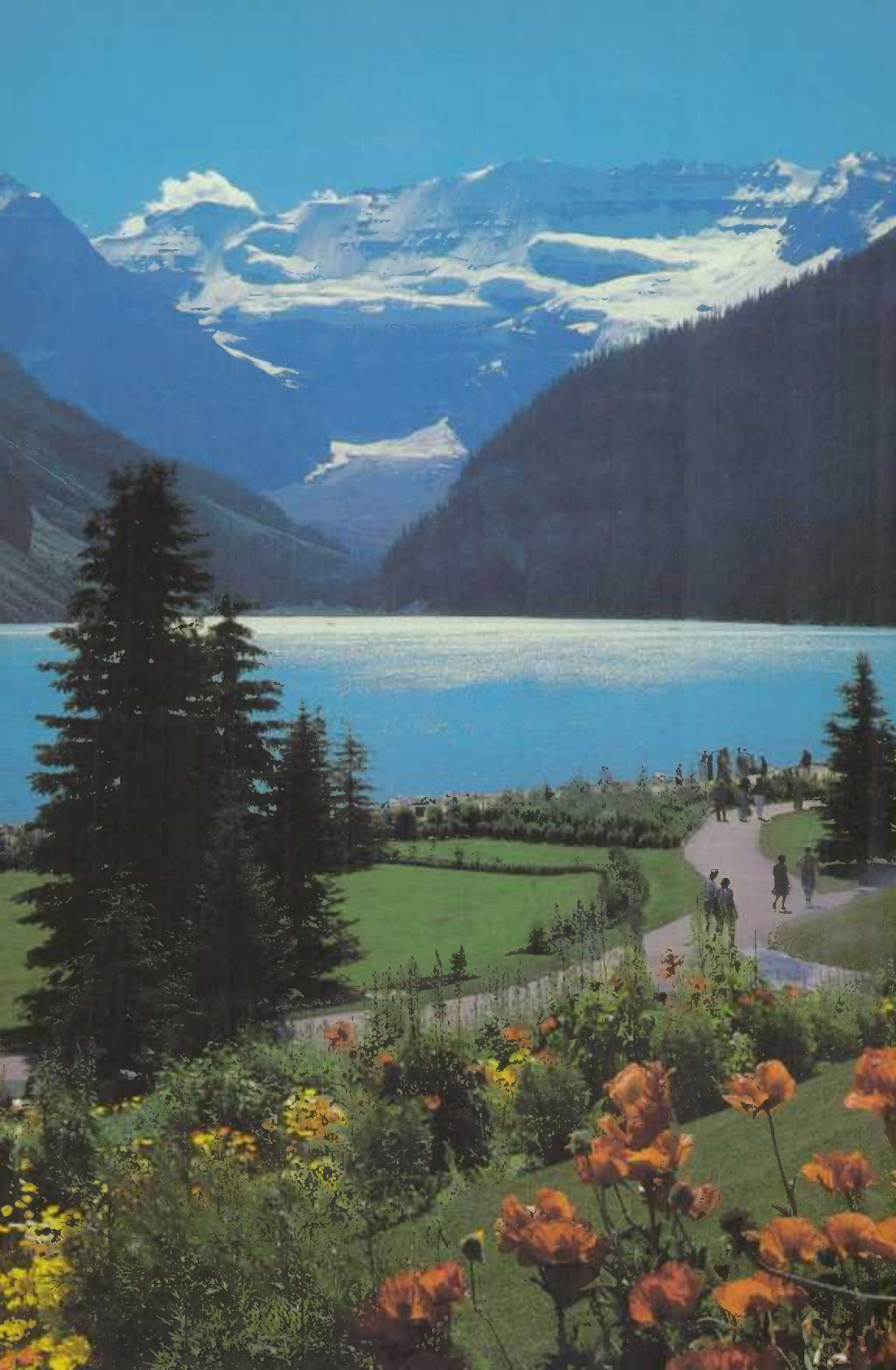
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The Environment

The Land

Canada can be divided into smaller units to help comprehend the similarities and differences from place to place across its vast area. In this article Canada has been divided into six regions. The regions are generally well known to Canadians and, therefore, have the advantages of local familiarity and national recognition. The criteria for defining these regions differ; some are landform areas, whereas others are political units. Following are summaries of the characteristics and definitions of these six regions of Canada.

The Atlantic Provinces are mainly a political region including the Maritime provinces and the island of Newfoundland. These provinces have been known to Canada statistically for their lower incomes, and their less expanding economy. Fragmentation of the economy and dispersal of population are two of the distinctive geographical characteristics.

The Atlantic provinces region differs from the rest of the country in several physical characteristics. Its low hills and mountains and rugged, indented coasts are different landform types than those of the St. Lawrence Lowlands. East Coast landforms separated

people into small patches of settlement in the past. Resource-based primary occupations are more important in the Atlantic region than they are in southern Ontario and Quebec, but eastern resource-use activities often result in single-industry towns which are dispersed around the coasts. There are few areas of high concentrations of people. Although the individual farms, villages, towns and cities are often similar in form and function to other settlements in Canada their geographical dispersal into small areas, strips and dispersed centres gives the region a different geography of settlement and human use.

Distribution patterns are not static in any region; they change over time. The geography of agriculture and fishing in the Atlantic provinces illustrates these changing patterns. Most of the former part-time and subsistence farms, associated with rural poverty, and located on the poorer soils, steeper slopes and away from main roads have been abandoned; the distribution of commercial farms is now much more closely associated with improved roads and access to the larger cities.

Seal Cove, Grand Manan Island, NB.



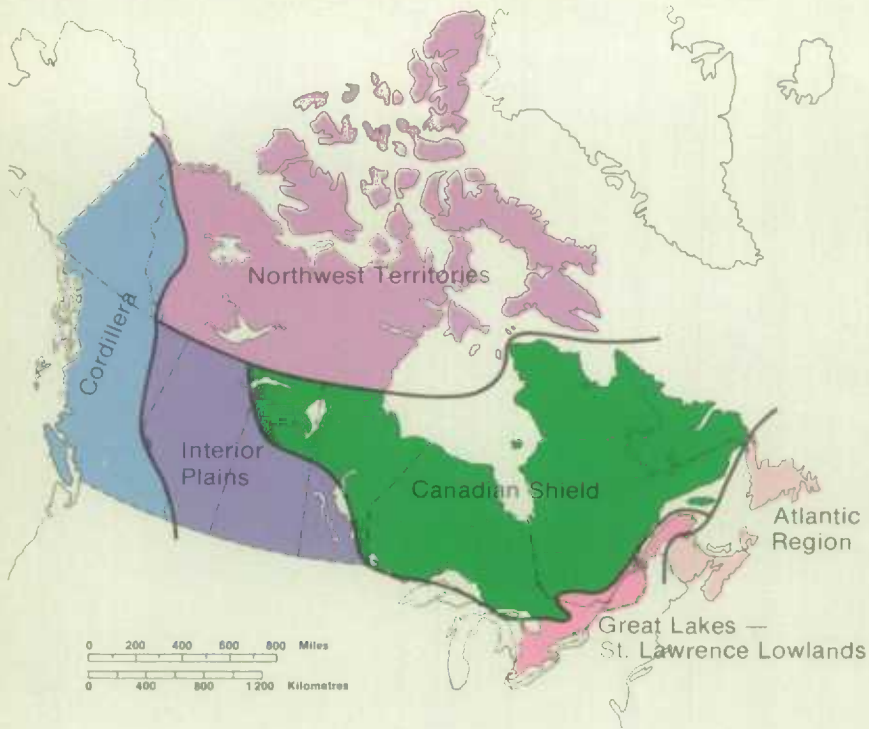


Patty Harbour, Nfld., & Fishing village near St. John's.

Fishing activity is also changing from dispersal to concentration. In Newfoundland mainly, and to a lesser extent in Nova Scotia, the small fishing "outports" or villages were dispersed along the coast in sheltered bays, near headlands, or on islands. Fishermen are now concentrating into larger towns near the processing or freezing plants where there are more health, educational and social services. Sometimes, however, this geographical trend has changed the fisheries' rural poverty and low incomes to increased urban unemployment.

The Great Lakes—St. Lawrence Lowlands are bounded on the north by the geological and landform escarpment of the Canadian Shield which is quite visible in the landscape. This landform feature separates the high intensity agricultural and urban characteristics of the Lowlands from the forested and sparsely populated Shield. The Lowlands have the highest densities of industry, commerce and population in Canada. There are cultural differences between parts of the region in relation to the prevalence of either the English or French language, suggesting division into at least two sub-regions based on human criteria.

Geographical Regions of Canada



The small Lowlands region extending across southern Ontario and southern Quebec holds more than half of Canada's population and produces about three-quarters of the value of its manufactured goods. This densely-populated part of Eastern Canada has more large cities of over 100,000 population than any other similar sized part of the nation. Its excellent agricultural lands help to feed the nation's two largest cities — Montreal and Toronto. The region is the "heartland" of the country, characterized by high densities of urban, industrial and agricultural activities. In the 19th century the Lowlands region had a favourable combination of many elements in the natural environment in an accessible geographical location; it presented an attractive environment for people looking for agricultural land. The region had the largest area of level land with a warm summer climate in Canada, and it was accessible by the St. Lawrence River to settlers entering from the East.

Some of the internal contrasts are the result of cultural differences between French-Canadian and British-origin settlement. The rural landscape of southern Quebec, with



Toronto, Ont. The agricultural lowlands help to feed the nation's two largest cities - Montreal and Toronto.

its long, narrow farms, often demarked by old rail fences, is distinct within Canada, and contrasts with the rectangular farms and dispersed farmhouses of southern Ontario. The rural villages of Ontario, with their small, compact central business sections and rectangular street patterns contrast with the linear Quebec villages in which residential and commercial uses are often interspersed.

In addition to a prosperous intensive agriculture, a closely-linked urban system has been built. The activities in industry, commerce, transport, service and recreation of more than 12 million people in the Great Lakes—St. Lawrence Lowlands are all closely interrelated.

The Canadian Shield is another landform region, defined on the basis of its exposed ancient Precambrian rock base. Its physical environmental characteristics of bare rocks, forests and lakes are quite distinct from the Lowlands. Because it is a huge area, there is environmental diversity within this region, but there are also large areas of similarity. The southern part of the Canadian Shield is known for its vast natural resources which

are functionally linked to the heartland region. The northwestern part of the Shield has a different surface environment and different human use and is included as part of the Northwest Territories.

This enormous region occupies about half of the mainland of Canada. It is a region of forests, lakes and rocks; it is a region of few people, and they are mainly urban dwellers. The southern Shield has a resource-based economy; its products — minerals, wood and waterpower — are exported outside of the region or outside of Canada. Many of the raw materials of the Shield move to the Lowlands for processing or consumption; a reverse flow of people comes into the Shield for recreation or holidays.

The Interior Plains are sharply bounded on the west by the high wall of the Rocky Mountains, but on the east the geological and landform edge of the Shield is often hidden beneath former glacial lake deposition or by coniferous forest. The Plains are the largest area of nearly level land in Canada; their human use is characterized by the large grain farms in the southern parts. Only a small part of the Plains is covered with prairie grassland, despite contrary popular opinion. Although all of the Prairie provinces might

Patterns of growth near Qu'Appelle, Sask.





A walk in a forest of giants – Cathedral Grove on Vancouver Island, BC.

be discussed as a political region, the environmental, economic and human characteristics of the Shield sections of northern Manitoba and northern Saskatchewan are very different from the Plains.

The words “flat, prairie, wheat and petroleum” might well characterize the environment and resources of the Interior Plains of Canada. Although these words accurately describe certain outstanding parts of the Plains environment and economy, they do not tell of the variety found within the region. It is true that large areas of the Plains are very flat, but the landform regions include hills, escarpments, entrenched river valleys and even low mountains; although prairie grasslands of varying height once covered the southern plains prior to cultivation, now more than half of the region is forested; although wheat became a staple crop for export after the land was subdivided for settlement, other grains were also grown and several new crops now occupy significant acreages; although petroleum was important in diversifying the Plains economy after 1947, other fuels and minerals have become significant in particular parts.

One of the geographical characteristics of the Interior Plains is the geometric spacing of its villages, towns and cities. The size and function of Prairie villages and towns are related to the number of farmers in the surrounding area needing certain urban goods and services. Other specialized items and services, needed less frequently, tend to be located in larger cities where they can serve more people locally and also be available to people from a larger surrounding rural area.

The Cordillera is a mountainous region which coincides closely, but not entirely with the political limits of British Columbia and Yukon. The level section of northeastern British Columbia is part of the Interior Plains, emphasizing its differences from the rest of British Columbia. The geography of the Cordillera is characterized by great contrasts within

small areas in the physical environment and in population densities. The resource-based economy is similar to that of the Atlantic provinces, but on a different scale.

Great contrasts within small areas are characteristic of the natural environment of this mountainous region. It is a land of urban people; agriculture is entirely lacking over large areas or is confined to certain narrow valleys or flood plains. This urban population is concentrated into one small area in the southwestern corner of British Columbia where 75 per cent of the population lives. Settlements throughout the remainder of the Cordillera are based mainly on the exploitation of a natural resource. This resource-based economy is similar to that in the Canadian Shield and the Atlantic provinces.

The only other parts of Canada with comparable spectacular mountain landforms are Baffin and Ellesmere islands in the northeastern Arctic. Although the Cordilleran mountains seem to be a jumbled mass of peaks when viewed locally, and stretch endlessly to the horizon when seen from the air, they have specific patterns and can be classified into smaller sub-regional landform units. The Rocky Mountains, for example, are a specific line of mountain ranges extending from Montana along part of the Alberta—British Columbia border to the broad plain of the Liard River in northeastern British Columbia. The western landform boundary of the Rockies is the Rocky Mountain Trench, one of the world's longest continuous valleys, extending from Montana to the headwaters of the Liard River in the Yukon.

Rafting on the Thompson River in British Columbia.





A fishing fleet at Massot, Queen Charlotte Islands, BC.

The geography of forest utilization indicates that the original density of development was in the southwest and the wood-processing industry is still concentrated there. After 1950, increased world demand, plus improved rail and road transport into the little used forest reserves of the interior, permitted inland expansion of cutting.

The West Coast fishery has different areal patterns than that on the Atlantic Coast. The industry has adapted to the natural habits and migrations of the five main species of salmon. Fish canneries were established at or near the mouths of most rivers all along the coast early in this century, but the greatest concentration was near the Fraser and Skeena rivers which had the largest drainage basins and therefore usually had the most fish production. Fishing technology gradually improved so that larger and faster fishing vessels, with better gear, could harvest a larger area away from the river mouths; thus the need for many small dispersed canneries decreased, and the processing industry concentrated into large canneries near the mouths of the two largest rivers. The lack of coastal settlement for fishing contrasts with the type of fishery settlement in Eastern Canada.

Through more than a century of mining the geographical patterns of development have been consistent. At the turn of this century southeastern British Columbia was one of the important mining areas of Canada while the rest of the province was struggling to create a viable economy. This region is still the main mining region of the Cordillera functioning around the large smelter-refinery at Trail to which a variety of ores can be taken for processing. Although mineralization is apparently widely spread throughout Yukon, the few operating mines are dispersed across the southern part. Having only a few internal transportation lines until recently, potential mines in the Yukon face high transport costs to external markets.

The Northwest Territories are defined by political boundaries and lack the uniformity of certain physical or economic criteria used to describe other regions of Canada. This region is characterized by diversity of its natural environments, lack of developed resources, scanty population and a different type of government. The relative lack of developed natural resources is related both to the internal poor endowment of the natural environment and to external problems of both distance and accessibility. Within the large area of the Territories there can be two sub-regions: the subarctic Mackenzie River Valley in the west and the arctic area of the islands and north-central mainland.

The agricultural and forestry uses of this enormous area are minor in the subarctic and entirely lacking in the arctic sections. Not only are summers too cool in the arctic part but its landscape is characterized by bare, glacially-scoured rock where soil is lacking. More favourable summer conditions in the subarctic Mackenzie Valley permit the possibility of agriculture; gardens can be productive, but the lack of large local markets discourages agriculture as an occupation.

This is the only region of Canada in which undomesticated animal resources are a significant element in the local economy. Game resources are still significant to some Mackenzie Valley Indians and for many Inuit the sea remains an important source of food. For both people, however, animals constitute a decreasing percentage of their food intake.

Mineral resources are the hope that some parts of the territories will become significant in the Canadian economy. Development of arctic mineral resources has been hampered by difficulties of water transport which must operate in seas that are ice-covered for nine to 12 months of the year.

As in other regions of sparse population in Canada, the total natural environment, or scenery, may attract short-term visitors. The vague "lure of the North", and the chance to see a different environment and a different people — the Inuit — may yet be one of the most valuable elements in the arctic resource base.

Tungsten mining near the border of the Northwest Territories and Yukon





Quebec in its golden splendor.

The Climate

Climate is both a resource and a liability. As a resource, it provides the heat and moisture that are essential for life; it is a basis for agriculture, it provides warm lakes for swimmers and snow for skiing and it drives ocean currents. Drought, floods and hurricanes are among its hazards; these destroy life, damage property and inconvenience people, often stopping all normal economic activity within a community. Climatic change can drastically alter a regional economy by altering the ecosystems that are fundamental to its way of life.

The heat, cold, rain, snow and wind of Canadian weather are exploitable resources. Definition of the nature of climatic resources has been a major occupation over the past century — in the planning of land use (particularly for agriculture), in the development of water supplies and in the development of drainage and irrigation systems. The trend to optimal productivity through fuller exploitation of climatic energy, light and moisture sources is increasing as natural resource supplies become more stringent.

Renewable resources are the basis of much of Canada's industry; they provide the necessities of life — food, drink and shelter — and earn about one-half of our export

dollars. These resources depend primarily on climate. Resource management and use must therefore be based on climatological knowledge and the use of weather forecasts for optimal productivity.

The extraction and use of other resources are also highly climate-dependent. A major use of oil and gas, for example, is to offset cold, snow and heat. Climate-dependent ice fields and weather control the economics of arctic development. Much of our industrial energy is generated from climate-dependent water resources and water is used extensively in processing — for example, up to 22 m³ (cubic metres) to refine one cubic metre of petroleum and 3 000 m³ to make one tonne of synthetic rubber.

On the other hand, the impact of industry, cities and people on the atmospheric environment places an upper limit to certain types of economic endeavour. Economic activity must therefore be tailored in the light of an understanding of the environment, man's influence thereon and the capacity of the atmosphere to safely disperse industrial effluents. The interactions of weather, ecology and economy demand understanding.

Climatic hazards stand out in our memory because of their great impact on society and their resulting newsworthiness. Canada, like most countries in temperate and polar regions, has a fluctuating climate that has caused crises from the times of early settlement. Direct economic losses have been caused by various notable weather events in Canada. A number of these events are recognized historically as major disasters.

Agriculture and forestry are among the activities that are highly exposed and sensitive to weather. Weather forecasts and planning information are therefore essential in combating the recognized major hazards, such as drought, frost, hail, excessive rainfall, flood, wind, snow and winterkill, as well as climatically influenced diseases, epidemics and insect infestations. Forest fire costs, per annum, average about \$23 million and have been as high as \$184 million.

Precipitation is the primary source of surface water supplies and evaporation is the major consumer. Planning, public and political conviction and economic decisions as to the viability of a hydrologic system are therefore frequently dependent on climatology. The magnitude and reliability of supplies is dictated by rainfall and snowfall characteristics. Design flood, irrigation need, urban demand, storm-sewer capacity and culvert size are all functions of climate and the operation of water control systems for flood control and conservation of water in times of drought is often highly dependent on forecasts.

Development of Canada's resources poses major environmental problems in which climatology must play a dominant role. For example, sulphur dioxide releases from refineries in the tar sands of Alberta could destroy vegetation over vast areas of land if improperly controlled; the capacity of the atmosphere to disperse this contaminant is therefore a major concern. Safety and security from natural hazards are major factors to be considered in offshore drilling, pipelining, the transmission of electrical energy and the operation of nuclear generating stations.

Environmental impact assessments are an essential defence against undesirable environmental effects of man's activities, both deliberate and inadvertent. In undertaking an assessment planners are forced to consider the side effects of their proposals over the short, medium and long ranges, and of possible alternatives, one of which is not to proceed. A decision is ultimately reached to stop the program or approve the most acceptable alternative in actual or modified form. A surveillance program is also established to ensure desired conditions are met.



The serene winter beauty of Banff National Park, Alta. One of Canada's natural legacies.

Environment

In pursuit of a quality environment for all Canadians, Environment Canada has set these goals: to help society safeguard human health and property from harmful substances and environmental changes, whether natural or man-made; to encourage conservation and wise use of renewable resources, thereby ensuring sustained economic and social benefit; to instill a sense of shared responsibility of the environment, based on the development of society in harmony with its environment; and to help safeguard Canada's heritage by protecting those places that are significant examples of Canada's natural and cultural legacy, and by encouraging public understanding, appreciation and enjoyment of this legacy so that it may be left unimpaired to future generations.

The responsibility for the environment and its constituent resources is shared between the federal and provincial governments, with each level having authority over different aspects of the environment. The provinces have direct management responsibility for most environmental and resource matters within their borders. The federal government is accountable for those matters which are clearly within its jurisdiction, such as the territories and national parks, and for matters which the provinces cannot readily or cost-effectively undertake separately such as weather services.

The department is also dealing with international issues in a way that will protect Canada's environment and renewable resources and at the same time contribute to the

resolution of international problems such as acid rain, worldwide contaminants, climatic change, long-range transport of air pollutants and development in Third World countries.

The environmental assessment and review process determines potential environmental and directly related social impacts of all proposals to be undertaken by the federal government or in which the government is involved. This is done early in planning before irrevocable decisions are taken. The process applies to any federal department, board, or agency, and to any regulatory body or Crown corporation where legislation permits.

Environmental Research

The Environmental Conservation Service (ECS) is concerned with the conservation and enhancement of Canada's renewable resources of water, lands and wildlife and their related ecosystems and the promotion of their wise use in a sustainable manner. The organization consists of three regionalized directorates (Inland Waters, Lands, and Canadian Wildlife) responsible for ECS efforts in each resource area. ECS makes major contributions to research and monitoring of toxic substances and acid rain.

The Canadian Wildlife Service (CWS) conducts programs to manage and protect migratory birds and their habitats in Canada and internationally. It surveys and regulates waterfowl hunting in Canada and works to conserve "non-game" bird populations such as seabirds, shorebirds and songbirds. To protect migratory bird habitat, over 40 national wildlife areas and 82 migratory bird sanctuaries have been established across Canada. CWS also conducts research on other wildlife of national interest; conserves critical wildlife habitat; and assists the provinces and territories with their wildlife conservation efforts.

The Inland Waters Directorate (IWD) carries out research on water to provide comprehensive accurate and timely data to promote the wise management of this renewable resource for the economic benefit of all Canadians.

A water quality monitoring system has been in operation in Canada since 1909. Water level and flow data are collected from some 3,500 locations across Canada under cost-shared agreements with all the provinces and the Northwest Territories. An integrated water quality monitoring network is currently being developed to provide comprehensive chemical and micro-biological data on water supplies across Canada. Research is conducted to improve the effectiveness and efficiency of these systems. Research and analyses on the collected water quantity and quality data influence decisions governing the expenditure of billions of dollars at all levels of government and private industry on sewage and drinking water treatment, health costs, tourism and recreation, fisheries, hydro power, agriculture and industrial use.

The Lands Directorate promotes environmentally sound uses and management of Canada's land resources in keeping with federal responsibilities and national objectives. It considers the social, economic and biophysical aspects of the environment as well as different perspectives and values regarding the sound use and management of land resources.

The Atmospheric Environment Service (AES) is concerned primarily with meteorology, the science of the atmosphere. It provides national weather and climatological services for governments, the public and special users, and it is responsible for ice services supporting navigation in Canadian waterways, coastal waters and the Arctic Archipelago. It is also involved in meteorological and climate research, research on effects of atmospheric pollutants and instrument design. AES maintains 68 weather offices and many smaller outlets across Canada.



Bird banding is one of the techniques used by the Canadian Wildlife Service to collect information on migration routes and health of species.

The Environmental Protection Service (EPS) strives to achieve a state of environmental quality in which human actions neither threaten the environment and its constituent parts nor lead to an environment which threatens human health and the sustained use of natural resources. The process by which EPS handles environmental concerns begins with the assessment of the trends in environmental quality, and identification of the relative significance of threats, actual or potential, from various human activities such as offshore oil exploration, and production and consumption of goods.

EPS is the primary contact point on environmental protection matters with other federal departments, industry, international, provincial and municipal governments and agencies, and the general public.

Northern Research

Canada has long recognized the contribution research makes to the socio-economic development of the North. Moreover, the Canadian North has some unique characteristics that are of particular interest to the scientific community.

The Department of Indian Affairs and Northern Development has designed certain long-term measures to encourage and support northern research. The training of graduate students is assisted by special grants administered by the department. The Western Arctic Science Resource Centre at Inuvik and the Eastern Arctic Science Resource Centre at Igloolik accommodate scientists from government, universities and industry. In addition, substantial programs of applied problem-oriented research have been organized, such as: the Arctic Land Use Research program; the environmental-social program; the Eastern Arctic Marine Environmental Studies; the northern pipelines program; the Beaufort Sea project; oil-spill studies; waste disposal studies; and regional socio-economic studies.



The People and Their Heritage

History

Canada's history has been shaped by two factors: the perennial debate about the proper relationship between anglophones and francophones and the evolution of Canada's links with both Great Britain and the United States. Since the late 18th century there has been conflict about the degree of recognition which our institutions should provide to francophones in an endeavour to promote and maintain their existence. As the country has developed out of a group of wholly dependent British colonies into a separate nation-state, much attention has focused upon the growing ties which have been forged with the vastly more powerful United States. At times of crisis in the Canadian past, such as the 1830s, the era of Confederation and World War I, these problems have become intertwined with one another as changes in the international situation have affected the relations between the two great linguistic groups.

The Europeans' search for natural products, fish and later furs led French traders to establish the first permanent settlement at Quebec in 1608. By the 1670s French explorers had penetrated as far west as the Mississippi River.

Rivalry for dominance over Canadian territory had begun as the English penetrated Hudson Bay, chartering the trading company which bore its name in 1670. Thus commenced decades of struggle as the French sought to expand to the west and north while the English endeavoured to monopolize trade in the vast watershed of the Bay. Pressure upon New France came also from English settlements to the south and east. Acadia, on the Atlantic Coast, became a zone of contention where the two empires collided with one another. As a result New France was drawn into an almost continuous series of wars with the English in the 17th and 18th centuries; the Indians allying with one or another of them.

In this contest New France seemed out-matched. In 1663, the French Crown took over control of the colony from the private traders. Although no more than 10,000 immigrants came to settle there throughout the entire history of New France, the population had grown to about 60,000 by 1760.

It was British seapower that cut the tenuous links between the colony and the mother country. In 1759 the major fortress of Quebec fell at the Battle of the Plains of Abraham, and the remaining French forces capitulated at Montreal a year later. The new imperial rulers found themselves facing the difficult problem of ruling a population of Europeans who differed in language and religion. In Britain, Catholics lacked certain civil rights, and if this were to be extended to Canada the colony would be ruled exclusively by imperial officials and a small number of immigrants from the British Isles. Eventually Governor Sir Guy Carleton concluded that civil and religious rights must be conceded to the francophones, whose numbers were rapidly rising through natural increase, doubling

L'Anse aux Meadows, Nfld., a Norse settlement believed occupied about 1000 A.D.





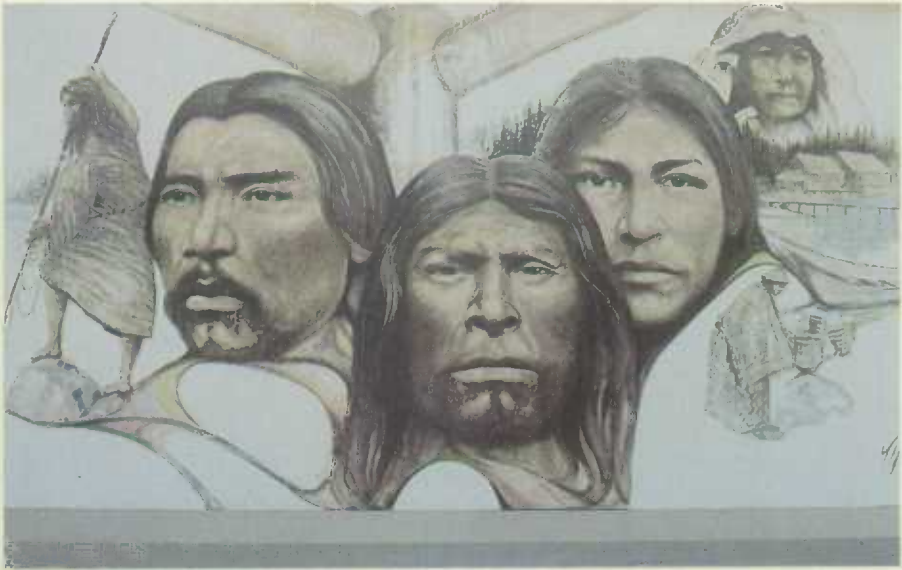
The Fortress of Louisbourg in Nova Scotia.

in size each generation. The Quebec Act of 1774 granted legal status to the Roman Catholic church, to the seigneurial system of landholding and to French civil law.

When the 13 colonies in North America exploded into revolution against Britain in the mid-1770s, Quebec was expected to join the uprising but the people of Quebec neither joined the uprising nor rallied to the British cause as their clerical and seigneurial leaders wished. When peace was restored in 1783 Canada remained in British hands, but the American Revolution had a dramatic effect. Thousands of Loyalists moved northward. More than 30,000 people entered the Atlantic colonies which then contained only a few thousand people engaged in fishing and farming. As a result of the influx a new colony, named New Brunswick, was hived off from Nova Scotia for the Loyalists in 1784. Another 7,000 refugees moved northward to Montreal and were settled along the north shore of the St. Lawrence and Lake Ontario.

These Americans had been used to representative institutions. While Nova Scotia had been granted an elected assembly in 1758, Quebec still had none. The Loyalists also chafed under the seigneurial tenure and the French civil law, and in 1791 Britain decided to create two colonies, Upper and Lower Canada. Both were to have assemblies, but the institutions retained from the French regime survived only in the lower province. In addition, for fear of the spread of revolution the British governors were to retain sweeping powers to rule their colonies.

After years of friction, war between Britain and the United States broke out in 1812. A small force of British regulars aided by the Indians was able to hold off the Americans until peace was restored in 1814. When peace returned the imperial government in an



Mural depicting local native history of Chemainus, BC.

effort to strengthen the colonies, undertook steps to assist immigrants to come to British America. Many others went of their own accord, and between 1815 and 1855 one million Britons landed at Halifax, St. John and Quebec. Though a substantial number of these moved on to the United States, those who remained permanently altered the ethnic composition and rendered the francophones a minority of the whole colonial population.

In Lower Canada francophones remained a majority. Difficulties caused by rapid population increase, a shortage of available land and declining agricultural productivity were translated by the Parti Patriote into an agitation for wider self-government. Serious uprisings occurred in the colony in 1837 and 1838 (with fainter echoes in Upper Canada). Militarily suppressed, the Rebellion of 1837 brought to the colonies Lord Durham, who recommended that the Canadas be joined into a single United Province where an anglophone majority might rule. This tactic failed. French Canadian nationalism, born in the turmoil of rebellion, survived and even prospered under the new regime.

Britain's adoption of free trade, in the 1840s, and the colonies' self-government in local matters prompted the colonials to forge an agreement on reciprocal free trade in natural products with the United States in 1854. Closer ties to the continental economy were also forged by the construction of a network of railways during the 1850s. By 1860 British North America was moving perceptibly out of the imperial orbit toward closer relations with the United States.

The outbreak of the American Civil War in 1861, however, presented serious problems. Britain's decision to remain neutral offended the North, and when it became clear that the South would be defeated many British North Americans were apprehensive that the victorious armies would be unleashed upon them to annex them to the United States. Colonial politicians began, therefore, to consider closer inter-colonial ties, though previously the Canadas had little to do with Newfoundland, Nova Scotia, New Brunswick and Prince

Edward Island. In 1864 George Brown, John A. Macdonald and George-Étienne Cartier formed an unexpected coalition to seek a federal union of all the colonies, and at the Charlottetown and Quebec conferences that autumn hammered out an agreement with representatives from the Atlantic colonies. Ultimately popular antagonism to the new arrangement led Newfoundland and Prince Edward Island to remain aloof (although the latter relented in 1873 owing to financial hardship). In Nova Scotia and New Brunswick there was also widespread opposition but the political skills of Charles Tupper and Leonard Tilley, backed by unswerving pressure from Britain, brought those colonies into the federation with Quebec and Ontario. The British North America Act was passed in London and became law on July 1, 1867.

When the Dominion of Canada purchased the vast western territories controlled by the Hudson Bay Company in 1869, the Métis of Manitoba, a people created by the intermingling of French and Indians in the fur trade, feared that their rights might be ignored. Led by Louis Riel, they forced the federal government to grant provincial status to Manitoba in 1870.

Heritage Village at Burnaby, BC.





Driving the last spike – at Craigellachie, BC – to complete Canadian Pacific Railway's transcontinental track in 1885. CPR celebrated its 100th anniversary in 1985.

Sir John A. Macdonald, the first Prime Minister, then extended Canadian territory all the way to the Pacific by securing the entry of the colony of British Columbia in 1871 with the promise of a railway to the Pacific within 10 years. In 1885, when the Canadian Pacific Railway was almost complete, a second Métis rising broke out, again led by Louis Riel. The railway was used to rush a large force of soldiers to the scene who quickly suppressed the revolt.

Confederation had been intended to reduce ethnic and religious conflict, but it could not eliminate them. Many Quebecois saw the execution of Louis Riel for his part in the 1885 rising as the symbol of a campaign to restrict French and Catholic rights outside Quebec, a conviction reinforced by restrictive legislation in Manitoba in 1890. The election of Liberal Wilfrid Laurier as the first francophone Prime Minister in 1896 came about because he convinced voters he could achieve a compromise on this issue. Yet the question of educational rights for Catholics and francophones outside Quebec plagued Laurier throughout his term of office, particularly when the new provinces of Alberta and Saskatchewan were created in 1905.

Laurier had the good fortune, however, to hold power in an era of rapid growth. Beginning in 1897 Canada attracted large numbers of immigrants from Europe and the US, who filled up the cities and cultivated millions of acres of new land on the western prairies. Favourable world circumstances created excellent markets for Canada's wheat, forest products and minerals. Nonetheless, there remained discontent with some of Laurier's policies. Not only did some francophones think him too weak in defending their rights outside Quebec, but serious disagreements arose between anglophones and francophones over Canada's proper relationship to the British Empire. When Laurier's government negotiated an agreement with the United States to permit reciprocal free trade in natural products in 1911, he was

ousted from office by English Canadian voters who saw it as a move away from close ties with Britain toward annexation by the Americans, while French Canadians were displeased that he had failed to stand up more strongly against the imperialists.

The greatest challenge which faced Laurier's Conservative successor, Robert Borden, was to manage Canada's participation in World War I. In 1917 Borden bowed to pressure to reinforce the volunteer army through conscription despite the opposition of Laurier and most other French Canadian leaders. Borden persuaded those English Canadian Liberals who supported his policies to join him in a coalition. But the discontent of many farmers, immigrant groups and trade unionists with the government's management of the war effort, contributed to the gradual disintegration of Borden's coalition and the return to power of the Liberals in 1921.

Through a combination of guile and skill, the new Prime Minister, Mackenzie King, dealt with the 65 MPs of the Progressive Party, elected by disgruntled farmers and by the mid-1920s the Progressives gradually disappeared as a significant force. Although the new prosperity was unevenly distributed between the regions, the late 1920s were

Historic section of Halifax, NS.



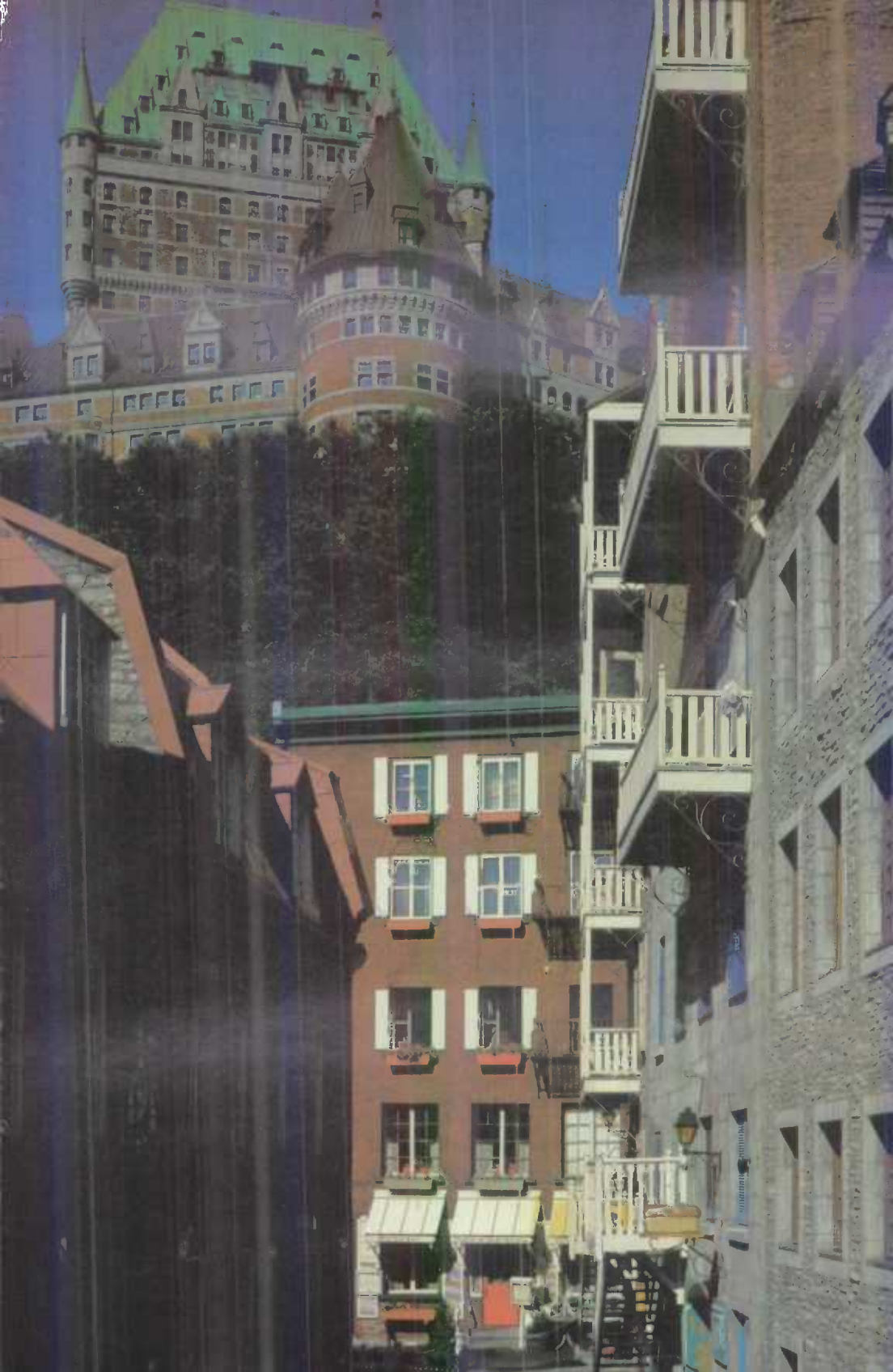
a time of increasing Canadian wealth as new resources and products found expanding markets at home and abroad. Branch plants of American firms (encouraged to locate in Canada by the protective tariff which had originated with Macdonald's National Policy in 1879) were more and more familiar as another stage was reached in the integration of the country into a continental economic system dominated by its southern neighbour.

Governments at all levels had no idea how to cope with the dramatic collapse of the Canadian economy during the 1930s. By 1933, with one-fifth of the labour force unemployed, the federal government was forced to spend large sums of money on relief. The depression convinced many Canadians that their constitution needed an overhaul, for problems like unemployment were provincial responsibilities while only the national government had the means to deal with them. By the 1940s, war-induced prosperity had begun to cure the country's problems and constitutional change lost its priority.

The government of Mackenzie King concentrated upon mobilizing the economy for war and avoiding the deep divisions between anglophones and francophones over conscription which had developed during World War I. King's efforts to resist the imposition of conscription for overseas service until late 1944 did not go unnoticed in Quebec. That province remained loyal to the Liberal Party in the 1945 election, while the actions of the Conservatives in 1917 continued to deny them any real success in Quebec. Wartime growth made Canada, if only temporarily, one of the world's leading military and industrial powers, and King made efforts to ensure that individual workers benefited from this by adopting new fiscal policies designed to maximize employment.

The 20 years after 1945 were marked by a gradual extension of welfare state policies in Canada to meet the needs of its highly urbanized and industrialized society, although fishing, farming and natural resource production obviously retained a vital significance in certain regions of the country. Despite provincial responsibility for such areas of jurisdiction, federal funds were spent on programs of pensions, hospital and medical insurance and aid to the unemployed and handicapped. Such programs were a factor in persuading Newfoundlanders to become citizens of Canada's tenth province in 1949. Only the province of Quebec and to a lesser extent Ontario expressed reservations about the centralization of authority over such matters. The "have-not" provinces also were favoured by the introduction of formal equalization payments in the late 1950s, which were intended to reduce regional disparities.

The landslide victory of the Conservatives under John Diefenbaker in 1958 (in which the party even won 50 seats in Quebec) appeared to mark the opening of a new era in Canadian politics. In fact, Diefenbaker did not utilize his opportunity and was defeated in 1963, opening the way for the Liberals to return to power. Except for the brief Conservative span in 1979-80, they retained power until the Conservatives won their landslide majority of 211 seats in September 1984. The transformation of the Co-operative Commonwealth Federation into the New Democratic Party (NDP) in 1961 has not led it to the major party status, although its core of support has guaranteed it about a score of MPs at subsequent elections. Canadian politics since the 1960s has been marked by a noticeable regionalization of party support: the NDP has no firm backing east of Ontario while the Liberals have gradually been excluded from Western Canada, making them more dependent upon Quebec, although even Quebec capitulated to the 1984 Conservative victory, awarding that party 58 seats.



Like every Canadian Prime Minister before or since, Diefenbaker found himself confronted with knotty problems in dealing with the US. His reluctance to arm our forces with American nuclear weapons during the cold war paved the way for his defeat. During his prime ministership widespread concern was first expressed over the level of American investment in Canada and its effect upon our sovereign independence. How to cope with this problem or whether to ignore it altogether have become important political issues in the succeeding two decades. It was the retirement of Pierre Trudeau and overwhelming victory of the Conservative Party under another Quebecker, Brian Mulroney, in 1984, which signalled a new phase in both the relations between anglophones and francophones and between Canada and the United States.

At the time of the centennial of Confederation in 1967 attention began to be focused upon the long-dormant issue of constitutional change. Following a revival of Quebecois nationalism during the 1960s, Quebec was chafing at the restrictions imposed by the existing federal system, despite the efforts of Lester Pearson's government to reach accommodations. The selection of Pierre Trudeau as Prime Minister in 1968 came about largely because of his reputation as a constitutional expert and as a Quebecois who favoured a strong central government. Quebec's failure to agree to the Victoria Charter in 1971, however, temporarily ended the negotiations.

In the 1970s, attention shifted to economic issues. Rapidly rising petroleum prices slowed growth and added to inflationary pressures, while the flow of income to the oil and gas producing provinces in the west reduced the traditional preponderance of central Canada. The national energy program, designed to secure energy self-sufficiency for Canada and encourage Canadian ownership of the oil and gas industry, has spawned intense criticism among those who oppose its goals or its methods. By 1982, the rate of unemployment had reached 1930s levels and the Gross National Product was shrinking in real terms.

The aggressive Quebecois nationalism of the 1960s seemed to have been checked by the October Crisis of 1970 when the government imposed the War Measures Act and sent 10,000 troops into the province in response to the terrorist activities of the Front de Libération du Québec. The vast majority of Canadians approved of this response though doubts later surfaced about the veracity of the "real or apprehended insurrection" which provoked it. Yet the election of Parti Québécois in 1976 demonstrated that dissatisfaction among francophones remained significant. Although the government of René Lévesque failed to win a mandate to negotiate Quebec's "sovereignty-association" with the rest of Canada in the provincial referendum of May 1980, his victory in the subsequent general election indicated that separatism had not lost its appeal for many Quebecois.

The election of this government in Quebec helped to revive the lagging constitutional negotiations. In the referendum campaign the anti-separatist forces under Pierre Trudeau promised the people of Quebec a "renewed federalism", and when the provincial premiers failed to reach any agreement on changes the Prime Minister announced his intention to proceed unilaterally to patriate the constitution and include an amending formula and a charter of rights. Momentarily checked by the Supreme Court decision that such a course of action would be unconstitutional without substantial provincial consent, the Prime Minister nonetheless persevered. The outcome was the surprising agreement on constitutional changes reached on November 5, 1981 with only Quebec's Lévesque registering a vigorous protest. On April 17, 1982 the Canada Act formally came into effect with a ceremonial proclamation by the Queen on Parliament Hill in Ottawa.



Parliament buildings, Ottawa, Ont.

Government

Although Canada became a fully sovereign state in principle in 1926, it was not until April 17, 1982, with the proclamation of the Constitution Act 1982 that the last formal vestige of Canada's former colonial status was finally removed.

The Constitution Act and its amendments provide only a skeleton framework of government, which is filled out by judicial interpretation, by various Acts of Parliament and of the legislatures and, most of all, by custom or "convention". The powers of the Crown are exercised, as the Fathers of Confederation put it, "according to the well understood principles of the British Constitution" — that is, according to the usages and understandings that gradually transformed the British monarchy into a parliamentary democracy. Canada has inherited and elaborated on these conventions to suit our own needs.

The BNA Act, now renamed the Constitution Act, 1867, gives the Canadian Parliament power to "make laws for the peace, order and good government of Canada in relation

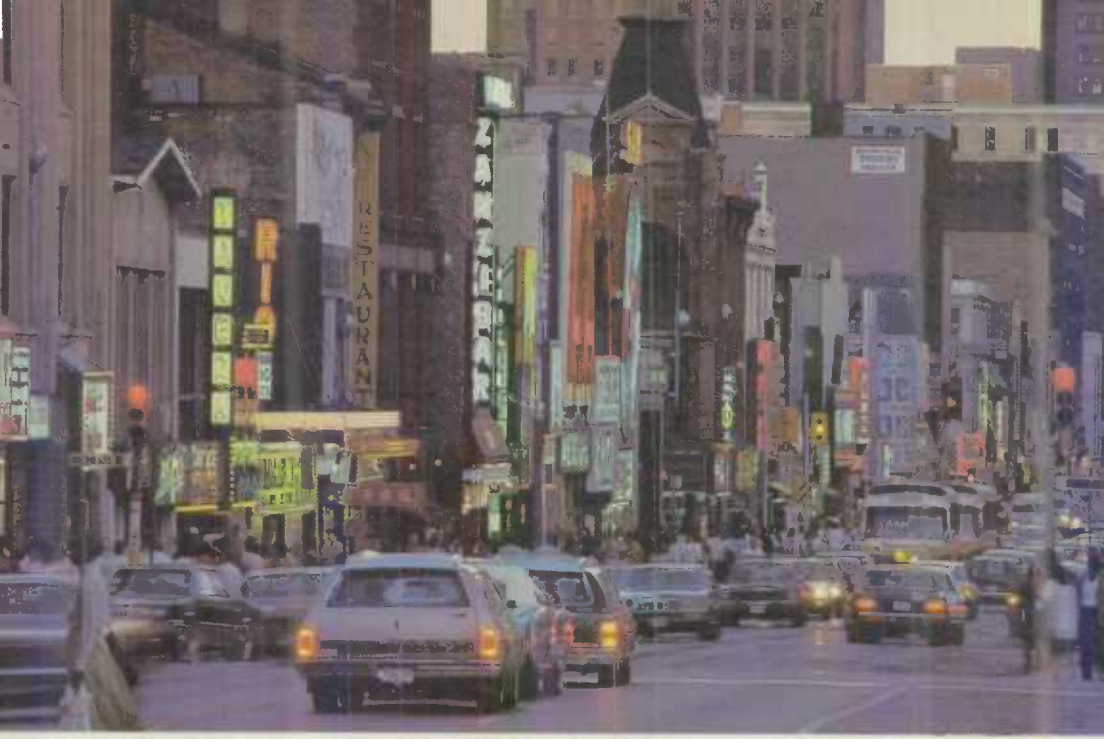
to all matters . . . not . . . assigned exclusively to the Legislatures of the provinces". The Act added a list of examples of this general power, which includes legislating with respect to: defence; raising money by any kind of taxation; regulation of trade and commerce; navigation and shipping; fisheries; currency and banking; bankruptcy and insolvency; interest; patents and copyrights; marriage and divorce; criminal law and criminal procedure; penitentiaries; interprovincial and international steamships, ferries, railways, canals and telegraphs; and any "works" situated within a province that are declared by Parliament to be "for the general advantage of Canada". An amendment in 1940 added unemployment insurance to the federal jurisdiction.

The Act of 1867 gave Parliament and the provincial legislatures concurrent power over agriculture and immigration, with the federal law prevailing over the provincial in case of conflict. Amendments have since provided for concurrent jurisdiction over pensions, but with provincial law prevailing in case of conflict.

The Constitution Act 1982 established the equality of status of English and French in all the institutions of the Parliament and Government of Canada and of the legislature and government of New Brunswick. English and French may be used in the debates of the legislatures and in any pleading or process of the courts of Quebec and Manitoba and must be used in keeping the records and journals of the legislatures of those provinces. In addition to these language rights, the Constitution of Canada also provides for language of education rights for the linguistic minority, whether anglophone or francophone, in each province or territory, sets out certain educational rights for some denominational groups, and affirms and recognizes the rights of Canada's aboriginal peoples. Furthermore, the Canadian Charter of Rights and Freedoms protects the fundamental freedoms, the democratic rights, the mobility rights, legal rights and equality rights of all Canadians.

Each provincial legislature has exclusive power over: the amendment of the provincial Constitution (except as regards the office of Lieutenant Governor, the legal head of the provincial executive); natural resources; direct taxation for provincial purposes; prisons; hospitals; asylums and charities; municipal institutions; licences for provincial or municipal revenue; local works and undertakings; incorporation of provincial companies; solemnization of marriage; property and civil rights; administration of justice; matters of a merely local or private nature; and education, subject to certain safeguards for denominational schools in Newfoundland and Protestant or Roman Catholic schools in the other provinces. Judicial decisions have given "property and civil rights" a very wide scope, including most labour legislation and much of social security.

The unanimous consent of Parliament and the legislatures of all the provinces is required for certain amendments to the Constitution respecting matters such as the office of the Queen, the Governor General or the Lieutenant Governor of a province, and the composition of the Supreme Court. For other constitutional amendments of general application, the consent of Parliament and of seven provinces representing at least 50 per cent of the population is required. However, where an amendment derogates from the legislative powers, the proprietary rights or any other right or privilege of the legislature or government of a province, the legislative assembly of a province can express its dissent and the amendment will not have effect in that province. In such a case, if the amendment is one that transfers legislative powers to Parliament relating to education or other cultural matters, Canada shall provide reasonable compensation to any province to which the amendment does not apply.



Toronto, Ont.

Population

Canada is the third largest country in the world in terms of land area, but it ranks only 31st in population which was estimated at 25,358,500 on June 1, 1985. Canada's population is concentrated in a more or less unbroken band along the United States border; the two northern territories have a combined population of only 73,000.

For many years the country's centre of population has been moving slowly westward; central Canada, especially Ontario, is growing faster than the eastern part of the country but less vigorously than the western region. British Columbia and Alberta in particular have experienced rapid population growth in the past two decades. Most of this expansion has been due to interprovincial migration; all provinces east of Alberta suffered net migration losses between 1971 and 1981, and Ontario was the only exception between 1961 and 1971. Alberta's appeal probably stemmed largely from its high rate of economic growth in the second half of the 1970s. The 1982 recession altered the course of events somewhat, and the other provinces benefited from a return flow. Nevertheless, British Columbia continues to draw from other provinces, while Quebec loses in population exchanges.

The population of Canada has more than doubled since World War II. Its rate of growth has not been steady, however, gradually subsiding from the high levels of the late 1940s and the 1950s to a very low ebb in recent years. Population growth depends on two factors: natural increase (the excess of births over deaths) and net migration (immigration minus emigration). Both have declined appreciably in the past few years.



Care of a premature baby in an incubator. Natural increase accounts for about 75 per cent of Canada's population growth.

The population distribution of Canada, 1951-85

Province or territory	1951	1966	1981	Estimated population on June 1, 1985 '000
	%	%	%	
Newfoundland	2.6	2.5	2.3	580.4
Prince Edward Island	0.7	0.5	0.5	127.1
Nova Scotia	4.6	3.8	3.5	880.7
New Brunswick	3.7	3.1	2.9	719.2
Quebec	28.9	28.9	26.4	6,580.7
Ontario	32.8	34.8	35.4	9,066.2
Manitoba	5.5	4.8	4.2	1,069.6
Saskatchewan	5.9	4.8	4.0	1,019.5
Alberta	6.7	7.3	9.2	2,348.8
British Columbia	8.3	9.4	11.3	2,892.5
Yukon	0.1	0.1	0.1	22.8
Northwest Territories	0.1	0.1	0.2	50.9
Canada	100.0	100.0	100.0	25,358.5

Natural Increase

At present, natural increase accounts for approximately 75 per cent of Canada's population growth. Its annual rate (eight per 1,000 population), though one of the highest in the industrialized world, is the lowest in Canadian history. The number of births has risen slightly over the last 10 years, but the birth rate (15 per 1,000) continues to fall. If this rate persists, depopulation will begin early in the next century. There are some indications, however, of a slight recovery in the near future.

Although the number of deaths is also climbing, because of the growth and ageing of the population, the death rate has stood at a record low of about seven per 1,000 for the past five years. Life expectancy at birth, or length of life, continues to rise; in 1983, it was just over 73 years for males and almost 80 for females. This increase in longevity is chiefly due to recent breakthroughs in the fight against cardiovascular disease, the leading cause of death. The battle against cancer, the second leading killer, is less encouraging at the moment; some types are being controlled, but others are claiming increasing numbers of victims.

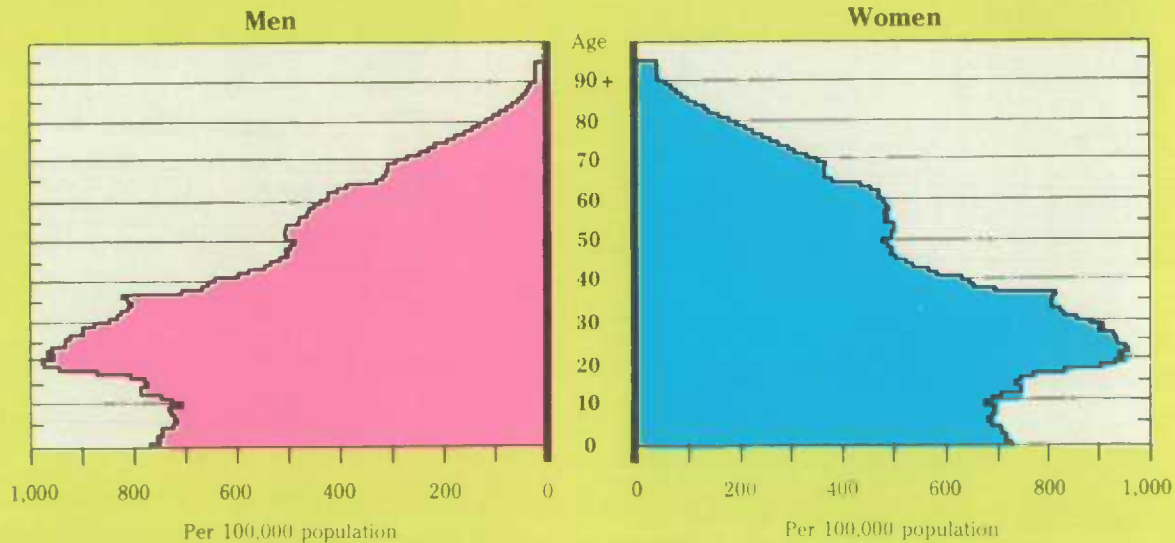
Immigration

Historically, immigration has been a key factor in the growth of Canada's population. In the 1981 Census, one of every six people reported having been born outside Canada. Immigration has always been cyclical and directly or indirectly related to economic conditions; periods of prosperity have largely coincided with the influx of large numbers

Chinese festivities in Vancouver, BC



Age Pyramid of the Canadian Population, June 1, 1984



Source: Demography Division.

of immigrants. As a result of the economic slump that recently affected the entire western world, the Canadian government cut immigration levels to less than 100,000 in 1983 and 1984.

Traditionally, the majority of immigrants came from Europe, especially England. In the past 10 years, however, there has been much greater diversity in the countries of origin of those who come to settle in Canada. In particular, there has been a sharp increase in the number of Asian immigrants. Regardless of the economic situation, Canada has always admitted refugees from anywhere in the world when circumstances so dictated. Mostly after World War II, but also in the early 1980s, many Eastern Europeans took refuge in Canada; in the mid-1970s there were large numbers of West Indians and Africans, and in the late 1970s, Southeast Asians.

Until recently, the average age of immigrants was quite low (in 1970, 25.5 years for males and 26.3 for females). In 1982 and 1983 it was much higher (30.9 years for males and 32.7 for females) because of the restrictions on independent immigrants, most of whom are young adults, and the unchanged level of family reunification admissions (usually older people). The Department of Employment and Immigration is responsible for Canada's immigration policy and related matters, although the Department of External Affairs handles immigration services abroad. Under the Constitution, immigration is a joint responsibility, and the federal program is administered in co-operation with the provinces which are especially active in welcoming immigrants and helping them adjust.

Population Structure

Continuing shifts in the factors of population change are reflected in the changing age-sex structure of the population. If ageing is measured by the respective percentages of the under-15 age group, the 15-64 age group and the 65 years and over group, then the larger the proportion of the first group and the smaller that of the third group, the younger a country is. Canada is still a comparatively young country, but it is ageing rapidly. For example, the proportion of the under-15 group in the total population dropped from

The proportion of the under-15 age group in Canada is dropping — the percentage of sixty people is increasing.



Factors of population change, 1951-81

	Total increase	Natural increase	Net migration	Ratio of migration to total increase %
	'000	'000	'000	
1951-1956	2,071	1,473	598	28.9
1956-1961	2,157	1,675	482	22.3
1961-1966	1,777	1,518	259	14.6
1966-1971	1,553	1,090	463	29.8
1971-1976	1,424	934	489	34.4
1976-1981	1,288	978	310	24.1

34 per cent in 1961 to 23 per cent in 1981, and is expected to be approximately 17 per cent in 2001; the percentage of elderly people, on the other hand, increased from 8 per cent in 1961 to 10 per cent in 1981 and will probably reach about 14 per cent by 2001.

The rapidity of the ageing process should concern us, since the faster the relative sizes of the age groups change, the more serious the social and economic shocks are. This demographic evolution is already forcing Canada to make major adjustments in its economic system and social structure, as a result of changes in the character and volume of supply and demand for goods, services and jobs.

The socio-economic importance of population ageing is accentuated by the preponderance of women in the elderly group (almost 58 per cent of persons aged 65 and over in 1984) and the fact that 60 per cent of them are widowed, single or divorced. Male excess mortality is the leading cause of this imbalance, but it is aggravated by the fact that remarriage is more frequent among widowers than among widows and by the tradition that men marry younger women and women marry older men.

The proportion of single young adults in the population is also growing rapidly, as the large numbers of children born between 1946 and 1965 have now reached adulthood. This trend is intensified by the fact that young Canadians are marrying later than their elders; average age at first marriage, for both men and women, has been rising in recent years and is currently at one of the highest levels in 40 years. Furthermore, according to 1983 figures, only 63 per cent of males and 64 per cent of females are likely to marry at least once in their lifetime, however, increasing numbers of men and women are deciding to live together without legalizing their union. This trend is particularly pronounced among young people.

Between 1968, when the law was amended to make divorce easier to obtain, and 1982, the number of divorces and the divorce rate rose each year. In both of the following two years, they registered declines. The large number of divorces in the past 16 years and the higher frequency of remarriage among divorced males account for the fact that the number of divorced people continues to grow and that the majority of them are female.



Croatian dancing at an Alberta festival.

The Ethnic Mosaic

Nation of Immigrants

Jacques Cartier's landing at Quebec City in the 16th century is the first recorded non-aboriginal settlement in Canada. For the next 200 years, until 1760, most settlers came from France; then, the pattern was altered by the flood of immigrants from the United Kingdom (English, Irish and Scottish) who arrived either by way of the United States (the Loyalists) or as new immigrants from Europe. In the 20th century the pattern again changed dramatically as the bulk of Canada's immigrants arrived on her shores from Continental Europe and, later in the century, from other continents.

Today the largest ethnic group in Canada is British (40 per cent), followed by French (27 per cent), German (5 per cent), Italian (3 per cent) and Ukrainian (2 per cent). According to the 1981 Census, 33 per cent of Canada's population has language origins other than British or French and one-sixth of the people enumerated were born outside Canada.

British is the most common ethnic origin in all provinces except Quebec, where people with British roots constitute only 8 per cent of the population. French is first in Quebec, second in Atlantic Canada and Ontario, but fourth or fifth in the western provinces. Eighty per cent of Quebec's population is of French descent and 79 per cent of Canadians of French origin make their home in Quebec. Another 10 per cent of Canada's French population is in Ontario and 4 per cent live in New Brunswick.

Population by selected ethnic origins¹

Ethnic group	Total	
	'000	%
Single origins	22,244.9	92.4
French	6,439.1	26.7
English	6,109.2	25.4
Scottish	1,415.2	5.9
Irish	1,152.0	4.8
British: other multiple and not specified	996.7	4.1
German	1,142.4	4.7
Italian	748.0	3.1
Ukrainian	529.6	2.2
Native Peoples	413.4	1.7
Dutch	408.2	1.7
Chinese	289.2	1.2
Scandinavian	282.8	1.2
Jewish	264.0	1.1
Polish	254.5	1.1
Multiple origins ²	1,838.6	7.6
Total population	24,083.5	100.0

¹ 1981 Census.

² Mostly British and French, British and other, French and other, or British, French and other.

The Prairie ethnic mix is markedly different. Although German is the second most common ethnic origin and Chinese is third in British Columbia, on the Prairies, Ukrainian is the third most commonly claimed ancestry. Canadians of Italian origin are concentrated mostly in Ontario and Quebec.

The Canadian cultural mosaic is recognized by government through support for programs aimed at promoting, preserving and sharing cultural heritages and mutual appreciation and understanding among all Canadians. The multiculturalism directorate of the Department of the Secretary of State provides grants or funds to ethnocultural groups for activities that further cultural pluralism, resource development, intercultural communications, and the integration and participation of immigrants in society.

In 1947 Canada became the first country in the Commonwealth to adopt a distinct national citizenship. A new Citizenship Act was proclaimed in Parliament on February 15, 1977, with the intention, among others, of eliminating distinctions among applicants based on age, sex, marital status or country of previous citizenship.



The Department of the Secretary of State is responsible for the administration and interpretation of the Citizenship Act including the provision of a national service for the granting of Canadian Citizenship and for issuing certificates of proof of Canadian citizenship. To qualify for citizenship an adult alien (18 years of age or older) must have been admitted to Canada for permanent residence and have accumulated three years of residence in Canada within the four years immediately preceding application. Applicants for citizenship must also be able to speak either of the official languages, English or French, have a knowledge of Canada and of the responsibilities and privileges of citizenship, take the Oath of Citizenship, and not be subject to the specific prohibitions set out in the Citizenship Act. To become a Canadian citizen a person must apply for citizenship, appear before a Citizenship Judge for a hearing, and take the Oath of Citizenship at a court ceremony. Requests for detailed information should be made to the nearest Citizenship Court or mailed to the Department of the Secretary of State, Citizenship Registration and Promotion, Box 7000, Sydney, Nova Scotia B1P 6V6.

Annual folk festival in Vancouver, BC.





Indian arts village near Hazelton, BC.

Native Peoples

Indians

Native peoples are the ninth largest ethnic group in Canada and comprise only 2 per cent of the total population, according to the 1981 Census. Nearly half of the registered Indians, mainly those living in Ontario and the three Prairie provinces where their greatest numbers are concentrated, are entitled to receive treaty payments as a result of treaties between their ancestors and the Crown.

Some 413,400 respondents to the 1981 Census stated their origins as native and another 78,100 claimed partial native ancestry. Among those of single origin, 64 per cent were status or registered Indian, 19 per cent were Métis, 11 per cent were non-status Indian and 6 per cent were Inuit. Of the combined number who claimed full or part native origins, 60 per cent were status or registered Indian, 35 per cent were non-status Indian or Métis and 5 per cent were of Inuit origin.

The number of persons of Indian ancestry who are not entitled to be registered under the provisions of the Indian Act is unknown. Included among these people are Indians who have given up their Indian status and band membership through the legal process of enfranchisement, Indian women who have married non-Indians, the Métis and the descendants of persons who received land or money-scrip.

There are 50 different Indian languages or dialects in Canada, belonging to 10 major linguistic groups: Algonquian, Iroquoian, Siouan, Athapaskan, Kutenaian, Salishan, Wakashan, Tsimshian, Haida and Tlingit.

Education. The provision of education services to Indians living on reserves is the responsibility of the federal government through Indian and Northern Affairs, which provides or funds a complete range of educational services from kindergarten to senior matriculation. In addition, educational assistance is provided to eligible Indian students in university, professional, technological and trades training.

Since the acceptance by the federal government of the principles contained in the National Indian Brotherhood paper "Indian Control of Indian Education" in 1973, more Indian bands have been assuming control of their schools and other educational programs. Out of a total of 360 federal and band schools, 191 are managed by Indian educational authorities. The majority of the 169 federal schools operated by the department offer culturally enriched programs.

Several provinces and universities offer special teacher-training courses to encourage Indian people to enter the teaching profession. Paraprofessional courses are also conducted to train Indian teacher aides and social counsellors for federal, provincial and band-operated schools. Vocational training, vocational counselling and employment placement programs have been supported by Indian and Northern Affairs Canada in co-operation with Employment

School in Baker Lake, NWT.





Indian crafts at Fort Qu'Appelle, Sask.

and Immigration Canada. The department has also assumed responsibility for training of elected and appointed officials of Indian bands and Inuit hamlet councils that is specifically related to their official duties.

Local Government. A policy encouraging the development of band self-government on Indian reserves began to evolve in 1965 in response to the expressed wishes of the Indian people to assume greater responsibility for the administration of their own affairs. Depending on a band's desire to become involved and its management capability, it can assume total program responsibility, manage only a segment or share responsibility with the department.

Economic Development. Technical and financial support for planning, institutional development, business and employment development and socio-economic development activities is provided to enable Indian people to achieve enhanced economic self-sufficiency by helping them develop their resources and obtain permanent productive employment. The overall design and management of such activities will be progressively devolved to Indian people.



Pangnirtung, NWT.

Inuit (Eskimos)

There are about 100,000 Inuit in the world. Canada's Inuit number around 25,000; their language is called Inuktitut. They live in small communities on the Mackenzie Delta, the Arctic islands and the mainland coast of the Northwest Territories, on the Quebec shores of Hudson and Ungava bays, and in Labrador. Their communities are situated for the most part on bays, river mouths, inlets or fiords, reflecting a culture that was, and to a considerable extent still is, tied largely to marine harvesting — fishing, gathering and hunting.

Today, while the hunter's life and the special relationship it implies with the land remains central to Inuit identity and self-perception, traditional hunting pursuits are not as important economically as they were in the past. The southern world has invaded northern communities with all its comforts and complications; electricity, oil-fired furnaces and stoves,

snowmobiles and trucks, schools, hospitals, films and television have all combined to change northern life. The problems of southern society have moved north as well, often to be amplified in the conducive atmosphere of rapid social change.

The question of Inuit origins has been a subject of considerable speculation among archaeologists for many years. Archaeological evidence points to a beginning somewhere in Northeast Asia near the Bering Sea — probably between 15,000 and 10,000 B.C. — and a succession of ancient arctic cultures extending from eastern Siberia across Alaska and Northern Canada to Greenland has been identified and described by students of Eskimo prehistory. While there is not always consensus on the dating of these cultures and their inter-relationships, there is agreement that a number of distinct arctic cultural phases can be identified; the best known of these are the Dorset (700 B.C. to 1300 A.D.) and Thule (1200 A.D. to the time of the first European contacts).

Life was hard, the climate brutal, and the hunt was the key to survival. When the game disappeared the people starved, or froze to death as animal oil for the lamp (usually the only source of heat) ran out. The hunt was all-important; the sea provided whales, walrus and seal, while the land supplied caribou and musk oxen. Hunting skills were passed down from father to son.

Early accounts and archaeological research indicate that the Canadian Inuit once ranged farther south than they do now, particularly on the Atlantic seaboard. Generally, they were a coastal people and fish and sea mammals were their sources of food, fuel and

Skinning a seal at Pond Inlet, N.W.T.



clothing. Some groups, however, settled in the interior, where they lived on the caribou herds and fish from the inland lakes, made fires from shrubs instead of blubber and rarely visited the sea.

With the arrival of the whaling ships and the fur traders early in the 19th century, traditional Inuit life began to change as economic emphasis shifted from hunting and fishing to fur trapping.

With World War II came a rapid development in air travel, and the building of defence installations and of meteorological and radio stations. Through Canada's communications satellites, telephone, radio and television programs (some in Inuktitut) are now beamed into Inuit households. The kayak and sled dogs, once essential to the Inuit hunting and trapping lifestyle, have largely been replaced by the motorized toboggan and canoe. Few communities are without airstrips and modern aircraft technology has considerably shrunk the vast spaces of the Inuit domain.

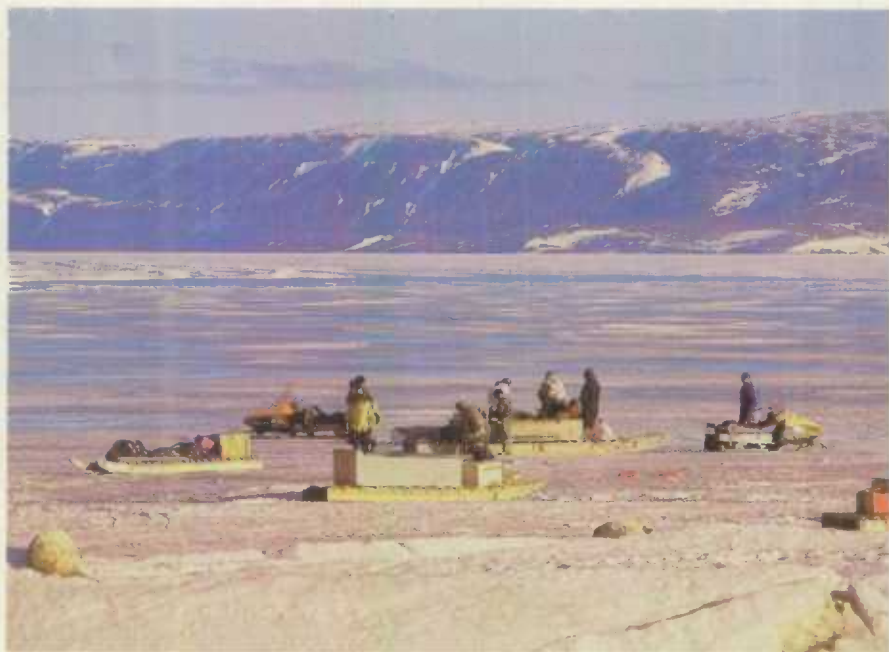
The general health of the Inuit has improved remarkably in recent years and life expectancy is far greater than it was only two decades ago. Medical help is now available throughout the North and charter aircraft serve as an air ambulance system for isolated communities.

Various government programs in areas such as education, social affairs, local government and economic development have also contributed to the dramatic change in the Inuit way of life. Schools in every viable Inuit community provide education services up to Grades VIII and IX in most locations. Students attend pre-vocational and senior secondary schools either elsewhere in the Arctic or at locations in Southern Canada. A generous postsecondary financial assistance plan is available from the Northwest Territories government to those students attending university and vocational/technical institutes elsewhere.

Many communities have evolved from having a resident government administrator to becoming incorporated hamlets or villages, managing their own affairs through elected councils. The Council of the Northwest Territories, a provincial-style body, has nine Inuit elected members. An Inuk also represents the Eastern Northwest Territories in the House of Commons and two Inuit sit in the Senate.

The Inuit Tapirisat of Canada (The Eskimo Brotherhood) is a national organization formed in 1971 to enable the Inuit to conduct and govern their own affairs and foster growth and development of their culture. Its Board of Directors is elected at the annual general assembly attended by delegates from all Inuit communities in Canada and, in addition to the national organization, there are six regional Inuit associations that speak for their own specific areas. Co-operative federations such as the Inuit Development Corporations (IDC) and the Hunters and Trappers Associations (HTA) speak for Inuit interests in discussions and negotiations with industry and with provincial, territorial and federal governments. With their special agencies, they are increasingly concerned with land claims negotiations and the preservation of the Inuit lifestyle in the face of resource development. Financial assistance in the form of grants, contributions and interest-free loans are provided by both Indian and Northern Affairs Canada and Secretary of State.

With the increased demand, and thus intensified exploration, for oil, gas and minerals in the Arctic, Indian and Northern Affairs Canada and the Government of the Northwest Territories are involved in creating and making available opportunities for employment of Inuit in the non-renewable resource industries and related support industries. The Inuit Tapirisat of Canada and the various regional associations have been involved in representing Inuit concerns about the impact of development on the northern environment and the Inuit way of life.



Arctic Bay, NWT. Inuit hunters preparing for the last hunt of the season in late May.

Native Claims

Since 1973 the federal government and the concerned native peoples have been attempting to resolve two broad categories of native claims through a process of direct negotiations. The Office of Native Claims (ONC) of Indian and Northern Affairs Canada represents the federal government in this process.

"Specific" claims are based on grievances that Indian people might have about the fulfilment of Indian treaties or the actual administration of lands and other assets under the Indian Act or formal agreements. Each claim is judged on its own facts and merits, taking into account all relevant historic evidence. The goal of such claims settlements is to compensate the claimant band or bands for losses incurred and damages suffered, based on legal principles and established criteria.

"Comprehensive" claims are based on traditional native use and occupancy of land. Such claims arise in those parts of Canada where the native title has not been previously dealt with by treaty or other means. They normally involve a group of bands or native communities within a geographic area and are comprehensive in their scope, including such elements as land title, specified hunting, fishing and trapping rights, financial compensation and other economic and social benefits.

The thrust of comprehensive claims policy is to exchange undefined aboriginal land rights for concrete rights and benefits. Settlements are intended to protect and promote the native peoples' sense of identity while providing for meaningful participation in contemporary society and economic development on native lands.

Language

In a country of people from many different ethnic origins, it is not surprising that Canadians have many different mother tongues. In the 1981 Census, 61 per cent of the respondents declared English as their mother tongue; 26 per cent claimed French; and another language was the mother tongue of 13 per cent of the population. Of those with French as a mother tongue, 85 per cent lived in Quebec. When asked which language they used at home, 68 per cent of Canadians replied English, 25 per cent said French, and 7 per cent said they use a language other than English or French at home. Nearly 89 per cent of Canadians who used French as their home language lived in Quebec.

Population by mother tongue and official language¹
(thousands)

Official language	Mother tongue			Total
	English	French	Other	
English only	13,613.7	44.4	2,464.8	16,122.9
French only	13.9	3,894.7	78.6	3,987.2
English and French	1,114.3	2,236.1	331.6	3,682.0
Neither English nor French	8.6	1.0	281.8	291.4
Total	14,750.5	6,176.2	3,156.8	24,083.5

¹ 1981 Census.

As an officially bilingual country, Canada enjoys a number of policies and programs which serve to ensure, support and encourage the use of both official languages.

The Official Languages Act which came into force in September 1969, stipulates, among other things, that "the English and French languages are the official languages of Canada". The basic principles of the Official Languages Act are now guaranteed in the Canadian Charter of Rights and Freedoms in the Constitution Act 1982. The Charter confirms that English and French have equality of status and equal rights and privileges as to their use in all institutions of the Parliament and Government of Canada. It also stipulates that the Canadian public has the right to communicate with, and to receive available services from, any head or central office of an institution of the Parliament or Government of Canada in English or French. The public also has the same right with respect to any other office of any such institution where there is a significant demand for communications with and services from that office in English or French, or where the nature of the office so justifies. The Charter also gives significant guarantees of minority language education rights.

These Acts, and indeed the federal official languages policy as a whole, aim not to make all Canadians "bilingual", but on the contrary to ensure that, wherever they are reasonably concentrated, those who speak English and those who speak French may deal with the federal government in their own language.

The main responsibility for official languages policies and programs is shared by the Treasury Board Secretariat, the Department of the Secretary of State, the Public Service Commission and the various Crown corporations and departments. The Commissioner of Official Languages is responsible for ensuring that the official languages are recognized in practice and that the institutions of the Parliament and Government of Canada conduct their business in compliance with the spirit and intent of the Act.

Canada's efforts to promote the use and understanding of both official languages appear to have met with some success: the number of persons who indicated they could speak both English and French in the 1981 Census totalled nearly 3.7 million, or 15 per cent of the total population, some 27 per cent higher than in 1971.

Quebec, with 32 per cent of its population officially bilingual, was home to 56 per cent of bilingual Canadians. Outside Quebec, 9 per cent of Canadians said they were bilingual. Ontario, with a bilingual population of 11 per cent, has 25 per cent of Canada's bilingual population; the 27 per cent of New Brunswick population who speak both English and French represent 5 per cent of the Canadian total.

In 1981, twice as many Canadians with French as their mother tongue were officially bilingual than Canadians with English as their mother tongue. Mother tongue distribution among the 3.7 million officially bilingual Canadians was: French, 2.2 million (61 per cent); English, 1.1 million (30 per cent); other, 0.3 million (9 per cent). Official bilingualism was reported by 36 per cent of those with French as their mother tongue, by 8 per cent of those with English, and by 11 per cent of people with another mother tongue.

Fifty-three per cent of Quebecers with English as their mother tongue indicated they could speak both English and French, compared to 45 per cent of Quebec residents with other mother tongues, and 29 per cent of those with French as their mother tongue. Outside Quebec, 79 per cent of Canadians with French as their mother tongue said they were bilingual; they comprise only 5 per cent of Canada's population but 45 per cent of all officially bilingual Canadians. Of Canadians outside Quebec with either English or a language other than French as their mother tongue, 5 per cent consider themselves officially bilingual.

Religion

Before the arrival of Christianity to the new world, native religions flourished among Canada's Indian population. From the 17th century on, these indigenous religious expressions declined in the face of French and British missionary and cultural pressures.

Unlike the United States, Canada was not initially a melting pot of cultures, but a facsimile of its European parents. This applied to its religious temperament as well. In the mid-19th century, however, the addition of new French Roman Catholic orders in Quebec and non-conformist Protestant denominations in Anglophone Canada precluded a unified church-state relationship. However, all Christian denominations continued to seek the fulfilment of their own social and national visions in some kind of political dimension. In Quebec, the Roman Catholic church dominated most aspects of politics and society until recent

Population by selected religious denominations¹

Denomination	Total	
	'000	%
Catholic ²	11,402.6	47.3
Roman Catholic	11,210.4	46.5
Protestant	9,914.6	41.2
United Church	3,758.0	15.6
Anglican	2,436.4	10.1
Presbyterian	812.1	3.4
Lutheran	702.9	2.9
Baptist	696.9	2.9
Pentecostal	338.8	1.4
Eastern Orthodox	361.6	1.5
Greek Orthodox	314.9	1.3
Jewish	296.4	1.2
Eastern Non-Christian	305.9	1.3
No religion	1,752.4	7.3
Total population	24,083.5	100.0

¹ 1981 Census.

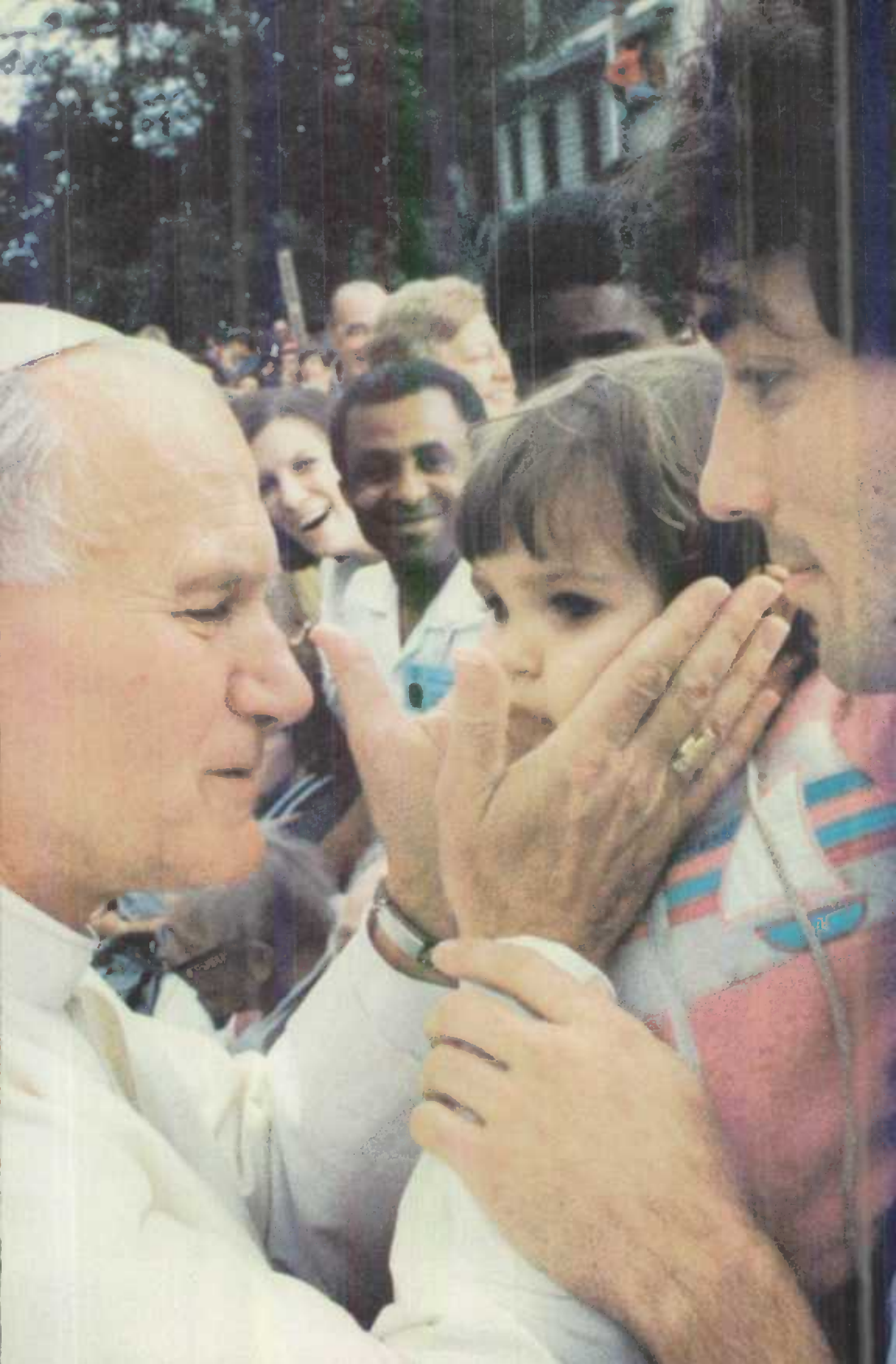
² Includes Roman Catholic, Ukrainian Catholic and Polish National Catholic Church.

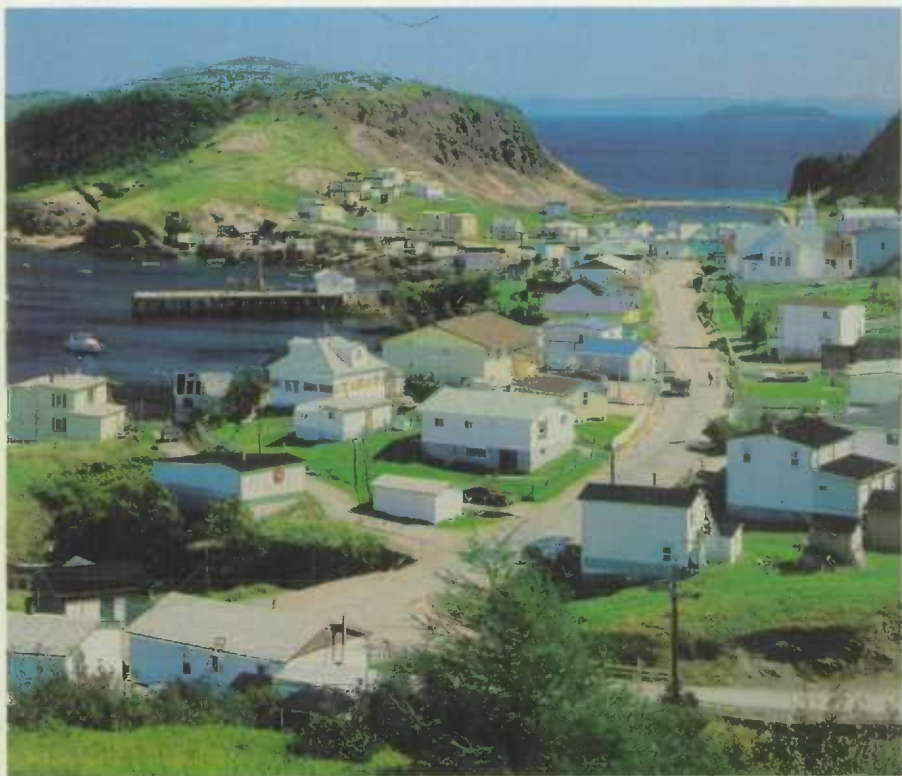
times, and elsewhere Protestantism pressed hard to develop what is considered to be an appropriate definition of Canadian identity.

This may have sustained traditional religious and ethical values, but it also led the churches away from innovations that would make their role more suitable to Canada's changing needs. Between 1880-1945, a once predominantly rural and conservative Canadian society was massively challenged by industrialization, urbanization, improved communications and, above all, immigration. Many newcomers were from eastern or southern Europe. Among them were such diverse groups as Mennonites, Hutterites and Doukhobors. They did not share the religious world-view of the old French and British churches. Attempts to assimilate these fragments into a monocultural French or English hegemony failed, and by 1945 Canada had truly entered into an age of religious pluralism.

In the 1981 Census, 47 per cent of respondents indicated they were Catholics, 41 per cent stated their religion as Protestant, 3 per cent practised other religions and 7 per cent claimed no religious preferences.

The three dominant Christian denominations are Roman Catholic, United Church of Canada and Anglican. Medium-sized denominations include Presbyterians, Lutherans, and Baptists. Smaller Christian denominations, notably the Adventists, Jehovah's Witnesses, Mennonites, Mormons, Pentecostals, Christian Reformed, Orthodox, Ukrainian Catholic and Salvation Army are also part of Canada's religious community. Through





1. Church in Pool's Cove, Nfld.
2. Mennonite Settlement at Steinbach, Man.
3. Ukrainian Church in Hafford, Sask.
4. St. James Cathedral, Toronto, Ont.







Christmas lights in Robson Square, Vancouver, BC.

their good work, such as their combined outreach to Canada's north and to needy parts of the world, all these churches exert a responsible social and political influence.

All provinces except Quebec and New Brunswick have a Protestant majority, and nearly half (49 per cent) of all Catholics live in Quebec. Apart from Christianity, however, many other religions flourish in contemporary Canada.

The Canadian Indian religions appear to be making a modest recovery to recognition. Their reality was never totally lost sight of, but because many of their tenets have been absorbed into native Christian practice, it is difficult to declare their precise number of adherents.

Elsewhere, especially in the larger cities, Canada has long had a distinguished Jewish population, with substantial communities in Quebec, Ontario and Manitoba. To the old established Japanese Buddhist presence in the West has been added a recent influx of Southeast Asian (Theravada) Buddhists, particularly in the city of Toronto. Hindus of various schools, as well as Sikhs and Zoroastrians, are also now much in evidence in the larger metropolitan areas. These add greatly to the richness and diversity of Canada's religious mosaic.

There are, finally, a number of contemporary para-religious movements whose presence is noteworthy. Groups such as Dharmadatu, ISKCON (Hare Krishna), Transcendental Meditation and Sri Chinmoy Followers, to name a few, continue to attract adherents. Most of these movements do not have organized religious rites, clergy or definitive moral codes. Consequently, many devotees remain in some sense practitioners of other mainstream religions. These groups primarily seek individual awareness, and have little organized cultural outreach or social philosophy. But although only nominally a part of the Canadian religious fabric, they add their own colour and meaning to an increasingly complex and cosmopolitan society.

Education

Education in Canada is one of the country's largest activities. Spending on education represents about 8 per cent of Canada's Gross National Product (GNP), 9 per cent of personal income, \$1,200 per capita of population, and \$2,500 per capita of labour force. Most education revenue comes from government sources with provincial and municipal governments providing the major share. Education is second only to social welfare as a consumer of government budgets.

Recent Trends

Until the end of the 1960s, education in Canada was one of continuous, sometimes dramatic, growth. As the population grew and the economy was buoyant, educational facilities were built: new elementary and secondary schools to accommodate an increasing student population and networks of community colleges to provide an alternative to traditional university studies. Universities were experiencing unprecedented growth, constructing new and expanding old facilities and introducing new programs of study to meet growing student demand.

In the early 1970s, the first signs of an end to the period of growth appeared when elementary enrolment started to drop as a result of a declining birth rate. This started a ripple effect which was to be felt at all levels of education. By the mid-70s secondary enrolment was decreasing and the rate of increase in postsecondary education was moderating. Demographic trends combined with an economic slowdown have meant that the 1980s have been a period of restraint for education in Canada.

Classroom in Chicoutimi, Que.



Historical Perspectives

When the four original provinces of Canada were united in 1867, responsibility for education was vested in provincial legislatures rather than the federal government. Constitutional jurisdiction over education was given to other territories as they achieved provincial status.

While the constitution recognizes no federal presence in education, the federal government has assumed direct responsibility for the education of those outside provincial jurisdiction — native peoples, armed forces personnel and their dependents in Canada and abroad, and inmates of federal penal institutions. More significantly, as education has expanded, indirect federal participation in the form of financial transfers to provincial governments has expanded for the support of postsecondary education, direct financing of manpower training programs, and support for bilingualism in education.

Provincial Administration

Because each province and territory is responsible for the organization and administration of education within its jurisdiction, no uniform system exists. Provincial autonomy has resulted in distinctive education systems reflecting historical and cultural traditions and socio-economic conditions.

Ukrainian language arts class. In nine Manitoba public schools, 750 students from kindergarten to grade 6 learn in an English-Ukrainian environment.





School children visit a maple sugar bush in Quebec.

Local Administration

While provincial legislatures and education departments provide the legal framework, most of the actual operation of public schools is delegated to local boards of education composed of elected and/or appointed trustees whose duties are specified in provincial legislation and departmental regulations. Responsibilities of boards vary but they generally include school construction, pupil transportation, hiring of teachers and determination of tax rates for local support.

School Organization

The elementary-secondary system in all provinces and territories except Ontario and Quebec extends over 12 grades. Ontario has a 13-grade system for students who wish to enter university. It is also possible to graduate from high school after Grade 12, but this does not lead directly to university studies. Quebec has an 11-year system to the end of secondary school, followed by a program of two or three years in a college d'enseignement général et professionnel (CEGEP). Students who plan to go to university must complete the two-year CEGEP program.

Elementary-Secondary Education

Elementary education is general and basic, but in the junior high school years there is usually some opportunity for students to select courses to suit their individual needs. At the secondary level students have a choice of several programs and, within provincial requirements, they may build a secondary program by selecting from a number of subject-matter areas.

At one time secondary schools were predominantly academic, designed to prepare students for university; vocational schools were separate institutions, primarily for those who would not proceed to postsecondary education. Today, while some technical and commercial high schools still exist, most secondary schools are composite, providing integrated programs for all types of students.

Independent Schools

In all provinces some elementary-secondary schools operate outside the public school system. These private or independent schools have been established as alternatives to the public system — alternatives based on religion, language, or social or academic status. Provincial policies on private schools vary considerably — from the provision of direct grants per pupil to minimum provincial involvement in financing and inspection. Private kindergartens and nursery schools also exist for children of pre-elementary age.

Separate Schools

Five provinces make some legal provision for schools with religious affiliation within the publicly supported system.

Newfoundland's public school organization has traditionally been based on church affiliation. Roman Catholic schools serve the largest single religious group in the province and are organized into school districts. In the mid-1960s the major Protestant denominations (Anglican, United Church and Salvation Army) amalgamated their schools and boards. Two other denominations (Pentecostal and Seventh Day Adventist) also operate schools.

Quebec has a dual education system — one for Roman Catholic students, the other for non-Catholics. During the 1970s the distinction on the basis of religion gave way, to some extent, to a distinction based on language of instruction. Both school systems receive public support.

Legislation in Ontario, Saskatchewan and Alberta permits establishment of separate schools. In all three provinces, Roman Catholic separate school districts operate a large number of schools, while a few Protestant separate school districts also exist.

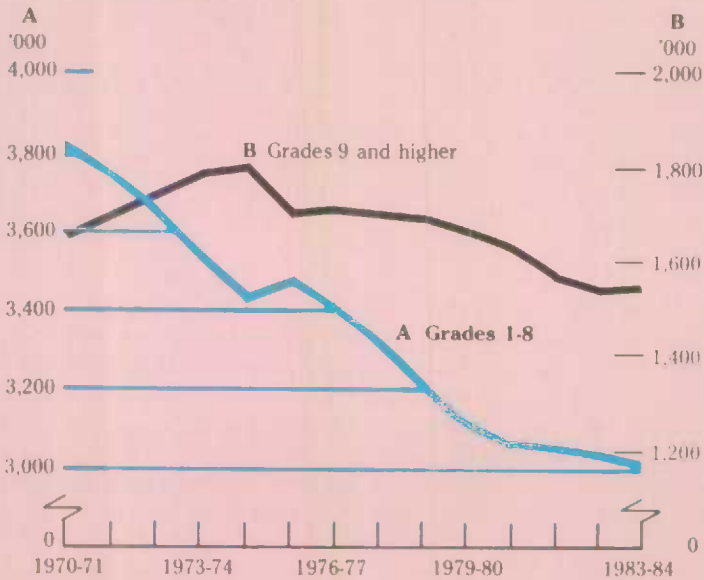
Postsecondary Education

The 1960s and 1970s were marked by extraordinary growth in programs and facilities for education beyond high school. In past years universities offered almost the only form of postsecondary education. Now, every province has networks of public community colleges and institutions of technology.

Degree-Granting Institutions

There are several types of degree-granting institutions in Canada: institutions that have, as a minimum, degree programs in arts and science; large institutions that offer degrees up to the doctorate level in a variety of fields and disciplines; smaller institutions with undergraduate degree programs only in arts; independent institutions granting degrees in religion and theology only; and institutions offering degree programs in a single field such as engineering, art or education.

Elementary and Secondary Enrolment, Canada, 1970-71 to 1983-84¹



¹ Grades 1-8 increase and Grade 9 and higher decline due to inclusion of Quebec Secondary II in the former in 1975-76. Previously, only Secondary I was classified with Grades 1-8.

The Department of National Defence finances and operates three tuition-free institutions that provide university-level instruction; Royal Military College in Kingston, Ont., Royal Roads in Victoria, BC, and Collège militaire royal in Saint-Jean, Que., which is affiliated with the Université de Sherbrooke.

Admission to university usually requires high school graduation with specific courses and standing. Most universities, however, provide for the admission of "mature students" who do not have all the usual prerequisites.

Depending on the province, a pass bachelor's degree in arts or science takes three or four years of study. Most universities offer both pass and honours bachelor's degrees; an extra year of study is usually necessary for the latter. Admission to some professional faculties such as law, medicine, dentistry and engineering normally requires completion of part or all of the requirements for a bachelor's degree.

Admission to a master's degree program is usually contingent upon completion of an honours bachelor's degree or equivalent. Most master's programs entail an additional year or two of study plus a thesis. Entrants to doctoral programs must have a master's degree in the same field.

University tuition fees vary among and within provinces. Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Ontario and Alberta have differential fees for non-Canadian students.

Community Colleges

As an alternative to university education, all provinces have established public community colleges — regional colleges in British Columbia, institutes of technology and other public colleges in Alberta, institutes of applied arts and science in Saskatchewan, colleges of applied arts and technology (CAATs) and colleges of agricultural technology (CATs) in Ontario, and collèges d'enseignement général et professionnel (CEGEPs) in Quebec. Other institutions also exist for training in specialized fields such as fisheries, marine technologies and paramedical technologies. Most provinces now provide nurses' training programs in community colleges rather than in hospital schools of nursing which were common in the past.

Admission to public community colleges usually requires secondary school graduation but "mature student" status allows otherwise ineligible applicants to enrol. Upgrading programs are also available in some institutions to applicants whose high school standing does not meet regular admission standards.

Technical and Trades Training

Technical and trades training varies from province to province and often within a province. In addition to the vocational and technical programs provided in secondary schools, students may continue this type of education in public and private trade and business schools, trade divisions of community colleges and related institutions. Trades training is also available through training-in-industry and apprenticeship programs.

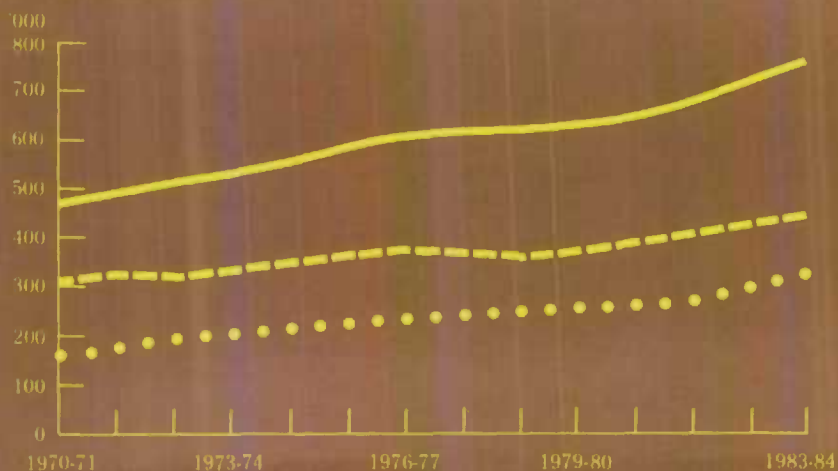
Adult Education

For the past decade, educational programs for out-of-school adults have been the most rapidly growing sector of Canadian education. Departments of education, school boards,



Full-time Postsecondary Enrolment, Canada, 1970-71 to 1983-84

- Total Postsecondary
- - - University
- • • Community College



community colleges and universities offer extensive part-time programs for adults to acquire accreditation at various education levels or advance their personal interests. Programs are also provided by professional associations, unions, community organizations, churches, public libraries, government departments, business and industry. Correspondence courses are also available.

Statistical Highlights

In 1983-84 education was the primary activity of 6,073,000 Canadians, or about 25 per cent of the total population. There were 5,743,000 full-time students being taught by 334,000 full-time teachers in 15,900 educational institutions. Expenditures on education for 1983-84 reached \$30.5 billion, or 7.8 per cent of Canada's Gross National Product (GNP).

Lower birth rates in recent years and lower levels of immigration have produced an enrolment decline in elementary-secondary schools that has persisted since the early 1970s. At the postsecondary level, however, increased participation rates have more than offset the decline in size of the primary source population group.

Elementary-secondary enrolment in 1983-84 was 4,977,200, a decline of 0.5 per cent from 1982-83 and of 15 per cent from the all-time high of 5,888,000 recorded in 1970-71. Elementary enrolment dropped 21 per cent from the 1968 high of 3,844,000 to 3,024,000 in 1983. It is expected to continue to decline until the mid-1980s and then stabilize for several years. Secondary enrolment patterns resemble those of the elementary level, but they are delayed seven or eight years. Recent increases in participation of the post compulsory school age group have moderated declines and could indicate small increases before the end of the 1980s.

Planting seedlings in a greenhouse at the Alberta University, Edmonton, Alta.





Computer courses are popular in many Canadian schools.

Full-time postsecondary enrolment in 1983-84 was 765,800, a 6 per cent increase from 1982-83. University enrolment made up 59 per cent of the total, but the rate of increase over the past decade was lower than that of the community college sector, where full-time enrolment increased by 89 per cent, from 166,100 in 1970-71 to 314,600 in 1983-84. Meanwhile, full-time university enrolment went from 309,500 to 441,200, an increase of 43 per cent.

In 1983, 289,000 students graduated from secondary schools, a 5.5 per cent decrease from the previous year. About 55 per cent of high school graduates normally enter a postsecondary institution.

Universities conferred 89,800 bachelor's and first professional degrees, 13,900 master's degrees and 1,800 earned doctorates in 1983. Community colleges awarded 74,100 diplomas.

Expenditures for education from kindergarten through graduate studies reached \$30.5 billion in 1983-84 and preliminary estimates place the 1984-85 figure at around \$31.7 billion. Elementary-secondary education consumed about \$20 billion of the 1983-84 total, universities \$6 billion, community colleges \$2.6 billion and vocational training \$1.9 billion.

Education spending per capita of population soared from \$315 in 1969 to \$1,230 in 1983; the increase per capita of labour force was from \$808 to \$2,500. Nevertheless, other indicators point to a relative decline in education spending. In 1970, when full-time enrolment reached record levels, expenditures on education were equivalent to 9.0 per cent of GNP and absorbed 22 per cent of government spending, more than any other major area. By 1980 education's share had decreased to 7.5 per cent of GNP and social welfare had become the largest consumer of government resources. Recently, education expenditures, as a proportion of GNP, have been in the 7.5 to 7.9 per cent range.



The Toronto Symphony Orchestra at the Roy Thomson Hall, Toronto, Ont.

Arts and Culture

To a large extent, the character of a nation is defined by the nature and the vigour of its cultural life. As arts and culture thrive, a sense of national identity and pride in the cultural achievements of Canadians thrives.

Cultural activities wield considerable economic influence. Our cultural sector is a major employer, providing close to 200,000 jobs. It contributes as much to the Gross National Product as textile, aircraft and chemical industries combined. The enjoyment and participation in cultural activities occupy much of our leisure time and our demand for cultural products continues to increase.

Governments and Cultural Policy

Through its policies and programs, the federal government promotes cultural activity by addressing the needs of performing and visual artists, writers, libraries, museums, archives and galleries, as well as the cultural industries — book and periodical publishing, broadcasting, film and sound recording.

Subsequent to the Federal Cultural Policy Review Committee's report in 1982, the government has approved a number of significant initiatives for culture notably in the area of broadcasting and film. Other initiatives are currently being developed.

The government actively seeks to achieve its cultural goal through its partnership of effort with the private sector and other levels of government. Governments fund creativity, regulate and encourage cultural activities or even operate certain cultural institutions. A task force was established in June 1985 to examine methods for more effective funding of the arts in Canada. The private sector, likewise, funds creativity and is instrumental

in producing a wide range of cultural activities. But, most important are the individual creators and audiences whose preferences ultimately give shape to our cultural expressions.

Government Support for Cultural Programs. A number of programs within the Department of Communications are designed to promote cultural activities across the country. Brief mention of a few programs follows:

The special program of cultural initiatives was established in 1980 to provide non-profit professional cultural organizations with funding for artistic and cultural programs. In its first three years, the program made grants to more than 400 cultural organizations in all parts of Canada, helping them carry out projects ranging from the construction of an art gallery in Vancouver to the hosting of the Canadian music competitions.

The Canadian book publishing development program provides financial assistance to Canadian publishers to increase their share of Canadian and foreign markets. By strengthening the economic base of the industry, the department intends to establish Canadian publishers as the dominant force in this domestic market.

Under the Cultural Property Export and Import Act, the government supports efforts to keep the most valuable products of our cultural heritage in Canada by administering an export control system, as well as providing tax incentives to donors or vendors who dispose of their cultural property in Canadian museums, art galleries or libraries.

Among the boards and agencies that the government has established and funds are Canada Council, Telefilm Canada, Canadian Broadcasting Corporation, Canadian Radio-television and Telecommunications Commission, National Arts Centre, National Film Board, National Library of Canada, Public Archives of Canada and National Museums of Canada. All these agencies function independently from the government, thereby ensuring a high degree of artistic and cultural freedom while providing the variety of programs our diverse cultural community requires.



A Festival production, Ye Gods!, at the Confederation Centre of the Arts in Charlottetown, P.E.I.

The Canada Council

The Canada Council makes grants available to professional artists and organizations involved in dance, music, theatre, writing and publishing, visual arts and media arts. Currently, the Council supports the following programs with grants:

Individual Artists. Grants are available to professional artists for activities in the fields of architecture, arts administration, arts criticism and curatorial work, writing (fiction, poetry, drama, children's literature and non-fiction), dance, film, multi-disciplinary work and performance art, music, photography, theatre, video and visual arts. Individual grants range from \$20,000 (available only to senior artists) to smaller sums for living expenses, project costs and related travel. In 1983-84 professional artists such as June Leaf (visual artist), Richard Harrington (photographer), Nicole Brossard (writer) and Gabriel Charpentier (musician) received grants.

Dance. Grants are available to professional companies, schools, independent choreographers, small-scale presentors and service organizations in the form of operating or project support. In 1983-84, 42 organizations received grants including the Royal Winnipeg Ballet (\$885,000), the Anna Wyman Dance Theatre in Vancouver (\$300,000), the Danny Grossman Dance Company in Toronto (\$275,000), the National Ballet School in Toronto (\$1,335,000), Les Grands Ballets canadiens in Montreal (\$885,000), The Alberta Ballet Company in Edmonton (\$63,000) and Dansepartout in Quebec City (\$47,067).

Theatre. Grants are available to professional theatre companies in Canada. Schools offering professional training programs and some national service organizations also may be eligible for funding. Over 170 organizations are supported each year. In 1983-84, for example, the following groups were funded: Manitoba Theatre Centre (\$340,000), Rising Tide Theatre in St. John's (\$50,000), Bastion Theatre in Victoria (\$205,000), Mercury Theatre in Toronto (\$5,000), Théâtre du Trident in Quebec City (\$190,000), the Théâtre de la Rallonge in Montreal (\$17,000) and the Centre D'Essai des Auteurs Dramatiques in Montreal (\$68,000).

Nature Morte, a production by Théâtre de Quat'Sous - left to right, Héléne Mercier, Michèle Deslauriers and Gilbert Sicotte.





Sue Wood as Beauty in the production by the Bastion Theatre of British Columbia, Beauty and the Beast.

Music. The Canada Council awards the major portion of its budget in this area to professional orchestras, the commissioning of Canadian composers program, chamber music groups, choral groups, opera companies and other music organizations. In 1983-84, the commissioning of Canadian composers program awarded \$479,000 for the composition of new Canadian music. Other funding in 1983-84 included the Orchestre symphonique de Montréal (\$1,070,000), New Music Concerts in Toronto (\$92,000), the Calgary Opera Association (\$135,000), the Vancouver Chamber Choir (\$85,800), the New Brunswick String Quartet (\$33,000) and the Canadian Association of Youth Orchestras (\$58,240). In addition, the Council has a modest program of assistance to amateur choirs, community music groups and to the recording of Canadian music.

Writing and Publishing. The Council supports culturally significant writing in Canada (poetry, drama, fiction, children's literature and serious non-fiction) through programs directed at writers, publishers and readers. Writers are aided through such programs as public readings and support for the appointment of writers-in-residence. Publishers may apply for block and project grants to offset publication deficits on books which make an original contribution to Canadian literature. The Council also administers the Governor General's Awards, several international prizes, international writers' exchanges, and national and international translation grants.

Visual Arts. Grants are available to public galleries and museums, artist-run centres and print workshops. Partial assistance is offered toward non-recurring special projects (such as symposia and publications) in all areas of visual arts, including crafts. A visiting artists program enables local communities of professional artists to invite Canadian professional artists from other regions to discuss their work and exchange ideas.



King Lear, at the Stratford Shakespearean Festival with Nicholas Pennell as the Fool and Douglas Campbell as Lear.

Media Arts. The recently formed media arts section provides support for the direct, creative use of conventional and new technologies and related media by independent, professional artists. The section administers three major programs: film and holography, video and audio and integrated media (computer processing, imaging or system control, videotex and teletext, laser techniques, video disc and optical storage media).

Cultural Tours. The Canada Council's touring office aims to ensure access by the widest possible audience to Canadian performers and to develop Canadian expertise in the promotion and management of tours by performing artists. Thus, grants are offered to Canadian artists and organizations to develop and strengthen regional touring circuits. For example, the Edmonton theatre company, Citadel-On-Wheels, toured the Yukon in May and June 1984.

Explorations Program. This program provides grants to individuals, groups and organizations (which may not be professional), for innovative projects which seek to address new needs or investigate new directions within or outside existing arts disciplines.

The National Arts Centre

Performing artists and audiences alike have benefited immeasurably since the National Arts Centre (NAC) first opened its doors in Ottawa in 1969. The NAC Corporation was created not only to operate a performing arts complex in Ottawa, but to foster the development of the performing arts both in the National Capital Region and (in co-operation with the Canada Council) throughout Canada.

The NAC has a unique dual function. It is a showcase for performances by visiting Canadian artists, as well as for touring productions from around the world. All the performing arts — music, theatre, dance and variety — are widely represented in the NAC's programming, from the classic to the contemporary.

In an effort to make its talent accessible to as many Canadians as possible, the NAC strongly supports touring, broadcasting and recording. The world-renowned NAC Orchestra, for example, in its first 14 years toured almost 100 Canadian communities, as well as the United States, Europe, Great Britain and Central America. Approximately 250 attractions are offered every year at the NAC in both official languages to audiences which total more than 700,000.

Telefilm Canada

The Canadian Film Development Corporation, established in 1967, and recently renamed Telefilm Canada, supports the Canadian film and video industry through loans and special funding for the production and distribution of Canadian feature films in Canada and other countries. Telefilm also supports television productions created by privately owned Canadian companies. Internationally, Telefilm administers Canada's co-production agreements which has led to such film achievements as *Quest for Fire*, *Atlantic City* and *Maria Chapdelaine*.

Financing is available for various film-related activities. There are loans which allow producers to develop projects and begin filming while they are arranging for permanent financing. Loans are offered to Canadian distributors to launch Canadian films in Canada.

Old World, at the Manitoba Theatre Centre, with Florence Paterson and Eric House.



Grants are given to non-profit industry organizations for film festivals, workshops and seminars. Some funding is also supplied for the writing of screenplays for feature films and television.

Telefilm has given millions of Canadians the opportunity to see many more Canadian films than ever before.

National Film Board of Canada

The National Film Board (NFB) has been producing and distributing outstanding Canadian films on a wide variety of subjects since it was formed in 1939. Every year, the NFB distributes thousands of films and other audio-visual materials for screening on television, in theatres and classrooms and at home. Its films are increasingly available at video rental outlets. The NFB's many subsidiary services include lectures on the art of filmmaking, and workshops with renowned filmmakers.

Through research and development, the NFB serves to advance the art and technology of audio-visual communication. The Board also furthers Canadian filmmaking by offering assistance in various ways such as assisting Canadian producers and new filmmakers, and participating in many Canadian film festivals.

The excellent quality of the NFB's films has been recognized by audiences around the world.

Mario, a National Film Board production with Xavier Norman Petermann in the title role of Mario.





Wreath of Flowers, by W. Brymner, National Gallery of Canada

Museums and Galleries

Over the past decade, Canada has witnessed a dramatic increase in museum activity. There are now about 1,700 museums and art galleries in operation across the country, and of these approximately 60 major institutions have a combined annual attendance of over 11 million visitors. The number of museum workers has also increased enormously and training programs in museology have expanded. Since 1972 extensive financial support has flowed from all levels of government, indicating strong public interest in the preservation of Canada's natural, historic and artistic heritage.

The National Museums of Canada

The four national museums of Canada are the National Gallery of Canada, the National Museum of Man (including the Canadian War Museum), the National Museum of Natural Sciences and the National Museum of Science and Technology (including the National Aviation Museum and the Agricultural Museum). The national museum policy emphasizes access by all Canadians to their national heritage and its preservation.

The Canadian conservation institute provides specialized conservation services, conservation research, advanced training through internships to museum workers, a mobile conservation laboratory service to small institutions, and publications and information services on its conservation research projects and other related technical areas.

The Canadian heritage information network assists museums in the development of automated and manual systems for the preservation of information about their collections and provides a computerized mechanism for the sharing of that information.

The international program encourages interest in international museum activities and facilitates international exchanges of exhibitions originating within and outside of Canada.

The mobile exhibits program operates three museumobiles, exhibiting artifacts and related materials in small communities not otherwise served by museums or galleries.

The museum assistance programs provide financial assistance to museums, galleries and other non-profit institutions and technical assistance, information and co-ordination to ensure effective use of the resources available.

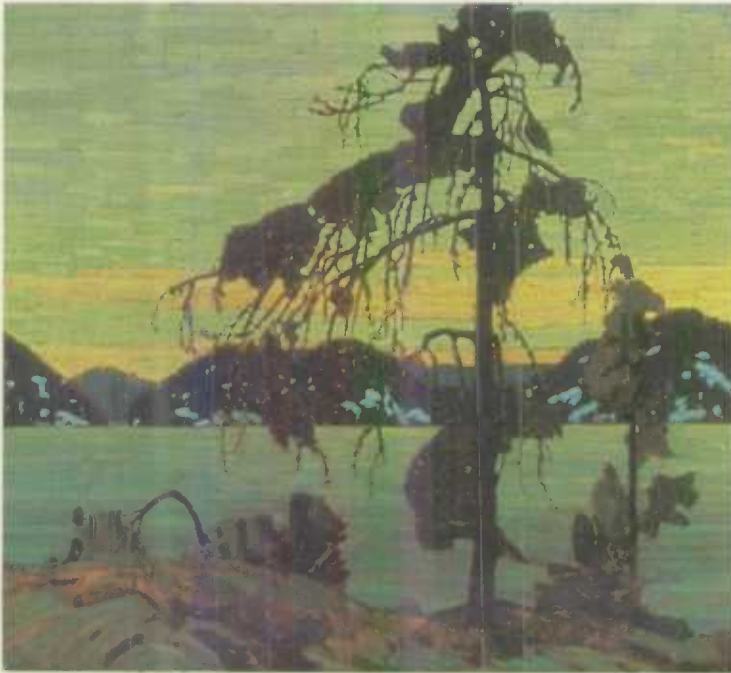
Other key features of the policy included the establishment of a nationwide network of 25 associate museums, including the four national museums in Ottawa, supplemented by a network of exhibition centres in communities not served by major museums.

The National Gallery of Canada. The function of this gallery since its foundation in 1880 has been to foster public awareness of the visual arts and to promote an interest in art throughout the country. The gallery has increased its collections and developed into an art institution worthy of international recognition.

There are more than 40,000 works of art in the National Gallery including paintings, sculptures, prints, drawings, photographs, decorative arts, video and film. The historical collections have been built along national and international lines to give Canadians an understanding of the origins and development of their cultural history as expressed through the visual arts. The collection of Canadian art is the most extensive and important

Meeting of the School Trustees, by Robert Harris, National Gallery of Canada.





The Jack Pine, by Tom Thomson, National Gallery of Canada.

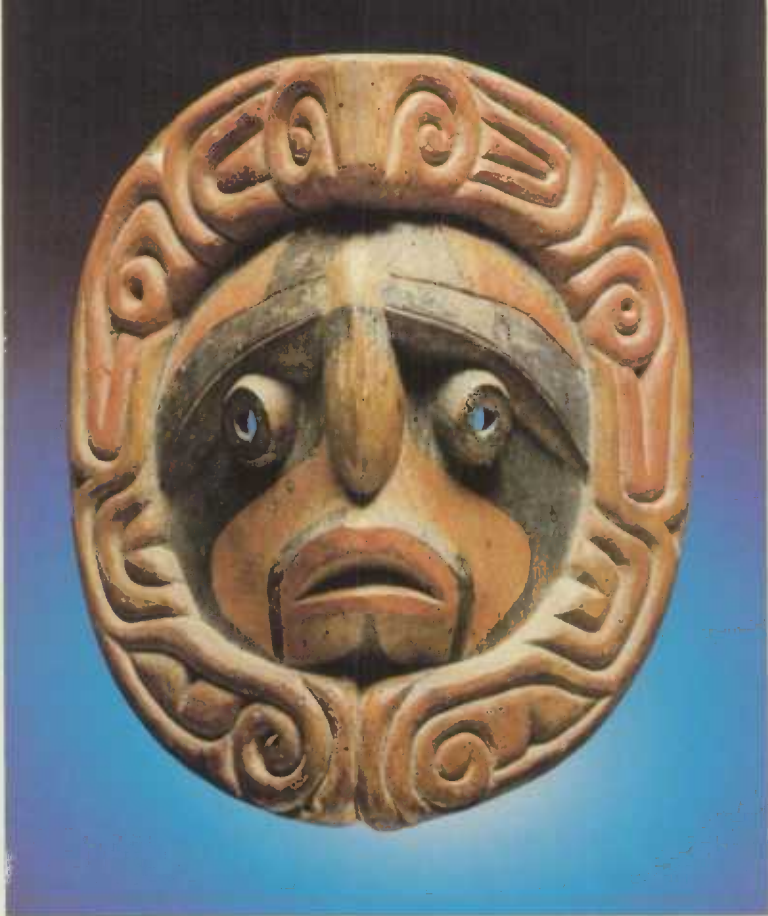
collection in existence and is continually being augmented. In addition, there are many Old Masters from the principal European schools from the 14th to the 20th century and growing collections of Asian and modern art.

Visitors to the gallery are offered an active program of exhibitions, lectures, films and guided tours. The reference library, which contains more than 72,000 volumes and periodicals on the history of art and related subjects, is open to the public.

The interests of the country as a whole are served by circulating exhibitions, lecture tours, publications, reproductions and films. The gallery promotes interest in Canadian art abroad by participating in international exhibitions; it also brings important exhibitions to be shown in Canada.

The National Museum of Man. This museum collects, preserves, researches, interprets, displays and issues publications on artifacts and data of the cultural and historical heritage of Canada's varied population.

The museum has eight permanent exhibit halls in the Victoria Memorial Museum Building. They include: "Trail of Mankind", an orientation gallery; "Canada Before Cartier", the story of prehistoric Canada; "The Inuit", a study of the people of the North; "People of the Longhouse", a portrait of the Iroquois; "The Buffalo Hunters", a study of the Plains Indians; and "Raven's World", a new exhibit hall on the native cultures of Canada's Pacific Coast. "A Few Acres of Snow" and "Everyman's Heritage: The Canadian Odyssey" deal with the history of settlement and social development in Canada and the rich mosaic of cultures brought by settlers.



Mask of the Noohlmal, or Fool Dancer, 19th century, National Museum of Man. The Noohlmal played an important role in the Kwakiutl winter ceremonial dances.

The Canadian War Museum, the National Museum of Man's second public building, is involved in research, exhibits and publications on military history, and houses an extensive collection of memorabilia ranging from war art to tanks.

The National Museum of Natural Sciences. This museum is engaged in many major research projects undertaken by its staff members or associated scientists from universities and other outside organizations. More than five million scientific specimens are maintained in the museum's collections and are available to scientists from all parts of the world. The museum also publishes scientific papers on subjects related to its collections.

Audio-visual presentations, visitor-operated displays, drawings, models and thousands of specimens from the museum's collections are used in seven permanent exhibit galleries entitled "The Earth", "Life Through the Ages", "Birds in Canada", "Mammals in Canada", "Animal Life", "Animals in Nature", and "Plant Life". Temporary exhibits produced by the museum or on loan from other museums and institutions are exhibited in a special gallery.

Public lectures, film presentations and special interpretive programs offered by the museum have become increasingly popular with school classes and the general public.



Dispersal of a snow goose colony at Eskimo Point on the West Coast of Hudson Bay, National Museum of Natural Sciences.

Popular publications, a school loans service of educational resource materials and a program of travelling exhibits make our national heritage more accessible to Canadians across the country.

The National Museum of Science and Technology. This museum challenges over half a million visitors each year to climb, push, pull or just view the lively exhibitions built around its collections. An additional 200,000 people annually visit the National Aviation Museum at Rockcliffe Airport.

The museum's exhibit halls feature displays of ship models, clocks, communications equipment, a computer exhibit, a chick hatchery, old and new agriculture machinery, printing presses and artifacts of Canada's aviation history. There are numerous examples of milestones in the history of ground transportation, from sleighs and carriages to giant steam locomotives and "horseless carriages". The Physics Hall, with its skill-testing experiments and "seeing puzzles", delights young and old alike. The museum's observatory houses Canada's largest refracting telescope, which is used for star-gazing in evening educational programs.

Educational programs on general or topic oriented subjects for all age groups are conducted by a staff of tour guides. The museum's work also includes the designing and building of exhibits that are occasionally sent on tour throughout Canada. Artifacts are exchanged with museums in Canada and abroad.

In the National Aviation Museum more than 100 aircraft illustrate the progress of aviation from its early days to present times and the importance of the flying machine in the discovery and development of Canada.

A new Agricultural Museum located on the upper floor of the dairy barn at the central experimental farm in Ottawa features two exhibitions: one is called "Haying in Canada" and the other one "A Barn of the 1920s".

Libraries and Archives

Libraries

Libraries have existed in Canada since the early 18th century. Legal, theological and university libraries existed before 1850; after 1850 business and industrial libraries appeared; in 1882 Ontario's Free Libraries Act signalled the arrival of tax-supported public libraries. The greatest growth among all types of libraries occurred after 1950 and now the majority of Canadians have access to library service.

In general, the two main purposes of libraries are to transmit and to preserve the intellectual heritage; the purpose emphasized varies with the needs of a library's users.

The 10,000 or more school libraries in Canada are mainly concerned with transmitting knowledge and making materials for learning available to students. Emphasis has shifted from the use of printed materials alone to use of a wider range of information sources, such as films, recordings, tapes, slides and kits. As a result, school libraries have become multi-media "resource centres".

College libraries are also mainly concerned with materials for learning. Audio-visual materials are often integrated into their collections and innovative measures are taken to serve a clientele ranging in age from the high school graduate to the senior citizen, and ranging in interests from automotive technology to horsemanship.

In addition to providing students and faculty with the materials for learning and research, university libraries also have a major responsibility for helping to preserve our heritage of manuscript and print, therefore they tend to have the largest holdings and specialized collections, such as literary manuscripts or rare Canadiana. Lack of space to house collections and lack of funds to meet rising prices and to maintain staff are continuing problems. Solutions have included use of microforms for space saving and preservation; automation of library procedures, especially cataloguing, to cope with workloads; development of networks to exchange bibliographic data; and co-operation in resource sharing.

Special libraries, such as those serving companies, government and associations number about 1,500; they provide their own specialized subject materials, data banks or experts. Special libraries are usually small except for the provincial legislative libraries, which often hold important collections of government documents.

Academic and special libraries generally limit their full range of services to members of the specific institutions which they serve. Canadian public libraries, however, are sources of print and non-print materials for the pleasure, information or education of members of the whole community and frequently preserve local history materials that would otherwise be lost. They offer a wide range of programs and services in addition to lending and reference services; many provide community information. A growing number are finding ways to take public library services to those who cannot come to libraries: senior citizens, shut-ins and prisoners. Others provide foreign-language materials for those whose mother tongue is neither English nor French and many also offer special reading materials for the physically handicapped.

Because libraries fall under provincial jurisdiction Canada does not have a unified national system of libraries. Special libraries are maintained by the organizations they serve; academic libraries by a combination of local, provincial and, to some extent, federal



Library of Parliament, Ottawa, Ont.

or endowment funds. Public library systems, except in the territories, are supported by local and provincial funds and co-ordinated by provincial library agencies.

At the national level two federally supported libraries have a mandate to serve the whole country. Scientific, technical and health sciences information for research and industry is the responsibility of the Canada Institute for Scientific and Technical Information (CISTI). Computer-based services offered include on-line access to worldwide scientific and technical literature (CAN/OLE), to critically evaluated data (CAN/SND) and a personalized information system (CAN/SDI). These are backed up by a lending and photocopying service from CISTI's excellent collection.

The National Library of Canada, established in 1953, is a resource library for the social sciences and humanities and especially for Canadian publications of all kinds. It administers the legal deposit regulations, publishes the national bibliography, *Canadiana*, and maintains union catalogues which enable libraries and researchers to discover where in Canada specific titles are held. It promotes national bibliographic networks to facilitate the sharing of library resources and is developing a federal government libraries network. It also co-operates in international programs which promote the interchange between countries of national publications and information, through traditional means or new technology.

In Canada, librarians are trained at the universities. Seven postgraduate schools offer master's degrees in library science and two also offer doctoral programs. Library technicians receive training through postsecondary courses at community colleges in many parts of the country.

Archives

The role of the Public Archives of Canada is to acquire, preserve and make available to the public all documents that reflect the various aspects of Canadian life and the development of the country.

At one time, manuscripts were virtually the only objects of interest to researchers. Today, equal importance is given to documents of every kind as authentic sources of information. In addition to its own library, the Public Archives now includes separate divisions for manuscripts, maps and plans, pictures, federal documents, prints and drawings, photographs, films, television and sound recordings, and machine-readable archives.

The department has equally important responsibilities in the management of government records. The Records Management Branch aids federal government departments and agencies in establishing and administering effective programs for the management and disposal of records. Microfilms and computer records have important roles in both records and archives.

Laurier House, the former Ottawa residence of prime ministers Sir Wilfrid Laurier and William Lyon Mackenzie King, is administered by the Public Archives. Collections of pictures, china and silver enhance the dignified charm of the house, and are viewed every year by more than 30,000 visitors from every part of the country and from abroad.

The Public Archives has also initiated a comprehensive exhibitions program to make the many collections and services of the department better known. The Archives Branch presents a series of exhibitions and publications on the history of Canada. The first exhibition opened in December 1981, features historical documents prior to 1700.

The Canadian Broadcasting Corporation (CBC)

The CBC, created in 1936, is a publicly owned corporation established by the Broadcasting Act to provide the national broadcasting service in Canada. It is financed mainly by public funds voted annually by Parliament; these are supplemented by revenues from commercial advertising on CBC television, since CBC radio is virtually free of commercial advertising.

The corporation's facilities extend from Atlantic to Pacific and into the Arctic Circle, and include both French and English networks in television and in AM and FM stereo radio. A special northern radio service broadcasts in English, French, several Indian languages and Inuktitut, the language of the Inuit; northern television is also beginning to introduce some programming in Inuktitut.

In both radio and television, CBC networks are made up of some stations owned and operated by the corporation, which carry the full national service, and some privately owned affiliated stations, which carry an agreed amount of CBC programming. In many small or isolated locations there are relay or rebroadcast transmitters that carry the national service but have no staff or studios to produce local programs. CBC transmission methods include leased channels on the Canadian space satellite Anik.

Radio Canada International, the CBC's shortwave service, broadcasts daily in 12 languages and distributes recorded programs free of charge for use by broadcasters throughout the world.

CBC schedules are varied, with information, enlightenment and entertainment for people of different ages, interests and tastes. Program content is largely Canadian: about 70 per cent in television and more than 80 per cent in radio.

CBC gives continuing support to Canadian artists and performers through the broadcast of Canadian music, drama and poetry, the commissioning of special works, the sponsorship of talent competitions and the presentation of Canadian films. Selected program material is made available for educational use after broadcast in the form of books, recordings, audiotapes and films.



The sculptured winter beauty of Quebec provides a favorite haunt for skiers.

Leisure

Industrialization and technological progress in Canada have led to shorter workweeks, longer paid vacations, earlier retirement and hence has provided more time for leisure and recreation.

Definitions of leisure are numerous and reflect a variety of views. Leisure can be simply defined as those groups of activities undertaken in "non-work" time; it has also been described as that group of activities in which a person may indulge as desired — to rest, to amuse, to add to knowledge or skills, to enhance personal, physical and mental health through sports and cultural activities, or to carry out unpaid community work. However, many definitions of leisure exclude activities such as sleeping, eating, commuting to and from work, household duties and personal care. Formal programs of continuing education may be regarded as personal improvement or maintenance just as much as sleeping or eating and therefore may also be excluded from leisure activity.

Despite the fact that there is no precise agreement on what constitutes leisure, there is agreement on a core of activities that offer recreation or give pleasure to the participants. Examples would be playing tennis or listening to records. There are activities that may

be regarded as undesired household tasks in some circumstances, yet pleasurable recreational activities in others, such as mowing the lawn, cooking, dressmaking or house painting. Thus, recreation and leisure are valued differently according to personal tastes and inclinations. These may vary not only between persons but in different circumstances for the same person.

There is a reciprocal relationship between work and leisure. Longer working hours mean less time for leisure. Additional work time normally provides additional income, while additional leisure time typically leads to increased expenditures. The distribution of time between work and leisure is theoretically a matter of choice, but in practice most employed persons have only limited freedom in determining how long they work. Working hours and holidays in Canada are normally fixed, either by employers or as a result of collective bargaining, according to current legislation and accepted norms. As a result Canadian workers are typically committed to working a fixed number of hours a day and days a week.

The normal workweek in Canada is from 35 to 40 hours spread over five working days. Most employees receive at least 10 paid holidays annually and a two-week annual vacation, which is usually extended to three, four or more weeks after several years of service with the same employer. Allowing for weekends, paid holidays and annual vacations, most employed persons in Canada have at least 124 days free from work each year. The amount of non-work time available to Canadians depends also on the proportion of the population in the labour force and whether or not they are employed or seeking employment. Those outside the labour force have more free time at their disposal. Typical of these are persons who have retired early or are elderly.

Events and Attractions

Every year, in all parts of Canada, annual events and attractions draw large numbers of vacationers and travellers seeking diversion, excitement and relaxation. Events such as the Quebec Winter Carnival and the Calgary Stampede are organized to promote or celebrate historical, social or cultural occasions. On the other hand, attractions can be either natural or man-made physical features of a permanent nature that provide facilities for displaying distinctive architectural or geographic qualities or for recreational or cultural activities. In this category are museums, parks, mountains and city nightlife; specific examples would be a natural phenomenon like Niagara Falls or a man-made attraction such as Lower Fort Garry in Selkirk, Man.

Outstanding events take place in each province and territory. One of the oldest sporting events in North America is Newfoundland's annual regatta, held in St. John's. Prince Edward Island's capital city, Charlottetown, features Country Days and Old Home Week, with musical entertainment, agricultural and handicraft displays, harness racing and parades. Nova Scotia events include Highland Games in the centres of Cape Breton, while in New Brunswick there are a variety of festivities related to the province's fishing resources, such as the Shediac Lobster Festival and the Campbellton Salmon Festival.

In Quebec attractions include Man and his World, Montreal's permanent cultural and ethnic exhibition, and the Sherbrooke Festival des Cantons, which features "Québécois" shows, horse-pulling, soirées and gourmet cuisine. Drama festivals in Stratford and Niagara-on-the-Lake are examples of happenings in Ontario.



Wild steer riding competition at the Calgary Stampede.

Western Canada's events reflect its cultural diversity and pioneering heritage. Examples include the National Ukrainian Festival in Dauphin, Man., Oktoberfest in Vancouver, BC, the Stampede in Calgary, Alta. and Pioneer Days festivities in Saskatoon, Sask.

Special events are held each summer in the North. In Yellowknife, NWT, a Midnight Golf Tournament is held each year late in June. In Dawson City, Yukon, the discovery of gold in 1896 is celebrated on Discovery Day in August by raft races on the Klondike River and by dances, sports and entertainment relating to the period.

Recreation

The types of leisure activities undertaken vary widely according to the age, sex, income and occupation of the individual. Popular sports or physical recreational activities include swimming, ice skating, tennis, golf and ice hockey. In recent years cross-country skiing has become increasingly popular with a participation rate of 16.9 per 100 Canadians, up from a rate of 7.7 five years previously.

Popular activities in Canada include watching television, listening to radio, reading newspapers, listening to records or tapes and reading magazines. Visits to bookstores, movies, sports events and public libraries are also popular.

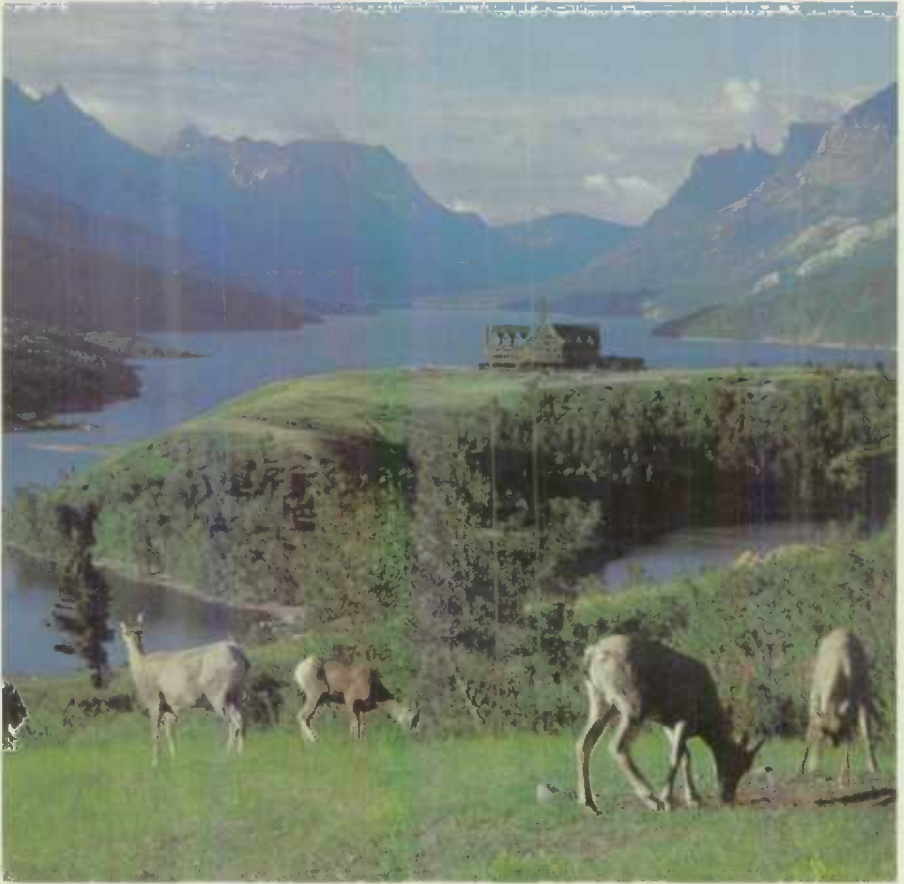
Government Programs

All levels of government play an active role in enriching the leisure time of Canadians and several federal agencies have major programs related to leisure. Among these is the Fitness and Amateur Sport Branch of the Department of National Health and Welfare, which is mainly responsible for recreation and physical fitness programs and which carries out a number of programs aimed at encouraging citizens of all ages to take part in physical fitness activities; it provides financial and consultative assistance to recreational agencies such as the YMCA, boys' and girls' clubs, Scouts, Guides and youth hostels. It also assists Canada's native people in increasing their participation in sports and recreation.

For the area in and around Ottawa—Hull, the National Capital Commission plays an important role in conserving and developing space for outdoor recreation. The facilities it provides include Gatineau Park, an area of 357 km² (square kilometres) similar to a national or provincial park, a system of scenic driveways and bicycle paths and a greenbelt of land forming a semi-circle of recreational land to the south of Ottawa; it also maintains the longest outdoor skating rink in the world on the Rideau Canal during the winter and rents out garden plots in the greenbelt during the summer.

Skating on the Rideau Canal in Ottawa - the longest outdoor skating rink in the world.





Waterton Lakes National Park in Alberta. 1985 was the 100th anniversary of Canada's national parks system.

Parks Canada

National Parks

Canada's national parks system began with a 26 km² reservation of land around the mineral hot springs in what is now Banff National Park. From this nucleus the system has grown to include 31 national parks that preserve more than 140 000 km² of Canada's natural areas.

Canada's national parks reflect the amazing diversity of the land. The program now extends from Terra Nova National Park, on the rugged eastern coast of Newfoundland, to Pacific Rim National Park, where breakers pound magnificent Long Beach on the west coast of Vancouver Island, and from Point Pelee, Canada's most southerly mainland point, to Auyuittuq National Park on Baffin Island.

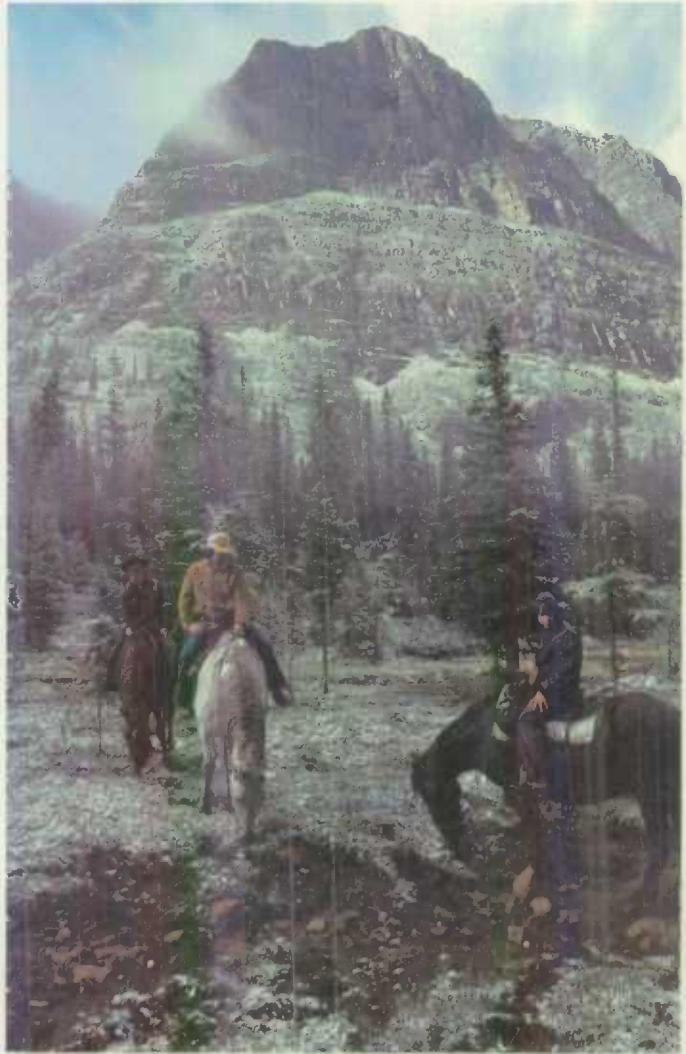


4 Riding Mountain National Park, Manitoba.

1. Banff National Park, Alberta.

2. Prince Edward Island National Park.

3. Auyulltuq National Park, Northwest Territories.



There are now five parks located partially or completely above the 60th parallel of latitude. Northern Yukon National Park is a wilderness refuge for caribou and other wildlife. Wood Buffalo National Park straddles the Alberta – Northwest Territories border and is home to the largest remaining herd of bison on the continent. Kluane National Park, Yukon, contains Mount Logan, Canada's highest peak, while in Nahanni National Park, NWT, the spectacular Virginia Falls of the South Nahanni River plunge 90 m (metres) to the valley below. On Baffin Island, Auyuittuq, which in Inuit means "the place that does not melt", is Canada's first national park above the Arctic Circle.

The magnificent scenery and numerous recreational possibilities of the national parks attract visitors year-round, whether to camp, sightsee, hike, mountain-climb, swim, fish, ski or snowshoe. Interpretive programs include guided walks, displays, films and brochures that explain the natural history of the park regions.

National Historic Parks and Sites

To preserve Canada's past the National Historic Parks and Sites Branch of Parks Canada commemorates persons, places and events that played important parts in the development of Canada. Since 1917, when Fort Anne in Nova Scotia became the first national historic

Kings Landing in New Brunswick.





Hoover National Park, Yukon.

park, 73 major parks and sites and over 900 plaques and monuments have been established at significant sites. At present, some 30 more sites are under development.

Sites are selected on the basis of their cultural, social, political, economic, military or architectural importance and include major archaeological discoveries. Two finds in Newfoundland are the ancient Indian burial ground at Port au Choix and the Norse settlement at L'Anse aux Meadows believed occupied about 1000 A.D. L'Anse aux Meadows National Heritage Park was proclaimed a World Heritage Site in 1980.

Many historic parks and sites recall the early exploration of Canada and struggles for its possession. Cartier-Brébeuf Park in Quebec City marks Jacques Cartier's first wintering spot in the New World and is, in addition, the site of the Jesuit order's first residence in Canada.

The pursuit of furs led to extensive exploration of Canada and construction of many posts and forts to expand and protect the fur trade. Such posts include Port Royal, the earliest French settlement north of Florida, Fort Témiscamingue, a strategic trading post in the upper Ottawa Valley, and Prince of Wales Fort, the most northerly stone fort in North America. Lower Fort Garry, near Winnipeg, has been restored to recreate a 19th

century Hudson's Bay Company post; here one can see women baking bread and spinning and weaving fabric at the "Big House", a blacksmith at work in his shop and furs, once the mainstay of Canada's economy, hanging in the loft above the well stocked sales shop — the hub of fort activity.

Military fortifications that have been protected as national historic sites range from the massive Fortress of Louisbourg on Cape Breton Island, built by the French in the 18th century to protect their dwindling colonial possessions, through a series of French and English posts along the Richelieu and St. Lawrence rivers, to Fort Rodd Hill on Vancouver Island, site of three late 19th century British coastal defences.

The fur-trading posts of Rocky Mountain House in Alberta, Fort St. James in northern British Columbia and Fort Langley in British Columbia, where the province's salmon export industry also began, recall the expansion of trade and settlement in the West. The orderly development of Western Canada was due in large part to the North-West Mounted Police, who are commemorated at Fort Walsh, Sask., first headquarters of the force. Motherwell Homestead near Abernethy, Sask. portrays pioneer days on the Prairies.

The major route to the Klondike Gold Rush is being marked and protected by the Klondike Gold Rush International Historic Park. In Dawson City, the boom town of 1898, the Palace Grand Theatre, the Robert Service Cabin and the paddlewheeler *S.S. Keno* have been restored, while other historic buildings are in the process of restoration or stabilization.

Heritage Canals. The canals of Canada were initially constructed as defence or commercial trading routes to serve a new country. At Confederation, canals came under the jurisdiction of the federal government because of their importance to the nation's transportation system.

Certain of these canals, with roles as commercial routes diminished, are now the responsibility of Parks Canada. The canals are operated and maintained as significant examples of early engineering technology in Canada. They also serve as examples of land and its water courses adapted by man to suit his needs for transportation and communication. In addition, the canals provide outstanding opportunities for recreational use.

The Rideau Canal, now a scenic waterway, was built over 150 years ago, in 1832, completing a connecting waterway from Ottawa to Kingston. Several places of interest are located along this waterway, such as the blockhouse at Kingston Mills, the blacksmith shop at Jones Falls and the foundry building at Merrickville. Boaters enjoy heritage canals in Ontario, Quebec and Nova Scotia.

Heritage Rivers. Our country has an abundance of free flowing rivers which are an important part of the natural and the cultural heritage. Some of the best examples of this heritage should be protected. Parks Canada, the provinces and the territories have established the Canadian heritage rivers system.

Provincial Parks

Most provinces have set aside vast areas of land for the conservation of the natural environment and the enjoyment of residents and visitors. The areas of provincial parks total about 298 600 km², which when added to the area of the national parks brings the total federal and provincial parkland available to more than 1.6 ha (hectares) for each resident of Canada.

Some of the oldest parks in Canada were created by the provinces. In 1895 the Quebec government's concern for the conservation of the caribou led to the establishment of Laurentide Park, one boundary of which is only 48 km north of Quebec City. In Ontario the first park was Algonquin, created in 1897, which covers an area of 7 540 km² and extends to within 240 km of the city limits of both Toronto and Ottawa; this park, like many of the others in Ontario and the other provinces, features camping, canoeing and sport fishing.

Tourism

Tourism is a major earner of foreign exchange for Canada. At the same time tourism is a significant generator of domestic spending. It has a considerable impact on consump-

Regatta in Prince Albert National Park, Saskatchewan.



tion, investment and employment and is a source of substantial tax revenue for governments; it also spreads its benefits widely across Canada, playing a prominent role in helping to alleviate regional socio-economic disparities.

Tourism affects the lives of all Canadians. It has an impact on our lifestyle and provides a change of pace from contemporary social pressures. It also contributes to national unity by increasing understanding among people of the different regions which form the country.

In the world context, Canada ranked ninth in 1982 in terms of international travel receipts and seventh in terms of international travel spending by its residents. Tourism was a business worth \$18.5 billion to Canada as a whole in 1983, an amount equivalent to 5 per cent of the Gross National Product. The spending of Canadians travelling within Canada amounted to \$14.7 billion. The balance of \$3.8 billion was earned from spending in Canada by visitors from other countries — our sixth largest source of foreign exchange in 1983 after autos and auto parts, wheat, newsprint, lumber and natural gas.

In 1983, visitors from the United States numbered 32.5 million, up 0.1 per cent from 1982. Non-resident travellers from countries other than the US numbered 1.8 million, a decrease of 10.1 per cent from 1982. Of this number 1,060,157 came from Europe and arrivals from the United Kingdom, the largest source of tourists after the US, totalled 400,926. Visitors from other major tourist-producing countries included 191,045 from the Federal Republic of Germany, 138,716 from Japan, 99,501 from France, 68,944 from the Netherlands, 62,737 from Australia and 57,543 from Italy.

The value of tourism spending in Canada should not, however, be measured solely in terms of the \$18.5 billion direct travel expenditure. Subsequent rounds of spending spread throughout the economy and create additional business.

For example, when a traveller rents a hotel room he contributes to the gross margin of the hotel owner. Part of this margin will be paid to employees in the form of wages. These wages will subsequently be spent to the benefit of the owner of a corner store, for example. The money will then pass to the wholesaler who supplied the goods purchased and then to the manufacturer, who in turn probably purchases his raw materials from another Canadian firm, and so on. Counting this "multiplier" effect, the \$18.5 billion generated in 1983 could have amounted to approximately \$33.2 billion.

Tourism also generated the equivalent of 1.1 million jobs across Canada in 1983 — or about 10.6 per cent of the employed labour force. It involved governments at every level and more than 100,000 individual private enterprises of diverse kinds, such as transportation companies, accommodation operators, restaurateurs, tour wholesalers and operators, travel agents, operators of activities and events, and trade associations.

Another important feature of travel consumption in Canada is the low import content of the products consumed. As travel is predominantly service-oriented, travel spending is on goods and services with a relatively high domestic labour content. Furthermore, the goods purchased by tourists are usually home-produced — food and drink by Canadian farmers and processors and souvenirs by Canadian craftsmen, for example.

Canada possesses many basic tourism assets. It has an enviable location at the crossroads of the northern hemisphere and adjacent to the world's most affluent travel market. It has an abundance of open space, for which world demand is sure to intensify. Its northern territories constitute one of the world's few remaining tourist frontiers. It possesses immense supplies of a most precious recreational resource — water — and of a most promising one — snow. Canada's scenic, cultural and ethnic diversity add to its travel appeal, as do its heritage buildings and the developing attractions of its major cities.



Satellites are the only communications link for the remote Lupin mine site, near the Arctic Circle.

Communications

Canada is a huge country, dependent upon efficient communications for continuing growth. Faced with the challenges of distance, extremes in climate, natural barriers and unique population distribution, Canada has become a world leader in many aspects of communications. More than 2 million people, or almost 10 per cent of our population, work in Canada's \$10 billion per year communications industry, keeping Canadians in touch with each other and with the rest of the world.

There are about 70 telephones for every 100 Canadians with an average of 1,200 calls per person each year. Canada's 17 million telephones are supplied by approximately 120 telephone companies.

Almost 99 per cent of Canadians have a radio in their homes and more than one million radio station licences were issued last year. About 98 per cent of Canadians have television and over 5 million (61 per cent of Canadian households) subscribe to cable service. Approximately 523,000 households also subscribe to discretionary TV services (pay-TV), delivered over 355 cable systems.

The Canadian computer industry has grown rapidly. There are more than 16,000 large computer installations (costing \$17,000 or more), and microcomputers generated about \$820 million in sales in 1983. The supporting software industry added another \$610 million.

Electronic data processing (EDP) revenue for the top 151 companies was more than \$6.3 million in 1983, a 13 per cent increase over the previous year, while EDP hardware sales rose to \$5.1 million.

Many communication services are now provided by satellite technology. Canada was the third country (after the US and the USSR) to put a satellite into orbit. With eight satellites now providing communications services, Canada is among the world leaders in the application of satellite technology.

Satellites

Canada is the world's largest per capita user of space communications and has been a leader in satellite technology since 1962, when Alouette I was launched to study the ionosphere. Today, Canadian industry supplies a wide range of space technology and services to domestic and international markets.

When Anik D2 was placed in orbit from the Space Shuttle Discovery on November 7, 1984, it became the eighth satellite launched by Telesat Canada, which owns and operates the Canadian communications satellite network.

Since 1973, there has been increasing use of satellites to extend television and radio broadcast coverage. Broadcasters now using satellite-relay of their signals include the CBC, CTV, TVA, the Global network, the La Sette network in Quebec, TV Ontario and the Knowledge Network of the West (KNOW) educational services and the Atlantic Satellite Network, as well as pay-TV services.

The federal government has played a strong supporting role in space research and in helping industry develop innovative uses of satellite technology. It was instrumental in helping to establish the international satellite-aided search and rescue (SARSAT) system, in co-operation with the US, France, Norway, Sweden and the USSR, through its COSPAS satellites. During its first year of experimental service, SARSAT assisted in the rescue of hundreds of people by pinpointing, within hours, the emergency signals from downed aircraft or ships in distress.

Another technology with international market potential, developed by the Department of Communications (DOC), is a portable stabilized platform for earth terminals for use on offshore oil rigs. These low-cost terminals provide television reception and reliable voice and data communications between the rigs and the public telecommunications networks via domestic satellites. By adjusting automatically to the motion of the rig, the platform keeps the antenna pointed at the satellite.

Canadian companies have begun commercial production of low-cost, single channel per carrier (SCPC) terminals for use in remote communities and resource camps. This type of terminal, developed with assistance from DOC, provides urban-quality telephone and data services by our domestic communications satellites, with automatic interconnection to the switched networks in urban centres. Three companies have developed this type of terminal: Microtel, with Spacetel; Spar Aerospace, with SPARCOM; and SED Systems, with SKYSWITCH.

The David Florida Laboratory at the communications research centre near Ottawa, provides environmental testing facilities on a cost-recovery basis for the Canadian space industry, as well as the federal government. Built in the early 1970s to support the government's Hermes satellite program, it was expanded at the end of that decade to handle



Microwave towers in the Yukon connect telephones in the far North with the rest of Canada and the world.

the assembly and testing of large communications satellites, and gives Canada a world-class facility. Further expansion has been approved, and construction has started on a third high-bay for testing of large spacecraft.

Fibre Optics

With a steady increase in the demand for voice and data communications, Canada, like many other nations, is increasingly turning to fibre-optics technology to increase the capacity and reduce the costs of telecommunications services. Fibre-optics technology uses high-frequency light pulses sent down hair-thin strands of glass fibre; each fibre can carry thousands of times more information than regular copper telephone lines.

In January 1982, Saskatchewan Telecommunications started using a fibre-optics link between Regina and Yorkton, 200 km (kilometres) apart. It was the first step in a plan to link 52 communities in a 3 200-km network, the longest optical-fibre system in the world, and was expected to cost more than \$60 million when completed in 1985.

In 1983, Canada's largest telephone company, Bell Canada, began to switch to optical fibres for major trunk lines. Companies producing fibre cable and hardware to accommodate this expanding technology include Northern Telecom, Phillips Cables, the Canstar Division of Canada Wire and Cable, and Foundation Instruments.

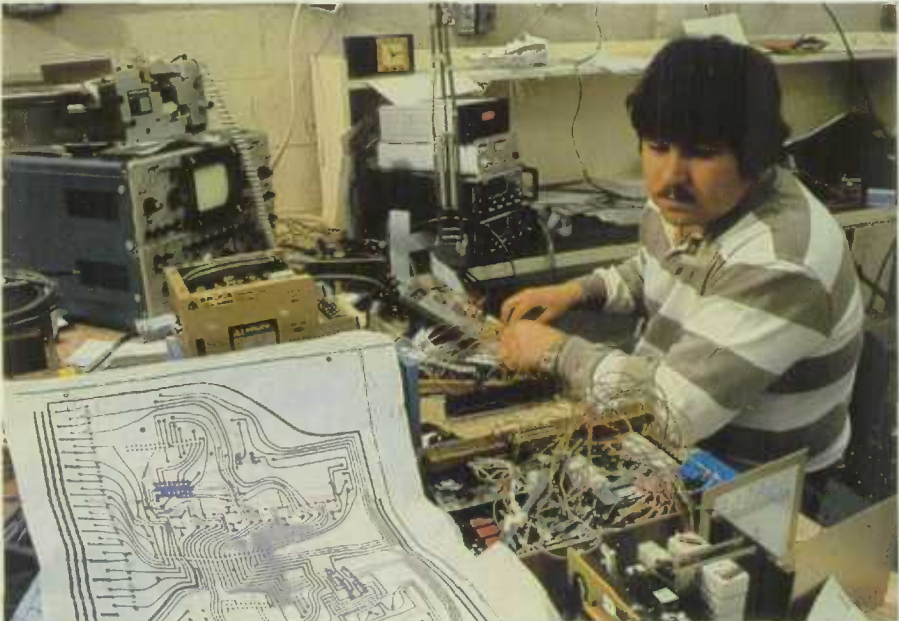
Office Systems

Changing computer and communications technologies are profoundly affecting offices where a substantial portion of the Canadian labour force is employed. Rapidly increasing amounts of information must be processed, stored, retrieved and transmitted more effectively. To assist in the transition to the office of the future, the federal government has been working with Canadian companies to develop, manufacture and test new integrated systems and products using the new technologies.

Telidon

Telidon, the Canadian videotex system developed by DOC in 1978, is an excellent example of combined computer and communications technologies. This two-way visual communications system enables users to draw on a variety of information services from a network of computer banks and uses a TV set as a display screen for text and graphics. Because of its superior graphic capabilities, which facilitate applications such as the creation of pages using non-roman characters (for example, the Inuit language), the Telidon

Electronics technician testing equipment





Maintenance of Newfoundland's Tanna Tel - a telephone system which is very important to people scattered widely and separated by rugged terrain.

technology has become the North American videotex standard and is rapidly becoming the accepted videotex standard in many other parts of the world. Compatible with almost any computer system or transmission medium, such as telephone, cable, broadcast, fibre optics or satellite, Telidon forms the basis for home information systems that offer a wide range of interactive services.

Government financial support has also helped industry and non-profit organizations to develop many other sophisticated and innovative applications of Telidon technology, including Teleguide, an Ontario tourist information service providing data through terminals in public locations; Telidon storybooks for children; and world weatherwatch, providing up-to-date global weather information.

Regulation of Broadcasting and Telecommunications

The Canadian Radio-television and Telecommunications Commission (CRTC), under the terms of the Broadcasting Act, regulates and supervises the Canadian broadcasting system: radio, television and cable-TV. The Commission issues broadcasting licences and holds public hearings to consider applications relating to broadcasting undertakings, policy and regulatory matters. At these hearings, members of the public may comment or intervene on specific applications or issues. The CRTC also has regulatory powers over Canadian federally regulated telecommunications carriers.

Canada's telecommunications services are controlled by federal, provincial and municipal legislation, policies and regulations. For example, companies such as CNCP Telecommunications, Bell Canada (Ontario and Quebec), British Columbia Telephone Company, Telesat Canada and NorthwTel are governed by the federal CRTC; the major telephone companies in the other seven provinces are provincially regulated; and a number of companies come under municipal jurisdiction.

Statistics on Communications

New Services

New content services are emerging, delivered by broadcasters, telephone companies and cable operators and most are computer-based, including videotex/teletext, tele-education, education and training courseware, electronic imagery, graphics and animation. By 1983, more than 300 organizations were involved in videotex supply and applications. Over 4,000 videotex terminals are being used in Canada, and increasing numbers of personal-computer owners are using their equipment for videotex applications.

Telecommunications Carriers

Canada's telecommunications carriers operate a vast telecommunications network. The industry is expanding at a rate of more than \$1 billion a year.

There are two major telecommunications carriers in Canada: CNCP Telecommunications and Telecom Canada. The bulk of the voice, data and image communications traffic across the country (about 87 per cent) is handled by the coast-to-coast integrated network of Telecom Canada, whose member companies are British Columbia Telephone Company, Alberta Government Telephones, Saskatchewan Telecommunications, Manitoba Telephone System, Bell Canada (operating in Ontario and Quebec), The New Brunswick Telephone Company Limited, Maritime Telegraph and Telephone Company Limited (Nova Scotia), The Island Telephone Company Limited (Prince Edward Island), Newfoundland Telephone Company Limited, and Telesat Canada. Telesat is owned by the federal government, the Canadian telecommunications carriers and the public; it owns and operates the Canadian domestic satellite system.

A significant increase in direct-dialing facilities in other countries was expected to enable approximately 80 per cent of Canadian subscribers to dial overseas direct by 1985, with close to 90 per cent of outgoing international telephone calls to be customer-dialed.

In the Northwest Territories, all communities with more than 100 people now have basic local and long-distance telephone service. Bell Canada serves the eastern half of the Northwest Territories up to the Arctic Circle, as well as Northern Quebec. In February 1980, Bell put an all-electronic digital switching system into service in Broughton Island, a small village near the Arctic Circle. In the western Arctic, 99.9 per cent of the subscribers of NorthwTel can dial long-distance directly.

Overseas telecommunications services are provided by Teleglobe Canada, a Crown corporation that represents Canada on international telecommunications bodies.

There are also more than 200 radio common carriers in Canada, with annual revenues of approximately \$80 million.



Production room of a television station in Vancouver, BC

General Statistics

Telephones. The number of telephone-company telephones in service rose from 15.8 million in 1979 to 16.8 million in 1982, with 67.9 telephones for every 100 Canadians. This, however, understates the true number of telephones in use, since subscribers are now allowed to buy their own sets, and these are not included in the statistics. Of the number of phones reported, more than 11.7 million were residential and about 5.0 million for business. On a per capita basis, Alberta had the most telephones (78.7 for every 100 people), followed by Yukon with 72.5 and Manitoba with 71.8. Canadians averaged 1,173 calls per person in 1982. Telephone company revenues nearly doubled between 1978 and 1983, growing by almost \$4.0 billion to \$8.3 billion. Their net telephone plant grew from \$11.7 billion to \$17.1 billion. The number of full-time employees grew from 92,873 to 105,061 during this period. There were 121 telephone companies in 1982.

Telecommunications. During 1980-81, more than 5.7 million telex and Teletypewriter Exchange Service (TWX) messages were switched to overseas points by Teleglobe Canada's facilities. Telex, the first North American dial-and-type printer service, was introduced to Canada by CNCP Telecommunications in 1956. By 1982, it interconnected with some 50,000 telex units in Canada and about 1.3 million units around the world.

Radiocommunications. Licensing of radio stations, other than those that are part of a broadcasting undertaking, and all technical matters dealing with radio, including television, are regulated under the Radio Act. The Act also provides for the technical

certification of radio stations that are part of a broadcasting undertaking, but such broadcasting stations (AM radio, TV and FM) and cable-TV systems are licensed by the Canadian Radio-television and Telecommunications Commission (CRTC) under the Broadcasting Act.

The Canada Shipping Act and the Aeronautics Act authorize the Minister of Transport to make radio regulations concerned with the safety of ships and aircraft.

At the end of March 1984, 1,107,013 radio station licences were in effect, including 428,585 General Radio Service (GRS) or citizen's band (CB) radio licences. Mobile stations, excluding aircraft, showed considerable growth with 482,499 stations in March 1984, up from 443,399 in 1983. Radio licences are issued for stations operated by federal, provincial and municipal agencies, stations on ships and aircraft registered in Canada, stations in land vehicles operated for public and private use, and GRS stations.

Broadcasting. Canadians are heavy users of radio and television. An estimated 98.8 per cent of Canadians had a radio in their homes in May 1983, while 91.1 per cent had an FM radio set. Almost 98 per cent have at least one television set in their homes; 43.6 per cent have more than one set; 87.3 per cent have colour-TV; and 15.7 per cent have more than one colour set in their homes. More than 80 per cent of Canadians watch TV at least once every day. In one week, the average Canadian watches 24 hours of TV and listens to 19 hours of radio broadcasting. Seventy-seven per cent of Canadians have car radios and 46.6 per cent have FM in their cars. In 1983, Canadians listened to 755 licensed AM radio stations, 673 FM radio stations, 1,357 television stations, 564 cable television systems, and 54 radio and television networks of various types.

The CBC operates coast-to-coast AM radio networks in both French and English, as well as FM radio networks in both languages that approach national distribution. There are no full-time AM or FM national networks operated by private commercial interests, although 57 private stations are affiliated with the English or French networks of the CBC (including one multilingual station). Many part-time regional networks of privately owned stations operate to present such specific program services as play-by-play accounts of major sporting events.

Networking in television is more pervasive. The CBC operates two nationwide television networks, one in English and one in French. There are two major commercially operated networks: the CTV network provides an English-language program service from coast to coast, and the Réseau de télévision TVA offers French-language programming across Quebec. The privately owned Global Communications Ltd. network serves southern Ontario. The provincial governments of Ontario, Quebec, Alberta and British Columbia operate their own educational TV networks.

In 1982, the number of cable television subscribers was estimated at 5 million, and three of every five TV households received cable services, making Canada one of the world's most heavily cabled countries. In addition, about 75 per cent of homes hooked into cable today have converters that allow access to between 12 and 35 channels.

Radio Canada International (RCI), the CBC's overseas shortwave service with headquarters in Montreal, broadcasts daily in 12 languages and distributes recorded Canadian programs free to broadcasters throughout the world. RCI gives factual coverage of Canadian and international news and reflects the variety of Canadian opinion on matters of domestic and international concern. In 1974-75, 74,646 discs or tapes were shipped to stations around the world; in 1982-83, the figure was 140,000. The CBC estimates that the RCI shortwave service reaches more than 10 million listeners a week in the USSR, the US, Africa, Europe and Latin America.



Plastic Jarvik-7 temporary heart.



Dr. Wilbert Keon - In a history-making operation by Dr. Keon in May 1986, an Ottawa woman became the first Canadian recipient of an artificial heart, Jarvik 7-70 - a version of the Jarvik-7. The artificial heart served temporarily until a human heart could be found.

Health and Welfare

Health

Cardiovascular diseases claim the lives of nearly twice as many Canadians as claimed by cancer, the second leading cause of death (326.1 per 100,000 compared to 170.3 per 100,000). Far fewer deaths are caused by the next three leading killers: accidents (38.1 per 100,000), pneumonia (21.3) and diabetes mellitus (12.3).

Canadians spent days in hospital for five major reasons in 1979-80: heart disease accounted for 9.2 per cent patient-days; mental disorders, 8.7 per cent; cerebrovascular diseases, 8.2 per cent; accidents, 8.2 per cent; and respiratory diseases, 7.1 per cent.

In ratio to the population, there was one physician providing treatment for every 538 Canadians in 1981; one dentist for approximately 2,100 Canadians; and one optometrist providing care for approximately 11,000 Canadians.

During the 1983-84 fiscal year, there were 1,230 hospitals operating in Canada, 1,048 of them public; nearly 170,000 of the 176,700 beds were in public facilities. Canadian

public hospitals admitted over 3.6 million patients in 1983-84 and provided nearly 2,000 patient-days of care per 1,000 population. The average length of hospital stay per person was slightly less than 14 days. Providing this service cost public hospitals \$13.4 billion or \$261.96 per patient-day in operating expenses.

At \$30.09 million, or 8.4 per cent of the Gross National Product (GNP), national health expenditures in 1982 were the largest ever recorded, as was the \$1,220 Canadians spent per capita on health care.

Hospitals accounted for the bulk (41.4 per cent) of health care expenditure, with physicians (14.7 per cent), homes for special care (13.7 per cent); other major components were health costs (12.2 per cent), and drugs and appliances (10.9 per cent).

The government portion of health care expenditure, in 1981 figures, compared at 5.6 per cent of the GNP, marginally lower than in 1975-76 and, at 74.2 per cent of total health care expenditure, the lowest figure in seven years. However, per capita health care expenditure by governments was at its highest level ever, at \$785.

Responsibility for health and welfare is distributed between the federal and the provincial governments. The Department of National Health and Welfare is the principal federal agency on the national level and acts in conjunction with other federal agencies and with provincial and local governments. Provincial governments are directly responsible for actual administration of most health and welfare services.

A patient is prepared for a head scan under the CT Scanner.





Brain surgery – the Carver-Closest Surgical Aspirator is used to pulverize a tumor and suck it away.

Federal Health Programs

The Department of National Health and Welfare has three branches to administer federal programs dealing with health.

The activities carried out by the Health Protection Branch are intended to protect Canadians from hazards which may contribute to illness or death. Among these are efforts to guard the safety and nutritional quality of foods; to ensure the safety and effectiveness of drugs and control the availability of drugs which may be used unwisely; to reduce the presence of dangerous substances in the environment and in consumer products; to govern exposure to radioactivity; to control the safety and effectiveness of medical devices; to control the safety of cosmetics; to improve capabilities to diagnose diseases; and to improve public information concerning health.

The Medical Services Branch provides services in response to the health needs of such varied groups of clients as the Indian and Inuit people, public servants, certain groups of immigrants and refugees, residents of the Northwest Territories and Yukon, and others.

Ensuring equal access to health care and promoting healthy lifestyles for Canadians is the function of the Health Services and Promotion Branch.

Provincial Health Programs

The responsibility for administration, operation of health care insurance plans, and direct provision of specialized services rests with the provincial governments. Institutional and ambulatory care for tuberculosis and mental illness is provided by agencies of the departments responsible for health. Provincial programs are giving increasing attention to preventive services. Programs related to health problems such as cancer, alcoholism and drug addiction, venereal diseases, and dental health are being developed by government agencies, often in co-operation with voluntary associations.

Medical and Health Research

The research effort in medicine and health in Canada essential to support the high quality of our health care includes study of many subjects and ranges from applied and clinical research to fundamental research.

Applied and clinical research includes: the effect of disease on the body; methods of preventing, diagnosing and treating illnesses; scientific trials of new methods of diagnosis and treatment; studies of new drugs and chemicals; best methods of delivering health care; and the effects of new technologies, and of cultural, social, and economic change on the health of Canadians.

Knowledge obtained in fundamental research is required to deal with these fields of applied and clinical research including research in many disciplines such as biochemistry,

Equipment in the intensive care unit at Calgary's Foothills Hospital.





A hearing test device detects hearing problems in newborn infants.

genetics, immunology, microbiology and physiology. The subjects studied range from the properties of the complex chemicals which make up living systems to the functions and interactions of cells and organs in life.

Medical and health research in Canada is carried out mainly in universities and in their affiliated teaching hospitals. Approximately 60 per cent of the direct costs of medical and health research in Canada in these institutions are provided by the federal government. Provincial governments provide approximately 15 per cent of the total. The remainder comes from more than 50 non-governmental agencies, which support research into many different diseases and obtain their funds from public donations.

Federal Welfare Programs

A high level of social security is provided in Canada. The Canada Pension Plan is designed to provide workers with a basic level of income protection in the event of retirement, disability or death. Benefits, determined by the contributor's earnings and contributions made to the plan, are adjusted annually to reflect full cost of living increases. Contribution is compulsory for most employed and self-employed persons in Canada aged 18 to 70. The plan is financed from contributions and interest on funds invested. Quebec administers

its own plan, called the Quebec Pension Plan (QPP). During the 1982-83 fiscal year, the Canada and Quebec pension plans provided a total of \$4.1 billion to 1.9 million beneficiaries; \$2.6 billion of that total was paid in retirement pensions and the balance in disability and survivors benefits. In 1982-83, the Canada Pension Plan (CPP) had contributions totalling \$3.5 billion and paid out \$3.0 billion in benefits; contributions to QPP totalled approximately \$1.1 billion; somewhat less than the \$1.1 billion paid in benefits. At March 31, 1983, the CPP had a balance of \$24.1 billion, the QPP \$8.8 billion. Most federal funds are invested in provincial securities.

An Old Age Security (OAS) pension is payable to anyone 65 years of age or over who has fulfilled the residence requirements. A pensioner may receive payment indefinitely while living abroad if he or she has resided in Canada for 20 years after age 18; otherwise, payment may continue for only six months following the month of departure from Canada. In 1982, the federal government paid \$6.1 billion in basic Old Age Security pensions to 2.3 million Canadians aged 65 or older. In 1984, this figure had risen to \$7.6 billion.

An additional 1.2 million Canadians received \$2.2 billion through the Guaranteed Income Supplement (GIS) in 1982; by 1984, \$2.5 billion was being distributed through this program. Entitlement is subject to an income test. The supplement is payable for only six months outside of Canada, in addition to the month of departure.

The spouse of a pensioner may be eligible for a Spouse's Allowance (SPA) if the spouse is between 60 and 65 years of age and meets the OAS residence requirements. This allowance, like the GIS, is awarded on the basis of a test of income. Canadians received an additional \$200 million through Spouse's Allowance payments in 1984, unchanged from the 1982 figure.

The OAS pension and the maximum GIS and SPA are adjusted quarterly to reflect increases in the consumer price index. In July 1984 the monthly OAS pension was \$269.74; the maximum monthly GIS was \$295.81 for a single pensioner or a married pensioner whose spouse did not receive OAS or SPA, and \$208.79 each for a married couple. The maximum monthly SPA was \$478.53 or \$503.53 for a widowed SPA recipient.

Family Allowances (FA) are paid monthly on behalf of children under the age of 18 who are resident in Canada and maintained by parents or guardians, at least one of whom must be a Canadian citizen, or a permanent resident of Canada under the Immigration Act. In the case of a person admitted to Canada under the Immigration Act as a visitor or holder of a permit, the period of admission must be for not less than one year and during that period the income of such a person must be subject to Canadian income tax. In 1984 the federal rate of Family Allowances was \$29.95 a month per eligible child. Provinces may vary the rates of FA paid, provided certain conditions are met; Quebec and Alberta have chosen this plan. Quebec has a provincial program to supplement that of the federal government. In 1982, \$2.0 billion in FA was paid to 6.8 million children in 3.6 million families.

A federal child tax credit program designed to provide additional assistance in meeting the costs of raising children in low-income to middle-income families, became effective in January 1979. This lump sum benefit is in addition to the monthly Family Allowances and is normally paid to the mother. The program is administered through the income tax system. The credit payable for the 1984 taxation year was \$367 for each eligible child, payable in full where the net income of the parents in 1984 was \$23,470 or less. The maximum amount payable is reduced by 5 per cent of the amount by which the family income exceeds the basic income level. The credit and the basic income level are adjusted



Facilities for the disabled are provided in many Canadian parks.

each year in accordance with the consumer price index. In 1982, child tax credits totalling \$1.1 billion were paid on behalf of 5.1 million children in 2.5 million families.

Health and Welfare Canada also administers two cost-sharing programs and several direct programs that benefit more than 2 million Canadians every year.

The principal cost-shared program is the Canada Assistance Plan under which the federal government shares 50 per cent of the costs incurred by the provinces and certain municipalities in providing assistance and welfare services to persons in need. In 1983-84, payments to provinces under the plan totalled \$3.6 billion and benefited 1.5 million recipients.

The Vocational Rehabilitation of Disabled Persons Program is the other major cost-sharing program. It enables federal sharing with provinces at 50 per cent of costs incurred in providing a comprehensive program for the vocational rehabilitation of physically and mentally disabled persons. Quebec does not participate in this program. In 1983-84, payments to provinces under this program totalled \$67.5 million.



Through financial contributions the New Horizons program encourages retired Canadians to share their skills, talents and experience through projects involving themselves and others in their communities.

The Social Services Development Program encourages the development of programs in a wide sector of social services such as day care, international adoption, family violence, disabled persons, home support and voluntary mutual aid groups.

Provincial Welfare Programs

All provinces have programs to provide social assistance and welfare services to eligible persons. Benefits which may be included in assistance programs are monetary benefits, items of special need and maintenance in homes for special care. Welfare services may include services such as homemaker, day care, community development, counselling, rehabilitation, and the protection and adoption of children. These are cost-shared by the federal government. Provincial governments spent \$3.8 billion on welfare programs in 1982, and other federal and federal-provincial social services programs cost another \$2.0 billion.



Festival of Spring recreation in Ottawa.

International Health, Welfare and Social Security

Canada actively participates in international health, welfare and social security matters. The Department of National Health and Welfare participates in the work of the World Health Organization, the Pan American Health Organization, the United Nations Commission on Narcotic Drugs, the Canadian delegation to the UNICEF Executive Board, and relevant United Nations seminars and conferences. The department also belongs to several international social policy-related non-governmental organizations.

Veterans Affairs

The Department of Veterans Affairs provides support for the economic, social, mental and physical well-being of veterans, certain civilians, and their dependents. Services, including pensions and war veterans' allowances, medical treatment, counselling, and educational assistance to children of the war dead, are provided by Veterans Affairs and the four agencies associated with it — the Canadian Pension Commission, the Pension Review Board, the War Veterans Allowance Board, and the Bureau of Pensions Advocates. The department is also committed to ensure, through commemoration activities, that the achievements and sacrifice made by Canadians for their country in time of war are not forgotten.

Veterans Affairs Program

Federal legislation provides benefits to veterans (and certain civilians), their dependents and survivors. These benefits include: medical and dental services; prosthetic appliances; income support programs; emergency financial assistance; counselling services for veterans, their dependents and survivors; educational assistance for veterans and orphans; and burial grants for veterans. The new ageing veterans program, introduced in 1981, aims to maintain or improve the level of independence and self-sufficiency of an ageing veteran population. Benefits for eligible veterans include, nursing, personal care, housekeeping, groundskeeping and transportation costs. Where direct assistance is not possible, a referral service to other sources of aid is provided. The federal government provided \$430 million in social and income assistance to 90,800 recipients in 1984, up from \$350 million in 1982.

The Veterans' Land Act was an agriculturally oriented post-war rehabilitation measure for veterans of World War II and the Korean conflict. More than 140,000 veterans were established under the various provisions of the Act before the final deadline of March 31, 1975. On March 31, 1984 more than 30,000 veterans had subsisting contracts with the director, representing a total indebtedness of over \$228 million.

Memorial in Charlottetown, PEI.





Canadian veterans, during the 1985 pilgrimage to commemorate the 40th Anniversary of the liberation of Italy, at the Agra Canadian War Cemetery.

Pensions Program

The Canadian Pension Commission administers the Pension Act, the legislation under which pensions are awarded as compensation for disability or death related to military service. This Act also provides for the payment of pensions for surviving dependents. War veterans' pensions (disability and death benefits) totalling \$650 million were paid in 1984. Social and income support accounted for another \$430 million.

The Pension Review Board serves as a final court of appeal for veterans, ex-servicemen and their dependents in all matters concerning disability pensions and the interpretation of the Pension Act.

The Bureau of Pensions Advocates provides a legal aid service for persons seeking to establish claims, relating to military service, under the Pension Act and allied statutes and orders. Recent legislation has expanded the bureau's mandate to allow pensions advocates to represent veterans at War Veterans Allowance Board hearings. The relationship between the bureau and applicant or pensioner is that of solicitor and client. Its service is highly decentralized, with advocates and support staff located in 19 cities across Canada.

The objective of the War Veterans Allowance Board is to ensure that qualified veterans and certain civilians who, by reason of age or infirmity, are unable to make their way in the employment field, and widows and orphans whose entitlement flows from the veteran's service, are assisted to the full extent of the War Veterans Allowance Act and Part XI of the Civilian War Pensions and Allowances Act.



The Prime Minister and his family at Christmas 1985, with Brian Mulroney and his wife, Mila, seated on the stairs at 24 Sussex with, left to right, Mark, 6, Benedict, 9, Caroline, 11 and Nicholas, 3 months.

Government and Legal System

Government

The Executive. Canada is a constitutional monarchy. The executive government "is vested in the Queen" of Canada, who is also Queen of the United Kingdom and more than a dozen other Commonwealth countries. In strict law the powers of the Crown are very great. In fact they are exercised on the advice of a Cabinet responsible to and having the confidence of the House of Commons, which is elected by the people. The powers of the Crown are normally exercised in the Queen's name by the Governor General, now always a Canadian, whom she appoints on the advice of the Prime Minister of Canada.

Except in extraordinary circumstances, the Governor General or the Queen must act on the advice of ministers. On the advice of the Prime Minister, the Governor General appoints the ministers and the members of the Senate. The Prime Minister decides when Parliament shall meet and normally decides when a Parliament shall be dissolved for a general election, although one must be held at least once every five years. The Governor General in Council (that is, on the advice of Cabinet), appoints judges of the superior, district and county courts, the Lieutenant Governors of the provinces, deputy ministers of government departments and other senior officials.

The Cabinet and the Prime Minister derive their powers from the conventions rather than the law of the Constitution. The Constitution Act provides only for a "Queen's Privy

Council for Canada" appointed by the Governor General. Membership in the Privy Council is for life; it consists of all Cabinet ministers, all former ministers and various distinguished individuals appointed as a mark of honour. It is to some extent an honorific body, its practical importance being that membership in it is an essential requirement for holding ministerial office, and that only Privy Councillors currently holding ministerial office may offer binding advice to the Governor General.

The Cabinet is presided over by the Prime Minister. By convention all ministers must be members of Parliament and most ministers are members of the House of Commons. It is customary, insofar as representation in Parliament permits, for the Cabinet to include at least one minister from every province, with the more populous provinces receiving greater representation.

The members of the Cabinet must speak as one on all questions of government policy; a minister who cannot support that policy must resign. Each minister of a department is answerable to the House of Commons for that department and the Cabinet as a whole is answerable to the House for government policy and administration generally.

If the government is defeated in the House on a motion of want of confidence, it must either resign office, at which point the Governor General calls on the Leader of the Opposition

Governor-General Jeanne Sauvé and her husband, Maurice, leaving Parliament Hill in a landau following her inauguration in May 1984.



to form a new government, or seek dissolution of Parliament, which leads to a general election; the latter procedure is generally followed nowadays. Defeat of a major government bill is ordinarily considered a vote of want of confidence, leading to the same consequences, but the government can choose to consider any such defeat not decisive. The House then has the option of voting on a formal motion of want of confidence.

Only the government can introduce bills to raise or spend public funds. Members of the House of Commons other than ministers may move to reduce proposed taxes or expenditures, but not to raise them. The rules of the House allot most of the time for debate of government business and nearly all legislation now comes from the government. If the parties fail to agree on a timetable for dealing with the various stages of a bill, the government has the power to move closure, so as to cut off debate. Twenty-five days of each parliamentary year are specifically allotted to the Opposition to debate any subject it chooses and on six of these days it can move want of confidence.

The Legislature. Parliament consists of the Queen, the Senate and the House of Commons. The Senate and the House of Commons have identical legislative duties and powers, with the exception that financial bills must originate in the Commons. The Senate has 104 seats: 24 from Ontario, 24 from Quebec, 10 each from Nova Scotia and New Brunswick, 4 from Prince Edward Island, 6 from Newfoundland, 6 from each of the four western provinces, 1 from Yukon and 1 from the Northwest Territories. Senators are appointed by the Governor General on the advice of the Prime Minister. They must retire at age 75.

The House of Commons has 282 seats: 7 from Newfoundland, 11 from Nova Scotia, 10 from New Brunswick, 4 from Prince Edward Island, 75 from Quebec, 95 from Ontario, 14 each from Manitoba and Saskatchewan, 21 from Alberta, 28 from British Columbia, 1 from Yukon and 2 from the Northwest Territories. Members are elected by obtaining a plurality of votes in single-member constituencies. Every adult Canadian citizen, with some exceptions, (such as people in jail) may vote. The number of constituencies allotted to each province is computed according to the democratic principle of representation by population, on the basis of a complex formula contained in the Constitution Act, and is readjusted after each decennial census. No province can have fewer members in the House of Commons than in the Senate. The Chief Electoral Officer is responsible for the representation process.

In the House of Commons, all bills pass through three stages known as "readings". The first, at which time the bill is tabled, is purely formal. On the second, the House gives the bill consideration in principle and, if satisfied, refers it to a committee, where it is dealt with clause by clause. The committee then reports the bill to the House, with or without amendments, and at this stage any member may propose amendments, which are debatable. Third reading then follows. If the bill passes this last stage, it is sent to the Senate, where it goes through a similar procedure, following which it receives Royal Assent, thereby completing the process by which legislation is enacted.

The Canadian Constitution would be unworkable without political parties. Yet parties are almost unknown to Canadian law (an exception being the Election Expenses Act), a notable example of the conventions of the Constitution. Political parties and party discipline make possible a stable government, capable of carrying its policies into effect, and provide for continuous organized criticism of that government. They also make possible an orderly transfer of power from one government to another. They help to educate the electorate on public affairs and reconcile the country's divergent elements and interests.



Queen Mother Elizabeth, with her grandchildren, from left, Prince Charles, Prince Edward, Princess Anne and Prince Andrew, on her 85th birthday in August 1985.

The Progressive Conservative Party goes back to a coalition of moderate Conservatives and moderate Reformers in the province of Canada in 1854, six years after responsible government had been won. It was broadened into a national party in 1867 when Sir John A. Macdonald, the first Prime Minister of the Canadian federation, formed a Cabinet of eight Conservatives and five Liberals or Reformers, whose followers soon came to be known as "Liberal-Conservatives"; the present name was adopted in 1942. The Liberal Party has its roots in the pre-Confederation Reform parties that struggled for the establishment of parliamentary responsible government in the 1840s. The New Democratic Party dates from 1961 when the major trade union federation (the Canadian Labour Congress) and the Co-operative Commonwealth Federation (CCF) joined forces to launch a new party; the CCF had been founded in 1932 by a group of farmer and labour parties in the western provinces.



Legislative buildings in Edmonton, Alta.

Provincial and Territorial Government

In each province the machinery of government is substantially the same as that of the central government, except that no province has an upper house. The Crown is represented by a Lieutenant Governor.

The two territories, Yukon and the Northwest Territories, come directly under the Government and Parliament of Canada but enjoy a growing degree of self-government.

The Government of Yukon includes a federally appointed Commissioner who functions like a Lieutenant Governor, an Executive Council which corresponds to a provincial cabinet, and a 16-member elected Legislative Assembly. The Executive Council consists of the Government Leader, who is the leader of the majority party in the Assembly, and three other members of the majority party in the House who are assigned portfolio responsibilities. The jurisdiction of the Legislature, or Commissioner in Council, is subject to



Yukon government building at Whitehorse.

federal legislation. The Legislature can enact laws relating to most subjects of a provincial nature other than natural resources.

The Northwest Territories is administered by a Commissioner, appointed by the Government of Canada, and an elected Legislative Assembly of 24, with an Executive Council composed of the Commissioner and eight members of the Assembly. The Commissioner in Council has substantially the same powers as in Yukon.

Municipal Government

Municipal government, being a matter of provincial jurisdiction, varies considerably. All municipalities (cities, towns, villages and rural municipalities) are governed by elected councils. In Ontario and Quebec there are also counties, which group smaller municipal units for certain purposes, and both these provinces have set up regional municipalities for metropolitan areas.

In general, the municipalities are responsible for police and fire protection, local jails, roads and hospitals, water supply and sanitation, and schools (often administered by distinct boards elected for the purpose). They get their revenues mainly from taxes on real estate, fees for permits and licences and grants from the provinces.

The Legal System

The Law and Law-making. The law in Canada consists of statutes and judicial decisions. There is also a large body of case law that comes mainly from English common law and consists of legal principles evolved by the decisions of the superior courts over a period of centuries. The English common law came to Canada with the early English settlers and is the basis of much of the federal, provincial and territorial law. The province of Quebec, however, was originally settled by French inhabitants who brought with them civil law derived from French sources. Thus civil law principles govern such matters as personal, family and property relations in Quebec; the province has developed its own Civil Code and Code of Civil Procedure governing these and other matters and has, in effect, adapted the French civil law to meet Quebec's needs.

A vast body of subordinate legislation contained in regulations adopted by appropriate authorities and in bylaws made by municipalities is issued under authority conferred by either Parliament or the provincial legislatures.

Statutes enacted by the federal Parliament apply throughout the country; those enacted by provincial legislatures apply only within the territorial limits of the provinces. Hence,

Legislative buildings in Victoria, BC.





Supreme Court Chief Justice Dickson was sworn into office in April 1984.

variations may exist from province to province in the legal rules regulating an activity governed by provincial law.

The main body of Canadian criminal law, being federal, is uniform throughout the country. Although Parliament has exclusive authority under the BNA Act to enact criminal law, the provincial legislatures have the power to impose fines or punishments for breaches of provincial laws.

Most Canadian criminal law is contained in the Criminal Code, which is derived almost exclusively from English sources. Other federal statutes provide for the punishment of offences committed thereunder by fine or imprisonment or both. In any event, whether an offence be serious or minor, it is a fundamental principle of Canadian criminal law that no person may be convicted unless it has been proved beyond all reasonable doubt to the satisfaction of either a judge or a jury that he or she is guilty of the offence.

Law Reform. Many of the provinces now have law reform commissions that inquire into matters relating to law reform and make recommendations. At the federal level, the Law Reform Commission of Canada studies and reviews federal law with a view to making recommendations that reflect society's changing needs and standards.

The Courts and the Judiciary

Courts play a key role in the process of government. Acting through an independent judiciary, the courts declare what the law is and apply it to resolve conflicting claims between individuals, between individuals and the state and between the constituent parts of the Canadian federation.

The Judiciary. Because of the special function performed by judges in Canada the BNA Act guarantees the independence of the judiciary of superior courts. This means that judges are not answerable to Parliament or to the executive branch of the government for decisions rendered. A federally appointed judge holds office during good behaviour but is removable from office by the Governor-in-Council on the address of the Senate and House of Commons; in any event, he or she ceases to hold office at age 75. The tenure of judges appointed by provinces to inferior courts is determined by the applicable provincial laws. No judge, whether federally or provincially appointed, may be subjected to legal proceedings for any acts done or words spoken in a judicial capacity in a court of justice.

The Courts. In Canada, the power to create courts is divided. Some courts are created by Parliament (for example, the Supreme Court of Canada) and others by provincial legislatures (for example, superior courts, county courts and many lesser provincial courts). However, the Supreme Court of Canada and the provincial courts are part of an integrated whole; thus, appeals may be made from the highest courts of the provinces to the Supreme Court. Generally speaking, federal and provincial courts are not necessarily given separate mandates as to the laws that they administer. For instance, although criminal law is made by the Parliament of Canada, it is administered mainly in provincial courts.

Federal Courts. Federal courts in Canada include the Supreme Court of Canada, the Federal Court of Canada and various specialized tribunals such as the Tax Court of Canada, the Court Martial Appeal Court and the Immigration Appeal Board. These courts and tribunals are created by Parliament.

The Supreme Court, established in 1875, is the highest appeal court of Canada in civil and criminal matters. At least three of its nine judges must come from Quebec, a requirement added because of the special character of Quebec civil law. Under conditions determined by the statute law of Parliament, the Supreme Court entertains appeals from the provincial courts of appeal and from the Federal Court. It also gives advisory opinions to the federal government when asked under a special reference procedure.

The Federal Court of Canada, created in its present form in 1970, deals with: taxation cases; claims involving the federal government (for instance, claims against the federal government for damage caused by its employees); cases involving trademarks, copyrights and patents; admiralty law cases; and aeronautics cases. It has two divisions, a Trial Division and an Appeal Division; the Appeal Division hears appeals from decisions rendered by the Trial Division and by many federal boards and agencies.

Provincial Courts. Provincial courts are established by provincial legislation and their names vary from province to province; nevertheless, their structures are roughly the same. Each province has inferior courts, such as family courts, juvenile courts, magistrates' courts and small debts courts; these deal with minor civil and criminal matters and the great majority of cases originate and are decided in them. With the exception of the province of Quebec all provinces also have systems of county or district courts. These courts have intermediate jurisdiction and decide cases involving claims beyond the jurisdiction of the

small debts courts. Although they do not have unlimited monetary jurisdiction, they also hear all but the most serious criminal cases, and have a limited jurisdiction to hear appeals from decisions of magistrates' courts. The highest courts in a province are its superior courts, which hear civil cases involving large sums of money and criminal cases involving serious offences.

The Legal Profession

In common law jurisdictions in Canada, practising lawyers are both called as barristers and admitted as solicitors. In Quebec the legal profession is divided into the separate branches of advocate and notary. In all cases admission to practice is a provincial matter.

Legal Aid. In recent years all provincial governments have established publicly funded legal aid programs to assist persons of limited means in obtaining legal assistance in a number of civil and criminal matters, either at no cost or at a modest cost, depending on the individual's financial circumstances. These programs vary from province to province but all are intended to ensure that everyone gets adequate legal representation regardless of his or her financial circumstances.

New Brunswick's Gerald La Forest, right, joined the eight other Supreme Court justices in February 1985.



The Police

The BNA Act assigns to the provinces the responsibility for judicial administration within their boundaries, but police forces have nevertheless been created by federal, provincial and municipal governments.

Ontario and Quebec have created provincial forces that police areas of the province not served by municipal forces. Provincial police duties include providing police and traffic control over provincial highways, assisting municipal police in the investigation of serious crimes and providing a central information service about such matters as stolen and recovered property, fingerprints and criminal records.

The federal government maintains the Royal Canadian Mounted Police (RCMP). This civil force was originally created in 1873 under the name North-West Mounted Police. Today the RCMP is the sole police force in the Yukon and the Northwest Territories and is employed by eight provinces to carry out provincial policing responsibilities within their borders.

The RCMP enforces many federal statutes, with the greatest emphasis on the Criminal Code and the Narcotics Control Act. It is responsible for the protection of government property and the safekeeping of visiting dignitaries, and also represents Canada in the International Criminal Police Organization (Interpol), which Canada joined in 1949.

Mobile digital computer terminals in police patrol cars allow access to immediate information.



External Relations and Defence

External Affairs

The Department of External Affairs has three primary functions: to advise the government on foreign policy, foreign trade and international defence and economic matters, co-ordinate implementation of the government's policies and programs in these areas, represent Canada in other countries and in international organizations, and negotiate international agreements, to provide consular assistance to Canadians travelling or living abroad and to provide immigration services to persons intending to come to Canada; and to promote Canada and its interests abroad.

The department headquarters is in Ottawa. In 1984, there were 114 diplomatic and consular posts in 80 countries; many of these posts are accredited to two or more governments, thus permitting Canada to maintain diplomatic relations with an additional 79 countries. Canada also has 27 honorary consulates. In addition, in 1984, there were 99 resident diplomatic missions in Ottawa and 41 non-resident accreditations.

A Canadian diplomatic mission in a Commonwealth country is designated as a high commission rather than an embassy. Consular posts, which attend primarily to Canada's trade relations or consular responsibilities, are headed by consuls-general or consuls.

Canada also has 12 permanent and separate missions accredited to a number of international organizations, including: the United Nations (UN) in New York and Geneva; the European Communities (EC) and the North Atlantic Treaty Organization (NATO) in Brussels; the Organization for Economic Co-operation and Development (OECD) and the United Nations Educational, Scientific and Cultural Organization (UNESCO) in Paris and the Organization of American States (OAS) in Washington. Canada is also a member of the Commonwealth and of La Francophonie with headquarters in London and Paris respectively.

The department works actively in international trade, a large and rapidly growing component of Canada's national income, affecting nearly every sector or region of Canada. Potential and present Canadian exporters, when travelling abroad, can benefit from the services of trade commissioners who are active in more than 90 posts around the world.

The annual report of the department sets out the particular goals and achievements of Canadian foreign policy from country to country, from region to region and in the fields of international law, disarmament and arms control, energy, trade and international economic affairs, social and humanitarian affairs, international security and other issues.

Services to Canadians

Consular assistance is one of the primary functions of Canada's embassies and other missions abroad and involves helping Canadians travelling or residing outside the country. In 1984, consular personnel handled close to 700,000 cases ranging from the issuance of passports (approximately 55,000) to special services in the event of death abroad (400), hospitalization (600), financial difficulties (from 2,000 to 3,000) and imprisonment due to drug-related or other offences (800).

Passports. In 1984, approximately 900,000 passports were issued under the authority of the Department of External Affairs. Passports, certificates of identity, and refugee convention travel documents are issued through regional passport offices across Canada.

Assistance in International Legal Matters. Requests for assistance in international legal matters, such as, pressing claims against or involving foreign governments are dealt with by the department's bureau of legal affairs. In the area of private international law, the bureau offers a variety of services to facilitate legal proceedings involving Canadian and foreign jurisdictions on the basis of conventions or by arranged procedures.

Canadian International Development Agency (CIDA)

CIDA administers most of Canada's program of co-operation with developing countries. Canada provides assistance to over 50 countries and in 1983-84 this official development assistance amounted to \$1.83 billion. The broad objective of Canada's development policy is to help Third World countries meet the basic needs of their people and move toward self-reliance.

Canada provides assistance through three channels. In 1983-84, \$678.3 million was disbursed in bilateral assistance under agreements between Canada and the recipient governments for the financing of development projects. These funds, in the form of grants and loans, are used by developing countries to purchase materials, equipment or services for their industry and agriculture, or to gain access to the Canadian export market through lines of credit. Bilateral grants also pay the cost of sending Canadian advisers overseas and training students and trainees from developing countries. The principal recipients of bilateral economic assistance, with figures listed for 1983-84, are Asia \$284.1 million; anglophone Africa \$146.6 million; francophone Africa \$137.5 million; and the Americas \$97.3 million. Assistance provided to these regions in the form of bilateral food aid amounted to \$172.9 million in 1983-84.

A focus of CIDA's activity is human resource development - with emphasis on strengthening technical and managerial skills - the Third World people are its greatest resource.



The second channel for official development assistance to the developing world is multilateral aid (\$674.9 million in 1983-84), whereby Canada and other donors provide funds to international institutions that help the Third World. Canada supports about 65 programs in all.

Under the third channel of development assistance CIDA provides flexible forms of assistance to the developing world through Canadian and international non-governmental organizations (NGOs) and through Canadian business, labour and academic groups. In total, CIDA provided \$88.8 million in 1983-84 to support the efforts of Canadian NGOs working on 3,000 projects in developing countries and an additional \$18.4 million in support of international NGOs.

The Institutional Co-operation and Development Services Division (ICDS) fosters links between Canadian institutions, universities, colleges, professional associations, unions and co-operatives, and their counterparts in the Third World. In 1983-84 ICDS provided \$74.6 million in support of over 700 projects.

Canadian Executive Service Overseas (CESO)

CESO is a private, non-profit, Canadian corporation, organized in 1967 by a group of Canadian business and professional people, with the support of CIDA. A board of directors determines the policy of the corporation.

With qualified, experienced Canadian men and women CESO aims to exchange applied professional and technical knowledge with governmental, industrial or other organizations in applicable countries; and to work with Canadian industry and the Canadian government on projects with developing countries.

CESO operations include three programs: the overseas program operates within developing countries of the world; the Canadian native program operates throughout Canada, in response to requests received from the Indian bands; the trade development program includes joint ventures and special projects in developing countries of the world.

A CESO agriculturalist works with Ghanaian villagers in repairing farm equipment.



CUSO

CUSO recruits Canadians experienced in trades, agriculture, fisheries, forestry, education, health, business and technology to help Third World nations train their people. Since 1961, CUSO has placed more than 9,000 volunteers of all ages on two-year contracts in developing countries. The countries or agencies requesting assistance pay the worker's salary at local rates. CUSO, an independent, non-profit organization, pays travel, medical insurance, orientation, and language training costs.

CUSO is also involved in funding an increasing number of self-help projects overseas and in development education at home. A substantial part of the organization's finances come from the Canadian International Development Agency (CIDA), the balance being contributed by individuals, corporations, foundations, community groups and provincial governments.

The search for firewood occupies women and children for many hours each day in most developing countries. IDRC-supported forestry projects are changing this situation in several countries.





Peer learning systems in Indonesia - an IDRC-supported project.

International Development Research Centre (IDRC)

IDRC was created by an Act of Parliament in 1970 as an autonomous public corporation. Its purpose is to stimulate and support research designed to adapt science and technology to the needs of developing countries.

The centre is financed by an annual grant from Parliament, but its policies are set by an independent Board of Governors representing Canada, the Third World, and the industrialized nations. Before a project proposal is submitted to the centre's Board of Governors for approval, it is assessed to ensure that the research is practical, meets the priorities of the country or region, and will have the widest possible impact. Recipient institutions are also expected to contribute to the cost of research projects.



The Canadian Forces Tattoo 1985 marked the 75th Anniversary of the Naval Service in Canada. During the finale, the new uniforms for the navy, army and air force were presented.

National Defence

To ensure that Canada remains secure and independent, Canadian forces are committed to collective security and defence arrangements with Canada's allies in the North Atlantic Treaty Organization (NATO), with the United States under a series of bilateral agreements including the North American Aerospace Defence (NORAD) agreement, to the United Nations in various peacekeeping and observer roles and to the maintenance of Canada's ability to function as a sovereign state within its own territory and the contiguous water areas under Canada's jurisdictional authority.

Because the main military threat to Canada lies in the possibility, however remote, of a nuclear exchange involving the United States and the Soviet Union, a major policy thrust is to deter such an event. This involves two primary theatres, Europe and North America.

Canada's principal contribution in Europe is a contingent of more than 5,000 men with the land and air forces under Allied Command Europe.

One of three land combat brigade groups maintained in Canada has the task of supporting NATO deterrent forces in Norway if necessary. The group can be transported by air or by

sea. Canada also has committed two squadrons of CF-5 aircraft for a close support role on NATO's northern flank. These aircraft, refuelled in flight, could be deployed quickly to any crisis area. Co-operation with United States forces, under a renewed NORAD agreement signed in May 1981 and effective for five years, is the salient feature of defence in the North American area.

In addition to providing surveillance and control of the sea approaches of the three oceans bordering Canada, the maritime forces also provide combat ready ships in support of Canada's commitment to NATO and continental defence in co-operation with US forces.

In support of United Nations efforts to halt hostilities through the peacekeeping and truce observation roles, Canada currently has approximately 220 military personnel serving in the Golan Heights between Syria and Israel, more than 500 in Cyprus and approximately 20 officers with the truce supervisory organization operated by the United Nations in the Middle East.

Protection of Canada as a sovereign state imposes two main roles on the Canadian Armed Forces. One concern is the possibility of challenges to Canada's right to exercise jurisdiction over her territory and its adjacent waters. A second concern is the possibility of the forces being called to the aid of the civil power in the event of a serious civil disorder. While no armed forces are maintained for this specific purpose, forces performing other tasks are trained to provide such assistance.

West coast ships refuel at sea from the tanks of HMCS Provider.





The Economy

The Canadian Economy in the '80s

Canada's Economic Performance, 1985

From the middle of 1981 to the end of 1982, the Canadian economy suffered its longest and most severe decline in real production since the depression. During the following three years, it registered its strongest period of sustained growth since the early 1970s. Nevertheless, some of the consequences of this recession were still affecting the economy by the end of 1985. The volume of domestic demand did not surpass its pre-recession level until the fourth quarter of 1984; full-time employment did not return to its summer-1981 level until the second half of 1985; and the peak volume of residential construction registered in the second quarter of 1981 was not topped until the third quarter of 1985. Two of the consequences of the recession, the large federal government deficit and a depressed level of business investment in plant and equipment, remained major economic concerns.

In 1984, Canada's real Gross National Expenditure (GNE) increased 5.0 per cent. The strongest rates of growth were registered in merchandise exports, up 22 per cent, and consumer demand for durable goods, up 12 per cent; in both cases, a significant portion of the increase originated in sales of motor vehicle products. Business investment in plant and equipment displayed the first signs of tangible real growth since 1981. However, the rate of growth in the volume of exports declined markedly and fell below that of imports. In 1985, the volume of economic activity was expected to increase approximately 4.5 per cent, with most of the strength coming from personal expenditure, particularly on durable goods, and from demand for new and existing housing.

Over the first three quarters of 1985, the volume of personal expenditure on goods and services rose 4.6 per cent above the level registered in the same period of 1984. The upward movement in consumer spending was still particularly evident in spending on durable goods, even though its 9 per cent rate of growth was lower than the 12 per cent rise recorded in 1984. Spending on other categories of goods and on services was rising significantly faster than in 1984 but still less than spending on durable goods. In the first quarter of 1985, consumer demand, particularly demand for motor vehicles and household equipment and appliances, was fostered by a strong growth in real personal disposable income; after March 1985, it was fostered by a decline in the level of interest rates.

These two factors were also instrumental in a strong rise in residential construction activity which started in April 1985; while the volume of this activity in the first quarter was only slightly higher than in the first quarter of 1984, the volume in the next two quarters was 17 per cent higher than in the corresponding period of 1984. Dwelling starts totalled nearly 163,000 units in 1985, up 21 per cent from 1984 and the highest level since 1981.

The reduction in the level of interest rates and the continued strength of consumer demand also appeared to trigger the beginning of a recovery in business investment in plant and equipment which started in the second quarter. The increase in this sector occurred despite a sluggish performance of corporation profits after the first quarter. Most of the increase in real business investment in the second quarter was registered in construction activity; in the third quarter, nearly all the rise occurred in machinery and equipment. Over the first nine months of 1985, the volume of business investment in new production capacity was nearly 5 per cent higher than in the corresponding period of 1984; it was the first perceptible increase in this sector in four years.

Canada's export performance is determined largely by developments in the US economy. The 1984 rise of nearly 20 per cent in the volume of exports of goods and services can be associated with a 7 per cent increase in the US real GNE. In 1985, real GNE growth in the United States was expected to be only about 2.4 per cent and in 1985, real Canadian exports showed much less liveliness than in 1984. The volume of merchandise exports in each of the first three quarters of 1985 was lower than in the last quarter of 1984; the volume of service exports declined in both the second and third quarter of the year; and strong domestic demand resulted in a significant rise in merchandise imports in the third quarter.

A stronger rise in the volume of merchandise imports than exports, along with a decline in Canada's term of trade, resulted in declines in the current dollar surplus in merchandise trade in each of the first three quarters of 1985. A reduction in interest and dividend payments abroad in the second and third quarter moderated the magnitude of changes



Calgary, Alta. and Saddledome arena.

in the balance of payments' current account, but could not prevent it from slipping into a deficit position in the third quarter. Over the first three quarters of the year, Canada registered a current account deficit of \$800 million.

The government sector, faced with an extremely high federal deficit, has recently been trying to restrain the rate of growth of its spending. Government real capital expenditure had little growth in 1985 and its real spending on goods and services declined in the third quarter, following six quarters of modest growth. As a result, the federal government deficit recorded appreciable declines in both the second and third quarter, however, its third quarter level of \$27.7 billion was equal to 6 per cent of the Gross National Product (GNP).

Despite the accelerating growth in domestic demand, the level of inflation did not rise in 1985. This fact can be attributed to the Bank of Canada's tight control on the growth of the money supply and to the availability of a significant amount of productive capacity. At 4.0 per cent, the 1985 increase in the consumer price index was less than in the previous year; most other measures of price changes confirmed the trend to a stable rate of inflation.

Labour market conditions also continued to improve in 1985. The rate of growth of employment exceeded that of the labour force for a second consecutive year, and both the level of unemployment and the unemployment rate declined further. More than 300,000 jobs were created during the year; the level of unemployment was reduced by 70,000; and the unemployment rate declined to 10.5 per cent, down 0.8 points from the 1984 annual average. At 58.3, the 1985 employment/population ratio was the highest since 1981.

In December 1985, nearly all economic forecasters expected economic growth in 1986 to be lower than in 1985; the average forecast for real GNE growth was 3 per cent. The only sector expected to rise faster than in the previous year was business investment in plant and equipment. The rise in consumer spending was expected to be dampened by the negative effect on disposable income of the increase in federal personal income taxes announced in the May 1985 budget. The forecast of continued weak performance of the US economy was expected to further moderate growth in real exports and the current account balance was expected to record a larger deficit. A small rise in the level of housing starts was predicted, but only if mortgage interest rates edged downward. The employment picture was expected to improve further; inflation to remain at approximately the same level; interest rates to decline; and the level of the Canadian dollar to move little in relation to the US currency. A good performance was expected for the fourth year of the economic recovery.

Despite the general consensus on a sound Canadian economy and its bright perspectives for 1986, the international value of the Canadian dollar started to decline early in January 1986, and interest rates in Canada were forced up. There was no clear reason for the decline, although the low level of prices for natural resources and a drop in the world price of oil were cited as two major causes. The persistence of a low foreign value for the dollar and of higher interest rates was expected to have a negative impact on the rate of economic growth and exert inflationary pressures. At the same time, it was expected to improve the current account situation by making Canadian exports more competitive in the world market; by attracting tourists; and by reducing Canadian demand for foreign goods and services.

Industrial distribution of employment, Canada selected years, 1971-84

Industry	1971 %	1976 %	1981 %	1984 %
Agriculture	6.3	5.0	4.4	4.3
Other primary industries	2.7	2.5	2.9	2.7
Manufacturing industries	21.8	20.3	19.3	17.9
Construction	6.0	6.7	5.9	5.2
Transportation, communications and other utilities	8.7	8.7	8.3	7.8
Trade	16.5	17.3	17.1	17.5
Finance, insurance and real estate	4.9	5.2	5.4	5.7
Community, business and personal services	26.3	27.1	29.7	31.7
Public administration	6.7	7.2	7.0	7.2
Total	100.0	100.0	100.0	100.0

**Industrial distribution of gross domestic product, Canada
selected years, 1971-84**

Industry	1971 %	1976 %	1981 %	1984 %
Agriculture	3.2	2.8	2.6	2.5
Forestry	0.8	0.7	0.6	0.7
Mines, quarries and oil wells	3.8	3.1	2.7	2.8
Manufacturing industries	22.9	22.3	21.5	21.1
Construction	7.0	6.8	6.2	5.0
Transportation, communications and other utilities	12.1	12.8	13.9	14.4
Trade	11.8	12.9	12.6	13.1
Finance, insurance and real estate	11.5	12.0	13.2	13.5
Community, business and personal services	19.3	19.3	19.7	19.9
Public administration	7.4	7.2	6.7	6.9
Total	100.0	100.0	100.0	100.0
Goods-producing industries	40.5	38.7	37.1	35.7
Service-producing industries	59.5	61.3	62.9	64.3

Industrial Growth and Change

The Canadian economy must adjust continuously to profit from new technological opportunities and new world markets. In step with the other advanced economies, the Canadian industrial structure increasingly favours the service-producing industries, rather than the goods-producing industries. In 1984, service-producing industries accounted for over 64 per cent of the Canadian Gross Domestic Product (GDP), up from less than 60 per cent in 1971, and accounted for 70 per cent of total employment. Between 1971 and 1984, real production in the service industries rose 62 per cent, and it recorded only one year of negative growth, 1.5 per cent in 1982; during the same period, real production in the goods industries increased only 32 per cent; it declined three times, including an 8.9 per cent decline in 1982.

Goods-Producing Industries

The two major factors in the lower rate of growth in real production in the goods industries between 1971 and 1984, were the international economic situation and the higher sensitivity of large expenditure goods to changes in the domestic economic evolution. A significant portion of Canada's natural resources products are exported and over the past decade, the international marketplace has become much more competitive. A large portion of Canada's exports are sold to the United States and changes in economic conditions in that country affect Canadian industries. Large consumer expenditures, such as new housing and passenger cars, and business investment in new production facilities are among the first to be reduced in times of lower economic growth.



Combine assembly line in Ironford, Ont.

The highly cyclical construction industry and the natural resources-based industries recorded some of the lowest real growth between 1971 and 1984. The volume of construction activity in 1984 was only 6 per cent higher than in 1971, mainly due to a 17 per cent decline after 1981 as interest rates rose and consumer and business demand fell. Agricultural production alternated between periods of growth and periods of decline; its 1984 level was 15 per cent above the 1971 level, but 6 per cent below the 1982 peak. Real production in the forestry industry rose 26 per cent during the period, despite significant declines in 1974-75 and 1981-82. The mining and fossil fuel exploitation sector suffered significant production declines in the mid-1970s and early-1980s and only showed signs of sustained recovery in the last two years of the period; in all cases, the volume of production was lower in 1984 than it had been in 1973, particularly in the metal mines industry and in the crude petroleum and natural gas industry. In the latter case, energy conservation measures appeared to be one of the explanatory factors, since coal production tripled, and electricity production doubled, between 1971 and 1984.

The manufacturing sector, which accounts for more than half the production of the goods industries, registered the strongest real growth among those industries between 1971 and 1984; real production in this sector rose 40 per cent between 1971 and 1979, but was no higher in 1984 than in 1979, owing to declines in 1980 and 1982. The durable

manufacturing industries enjoyed a slightly stronger growth than the non-durable, mainly due to the performance of the automotive products manufacturers whose strong production rise in 1983 and 1984 brought their level of output 12 per cent above the 1979 level and 100 per cent above 1971; these manufacturers increased their share of the total manufacturing production from 9 per cent to 13 per cent during the 1971-84 period. The 1984 levels of production of most durable goods and non-durable goods manufacturers were still lower than their 1979 or 1981 peaks. The other major manufacturing industries which recorded significant production increases between 1971 and 1984 were the industrial machinery, chemical and chemical products, and wood products industries.

Service-Producing Industries

The commercial service industries have led the rise in real production in the service industries during the past 15 years. The sharpest production increases were registered in the services to business management (161 per cent) and communication (110 per cent) industries, both of which benefited greatly from the information revolution and from the increased use of specialized services by the business community. The accommodation and food services industry also doubled its output, but its rate of growth fell dramatically after 1976; it registered a 43 per cent rise in output from 1971 to 1978, but very little growth in following years. Its production rose only slightly in 1979 and 1980 and fell in each of the subsequent three years.

Final preparation of a banquet table in Vancouver, BC.

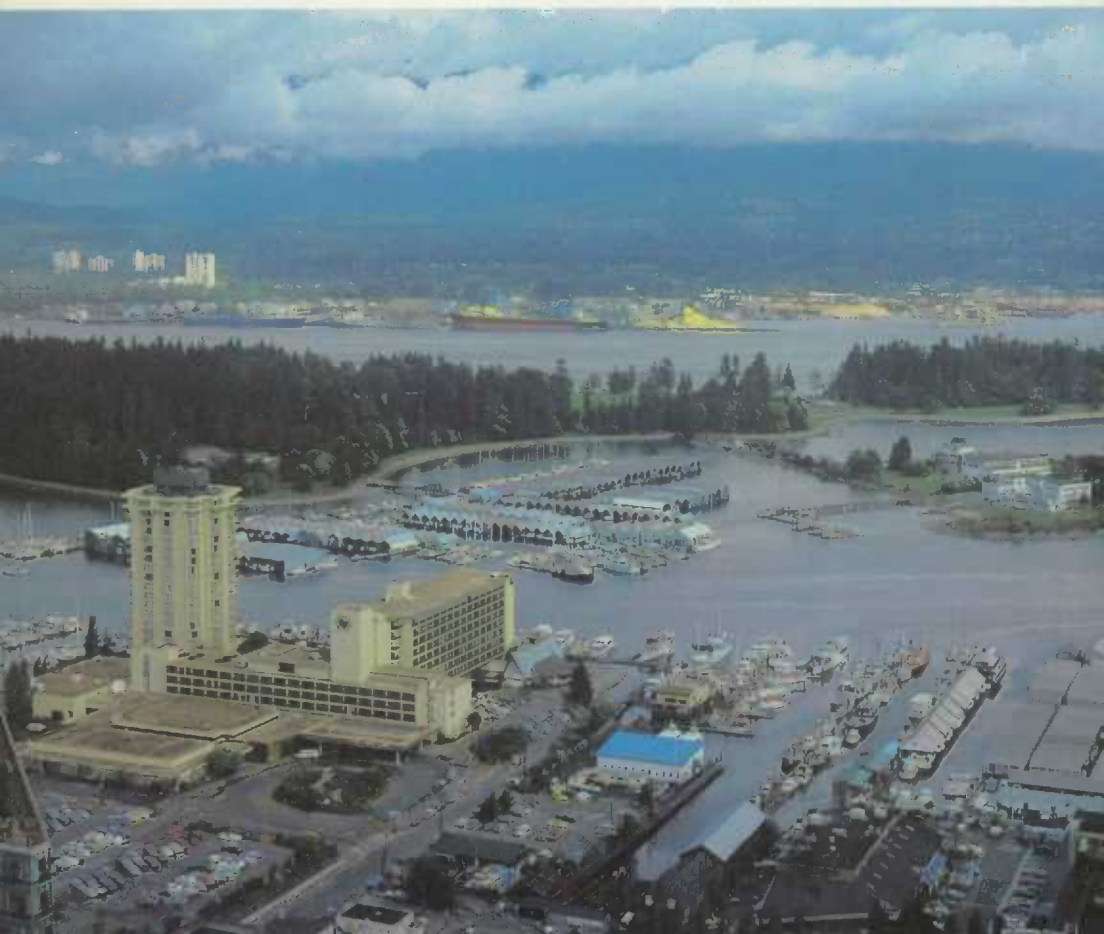


The finance, insurance and real estate sector was one of the few to record no decline in output during the 1971-84 period. Its real output increased 76 per cent, largely because of increases of 85 per cent in both the banking and other deposit-accepting industry and the insurance agencies and real estate industry. Both industries significantly expanded the range of their services to consumers and business during the period.

The trade sector registered above-average growth during the 1971-84 period. The volume of wholesale trade increased 75 per cent and retail trade 61 per cent. Retail food merchandising grew only 22 per cent. The real output of motor vehicle dealers rose 79 per cent between 1971 and 1979, but dropped 28 per cent in the subsequent three years; despite a strong recovery in 1983 and 1984, their sales volume in 1984 was still 6 per cent less than in 1979.

Despite a tripling in the air transport industry's volume of activity, the transportation sector's real output rose only 56 per cent. A major reason for this evolution appeared to be a slow rate of growth in the transportation of goods. The volume of railway transportation increased only 30 per cent between 1971 and 1984.

Stanley Park, Vancouver, BC.





Regina, Sask.

The rise in real output in non-commercial service industries was significantly less than in the commercial service industries during the 1971-84 period. The largest increase, 53 per cent, was recorded in health and social services and resulted from increased demand for services, partially associated with the ageing of the Canadian population, and the availability of new services. The volume of activity in the education and related services area increased only 16 per cent and its growth was particularly weak after 1976 as the decline in demand from the ageing prime target population became more evident. Output in the public administration sector rose 41 per cent during the 1971-84 period, however its rate of growth was reduced markedly after 1978.

Economic Future

The economic future of a nation depends on the investment it makes in building up productive capacity. Canada can boast of a highly educated labour force because it has invested heavily in education and training in the past. Its record in the area of research and development (R&D) is not as impressive. Canada's expenditure on R&D, at only slightly more than one per cent of GDP, is one of the weakest among the Organization for Economic Co-operation and Development (OECD) countries; it is less than half that of Canada's two major trading partners, the United States and Japan. Although more emphasis is being allocated to this subject in both the public sector and the private sector, much can still be done by identifying priority sectors and developing a consensus on future research activity.

Summary of capital and repair expenditures, 1981-85¹
(million dollars)

	Type of expenditures		Total expenditures	Expenditures on	
	Capital	Repair		Construc- tion	Machinery and equipment
Business					
1981	56,340	16,671	73,011	30,335	42,675
1982	55,354	16,855	72,209	30,907	41,302
1983	49,338	17,428	66,765	27,656	39,110
1984	50,261	18,923	69,184	27,573	41,611
1985	56,125	19,914	76,039	31,186	44,853
Social					
1981	10,129	2,285	12,414	10,182	2,232
1982	11,258	2,774	14,032	11,576	2,456
1983	11,187	2,838	14,025	11,438	2,587
1984	12,356	2,764	15,120	12,042	3,078
1985	13,073	2,908	15,981	12,914	3,067
Housing					
1981	13,135	3,229	16,365	16,365	—
1982	10,149	3,433	13,582	13,582	—
1983	12,994	3,857	16,851	16,851	—
1984	12,453	4,044	16,497	16,497	—
1985	12,905	4,230	17,134	17,134	—
Total					
1981	79,604	22,186	101,790	56,882	44,908
1982	76,761	23,062	99,823	56,065	43,758
1983	73,519	24,123	97,642	55,945	41,696
1984	75,070	25,732	100,801	56,113	44,689
1985	82,102	27,052	109,155	61,234	47,921

¹ 1984 figures are preliminary and 1985 figures, intentions.

Figures may not add to totals owing to rounding.

— Nil or zero.

The capacity to produce and sell goods and services efficiently in the future also depends on the level of investment in the buildings and equipment required for their production. Data on investment activity since 1981 confirms the impact of the recession on the evolution of the economy's productive capacity. Social expenditures, those expended on educational, health and religious institutions and on government buildings and government-sponsored engineering construction, almost entirely escaped the effect of the recession and have grown nearly every year since 1981. Expenditures on both construction and machinery and equipment suffered from the recession; recovery of machinery and equipment has been more rapid than the recovery of construction. Business expenditures on new capacity (capital expenditures) and expenditures on new housing were expected to be lower in nominal terms in 1985 than they had been in 1981.



Halifax, NS.

The Labour Scene

The Labour Force

In 1984 the Canadian labour force averaged 12,399,000 persons, or 64.8 per cent of the total population 15 years of age and over. The labour force was composed of 11,000,000 employed and 1,399,000 unemployed persons. The growth in the labour force which occurred during the period up to 1984 was generated as a result of increases in both the size of the working age population and the percentage of this population in the labour force (participation rate). The main source of growth in the participation rate during the period was the increasing entry of women into the job market.

The Canadian economy experienced its most severe recession since the 1930s during the second half of 1981 and throughout 1982. The effects of this recession can be seen in the sharp decline in employment and the increase in the levels of unemployment and the unemployment rate in 1982. Recovery began in early 1983, and employment slowly approached and finally surpassed pre-recession levels in the second half of 1984. However, unemployment levels remained high as people re-entered the labour market in anticipation of finding employment during the recovery period. No area of the country was unaffected by the economic slowdown; even the Prairie provinces, whose unemployment rates were well below the national averages throughout the 1970s saw these almost double in the 1982-84 period.

Table 1. Employment by age and sex, and employment/population ratio by age, 1978-84

Age and sex	1978 '000	1979 '000	1980 '000	1981 '000	1982 '000	1983 '000	1984 '000
Total employed	9,987	10,395	10,708	11,006	10,644	10,734	11,000
Men	6,156	6,362	6,459	6,559	6,254	6,240	6,367
Women	3,830	4,033	4,249	4,447	4,390	4,495	4,633
Employed aged 15-24	2,481	2,612	2,657	2,668	2,398	2,337	2,374
Men	1,340	1,410	1,418	1,416	1,235	1,196	1,232
Women	1,141	1,202	1,239	1,251	1,164	1,141	1,142
Employed aged 25+	7,505	7,783	8,051	8,338	8,245	8,397	8,626
Men	4,816	4,952	5,041	5,142	5,019	5,044	5,135
Women	2,689	2,831	3,011	3,196	3,226	3,354	3,492
Employment/Population Ratio							
	%	%	%	%	%	%	%
Total	57.5	58.7	59.3	59.9	57.0	56.7	57.4
Persons aged 15-24	55.1	57.6	58.3	58.8	53.4	52.9	54.8
Persons aged 25+ .	58.3	59.1	59.6	60.3	58.2	57.9	58.2

Table 2. Unemployment by age and sex and by province, 1974, 1981 and 1984

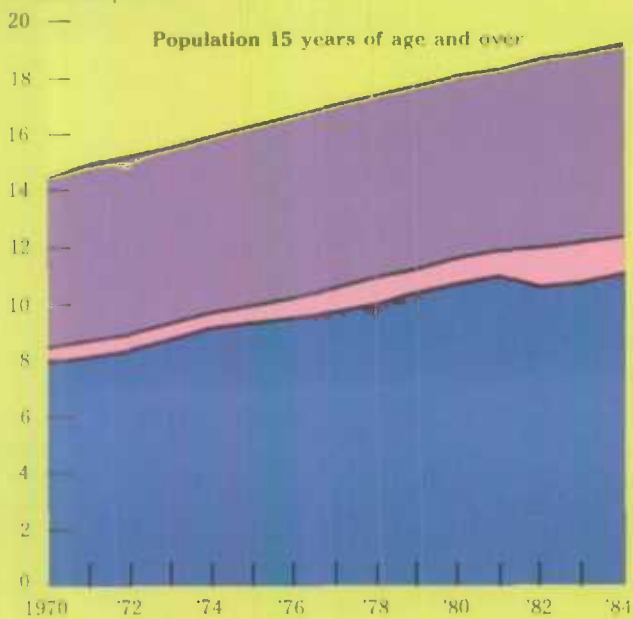
Age and sex	Unemployed			Province	Unemployment rate		
	1974 '000	1981 '000	1984 '000		1974 %	1981 %	1984 %
Total unemployed	514	898	1,399	Nfld.	13.0	13.9	20.5
Men	293	494	802	PEI	--	11.2	12.8
Women	221	404	598	NS	6.8	10.2	13.1
				NB	7.5	11.5	14.9
Unemployed aged 15-24 . .	243	407	518	Que.	6.3	10.3	12.5
Men	139	233	297	Ont.	4.4	6.6	9.1
Women	104	175	221	Man.	3.6	5.9	8.3
				Sask.	2.8	4.7	8.0
Unemployed aged 25+ . . .	271	491	882	Alta.	3.5	3.8	11.2
Men	154	262	505	BC	6.2	6.7	14.7
Women	117	229	377	Canada	5.3	7.5	11.3

-- Based on too small a sample for publication.

Labour Force Trends, 1970-84

- Not in labour force
- Employed
- Unemployed

Millions of persons





Log booming near Vancouver, BC.

The decline in employment during the recession affected some groups more than others. Most affected were persons aged 15 to 24; their employment declined 10 per cent in 1982 and a further 2.5 per cent in 1983 and was still 12 per cent below its pre-recessionary level at the end of 1984. Employment for young men suffered a larger decline than that for young women. Adult workers fared better. The trend of strong employment growth which women aged 25 and over experienced through the last half of the 1970s was reduced to one per cent in 1982 but returned to 4 per cent in 1983 and 1984. Employment for men aged 25 and over declined 4 per cent during the recession, but had fully recovered by the third quarter of 1984. In the period prior to 1981, adult men accounted for about 30 per cent of the unemployed; following the downturn in the economy, this proportion had jumped to more than 35 per cent.

Unemployment Insurance

The 3 per cent decline in employment in 1982 and the successive 46 per cent and 10 per cent increases in the estimated number of unemployed Canadians in 1982 and 1983 had a dramatic effect on the unemployment insurance program. This program administered by the Canada Employment and Immigration Commission, provides temporary financial assistance to workers who are out of work or are unable to work because of illness, injury, quarantine, pregnancy or adoption. About 95 per cent of Canadian workers are covered under the plan.

Unemployment insurance benefits payments in 1983 were 78 per cent higher than in 1982, as the number of claims received rose 33 per cent and the estimated number of beneficiaries increased 28 per cent. Benefit payments grew a further 19 per cent in 1983 as the number of beneficiaries nudged up another 9 per cent. As a result, in 1983, benefit payments were 2.1 times as high as in 1981 and the number of beneficiaries was 40 per cent higher. The economic recovery and the associated rise in employment brought about a 12 per cent decline in claims received in 1983, followed by a 5 per cent reduction in the number of beneficiaries and a 2 per cent decrease in benefit payments in 1984.

In 1984, the benefit rate was 60 per cent of the beneficiary's average insured weekly earnings, with the maximum weekly benefit set at \$255. During that year, the rate of employee contribution to the program was 2.3 per cent of weekly earnings; the maximum contribution was \$9.78 and maximum insurable earnings were \$425. Employers paid 1.4 times the amount contributed by employees. These levels are adjusted annually.

The Canada Employment and Immigration Commission is also responsible for the development and utilization of human resources in Canada. Its more than 450 Canada Employment Centres across Canada help people find jobs and help employers find workers. To achieve this goal, the commission provides a recruitment service and specialized manpower planning assistance for employers, as well as job referral, occupational training, job creation, mobility assistance, vocational counselling and aptitude testing for workers. Special services are provided to persons who have experienced difficulty in entering the labour market. The commission operates extensive job creation programs intended to reduce unemployment and assist future growth.

Work on an oil rig off the coast of Newfoundland.



Table 3. Unemployment insurance, 1976-84

Year	Benefits paid	Number of initial and renewal claims received	Estimated number of beneficiaries
	\$'000,000	'000	'000
1976	3,342	2,678	2,400
1977	3,885	2,806	2,479
1978	4,537	2,809	2,524
1979	4,008	2,600	2,333
1980	4,393	2,762	2,274
1981	4,828	2,947	2,432
1982	8,575	3,919	3,123
1983	10,169	3,434	3,396
1984	9,986	3,492	3,222

Wages and Salaries

Statistics Canada's survey of employment, payrolls and hours estimated that 8,653,600 Canadians received wages and salaries as paid workers from Canadian firms, institutions and organizations in 1984. Nearly 66 per cent were employed in Canada's industrial heartland, Ontario and Quebec. Another 20 per cent worked in Alberta and British Columbia.

Hydro line repairmen at Mactaquac, NB.





Average Weekly Earnings in Canadian Industry, 1984

Industry

Mining	\$664.57
Forestry	\$542.18
Transportation, communication and other utilities	\$521.31
Public administration	\$512.93
Construction	\$490.95
Manufacturing	\$465.64
Finance, insurance and real estate	\$417.69
Industrial aggregate	\$405.13
Community, business and personal services	\$345.21
Trade	\$293.49

Table 4. Employment and average weekly earnings, 1984

Province or territory	Number employed '000	Average weekly earnings \$
Newfoundland	124.4	389.24
Prince Edward Island	29.6	324.55
Nova Scotia	249.2	360.22
New Brunswick	185.2	374.12
Quebec	2,149.6	397.48
Ontario	3,541.6	404.57
Manitoba	347.0	378.79
Saskatchewan	267.7	387.68
Alberta	813.1	439.27
British Columbia	920.2	429.41
Yukon	8.3	483.38
Northwest Territories	17.6	564.14
Canada	8,653.6	405.13

Meal preparation in Victoria, BC.



Biscuits are conveyed from baking to packaging area in a plant in Toronto, Ont.

In average weekly earnings, however, Ontario and Quebec ranked 5th and 6th of all the provinces and territories, while Alberta and British Columbia registered the 3rd and 4th highest earnings. The highest industrial wages and salaries were paid in the Northwest Territories and the Yukon where a combined total of 25,947 people, or 0.3 per cent of paid Canadian workers, were employed in 1984. The lowest average earnings were recorded in the Maritime provinces.

By industry, the highest wages were paid by the two with the lowest employment levels, the mining and oil wells industry and the forestry industry. The lowest paying industries, and the only two to pay below average weekly earnings, were the services and trade industries. They were the 1st and 3rd largest employers respectively, and between them accounted for 51 per cent of all paid workers. In manufacturing, which employed another 19 per cent of all industrial workers, the 1984 average workweek was 38.5 hours and the average hourly earnings were \$11.16.

Labour Organizations

Membership in labour organizations active in Canada totalled 3,650,504 in 1984. This figure was 7.5 per cent higher than in 1980. About 56 per cent of the members were in unions affiliated with the Canadian Labour Congress (CLC); 19 per cent were in unions affiliated with other federations; and the remaining 25 per cent were members of unaffiliated

national and international unions and independent local organizations. Of all union members, 40 per cent belonged to international unions with headquarters in the United States.

Sixteen unions reported memberships of 50,000 or more in 1984. The five largest unions were the Canadian Union of Public Employees (293,709); the National Union of Provincial Government Employees (242,286); the Public Service Alliance of Canada (181,192); the United Steelworkers of America (148,000); and the United Food and Commercial Workers (140,000).

Labour Relations

Employer-employee relations in all sections of Canadian business and industry are regulated and fostered by the federal and provincial departments of labour, each within their area of jurisdiction; however, Labour Canada's direct concern is with enterprises and their employees, numbering approximately 600,000, within the federal jurisdiction.

Labour Canada has several major objectives including: the promotion and protection of the rights of parties involved in the world of work; the fostering of a working environment conducive to physical and social well-being; the provision of a fair return for efforts in the workplace; and the ensuring of equitable access to employment opportunities. Issues concerning the department include: fair wages, hours of work, conciliation and arbitration procedures, occupational safety and health, and equal employment opportunities.

Packing onions in Quebec.





Vancouver, BC

The Service Industries

Transportation

Transportation has shaped the history of Canada and helps mould the lives of its people. Over the years, the form of transportation has shifted from the explorer's canoe and the settler's train to the automobile and aircraft. Dramatic changes in for-hire carriage of goods have occurred in the span of two generations. In 1930, railways earned an estimated 85 per cent of Canada's freight revenue; by 1960, their share had dropped to less than 50 per cent. For-hire trucks accounted for 2 per cent of total freight revenue in 1930 and 30 per cent in 1960. By 1980, the percentage had changed to 50 per cent for-hire trucking, 40 per cent rail, 8 per cent water transportation and 2 per cent air. In 1983, trucking revenues, excluding those of carriers earning less than \$100,000, surpassed railway freight revenues by nearly \$500 million.

Air Transport

In 1984, the 61 airports with Transport Canada air traffic control towers handled over 5 million landings and take-offs. Of these, just under 3 million were itinerant movements (landings or take-offs by aircraft that enter or leave the tower control zone), a drop of 20 per cent since 1980. More than half of these movements were still by piston aircraft, but their share had dropped from 60 per cent in 1980 to 52 per cent in 1984. Second were jets, with a 28 per cent share in 1984, up from 25 per cent in 1980. Turbo-props showed increased popularity, moving up from 9 per cent of itinerant movements in 1980 to 14 per cent in 1984. The remaining movements were by helicopter, with a 6 per cent share, and by glider (one per cent). As of December 31, 1984, there were 26,514 civil aircraft registered in Canada.

In 1983, Toronto International Airport, now Pearson International, had more scheduled traffic than any other Canadian airport. Toronto, the centre of regional and transcontinental air travel, is included in six of the top 10 city pairs for domestic scheduled air passenger travel. (City pairs include the city of origin and the city of destination.) Patterns of passenger travel flow east and west from Toronto. Regionally, Montreal, Ottawa and Toronto predominate in the East, and Calgary, Edmonton and Vancouver in Western Canada.

Canada's top 10 airports registered 69 per cent of all flight take-offs and landings in scheduled services, 82 per cent of all passenger travel, 79 per cent of all mail transport and 90 per cent of all cargo movement. Among these, the Toronto International, Vancouver International and Montreal International airports accounted for 40 per cent of flights, 53 per cent of passengers, 50 per cent of mail and 57 per cent of cargo; Mirabel International contributed another 14 per cent to the cargo volume.

The scheduled international routes of four Canadian air carriers — Air Canada, CP Air, Pacific Western Airlines and Nordair — form a vast network connecting Canada to every major continent. Canadian airlines also fly charters to destinations around the world.

Table 1. Passengers, mail and cargo, top 10 Canadian airports scheduled services, 1983

Rank ¹	Airport	Flights No.	Passengers ² '000	Mail ² '000 kg	Cargo ² '000 kg
1	Toronto International	139,493	12,008	42 332	184 669
2	Vancouver International	67,489	5,792	17 399	74 972
3	Montreal International	73,021	5,123	14 313	30 961
4	Calgary International	60,113	3,533	8 953	29 837
5	Winnipeg International	31,496	1,971	10 205	22 754
6	Edmonton International	31,401	1,812	7 150	27 392
7	Ottawa International	32,837	1,795	5 808	4 704
8	Halifax International	23,659	1,396	6 300	14 625
9	Mirabel International	15,351	1,112	4 101	70 737
10	Edmonton Municipal	12,115	731	227	1 914

¹ Airports are ranked according to total deplaned and enplaned passengers.

² Figures are total deplaned and enplaned passengers, mail and cargo.

**Table 2. Commercial air services
selected financial and operational statistics, 1981 and 1983**

		Major air carriers ¹		All other air carriers		All air carriers	
		1981	1983	1981	1983	1981	1983
Number of carriers.....	No.	7	7	777	786	784	793
Operations							
Passengers.....	'000	24,870	21,155	2,318	2,634	27,189	23,789
Passenger-kilometres ²	'000 000	35 350	31 288	391	422	35 741	31 710
Goods tonne-kilometres ²	'000 000	850	963	15	13	865	976
Flight departures ²	'000	372	324	252	266	624	590
Hours flown.....	'000	661	588	2,131	1,647	2,792	2,235
Revenues and expenses							
Total operating revenues.....	\$'000,000	3,838	3,870	810	806	4,649	4,676
Total operating expenses.....	\$'000,000	3,732	3,850	763	759	4,494	4,609
Fuel consumption³							
Turbine fuel.....	'000 000 L	3 575	3 106	218	228	3 793	3 334
Gasoline.....	'000 000 L	—	—	59	50	59	50

¹ Canadian major carriers include Air Canada, CP Air, Eastern Provincial Airways, Pacific Western Airlines, Quebecair and Wardair.

² Unit toll services only.

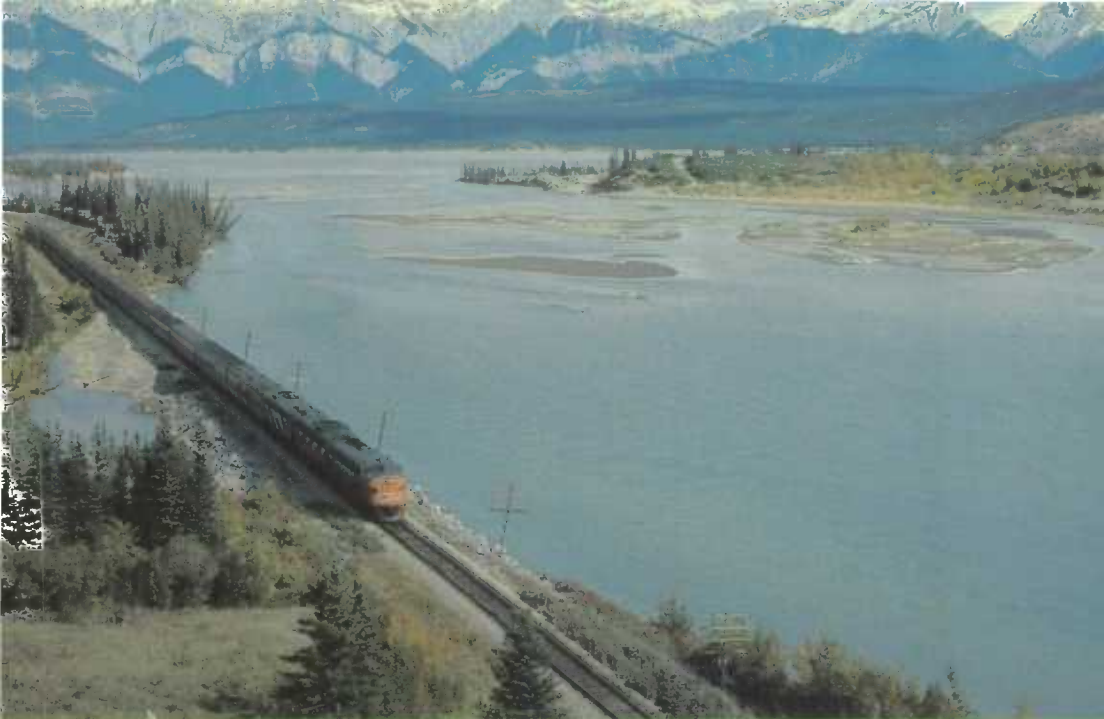
³ Excludes carriers having less than \$500,000 annual revenues from licensed services.

— Nil or zero.

In addition to providing air transport, Canadian air carriers perform many varied services including crop dusting, forest fire patrol, pipeline inspection and aerial surveying.

From 1981 to 1983, Canada's seven major air carriers reported decreases of 15 per cent in the number of passengers carried and 12 per cent in passenger-kilometres, however, the 13 per cent increase over the period in tonnes of goods carried per kilometre reflected the rapid increase in air cargo traffic. Passengers carried by all other air carriers increased by 14 per cent over the same period. Hours flown declined for both groups: by 11 per cent for the major carriers, and by 23 per cent for all others. Employment for all carriers earning more than \$500,000 annually was an average 42,100 in 1984, down 11 per cent from 1981. Total salaries and wages, however, rose 7 per cent during the period.

In 1982, the major carriers showed a net operating loss of \$49 million, in contrast to a net income of \$106 million in the previous year. By 1983, they recovered to a net income of \$20 million. All other carriers in total reported operating profits for all three years; their net income declined from \$48 million in 1981 to \$36 million in 1982 before rising to \$47 million in 1983.



Canadian National train travelling through Jasper National Park in Alberta.

Railways

Historically, railways have played a central role in the political integration, settlement and economic development of Canada. In 1850 there were 106 km (kilometres) of railway in all of British North America; 80 years later Canada had 91 065 km of track in operation. From 1930, growth was slow, reaching 96 958 km by 1974; by 1981, length of track in use had decreased to 92 416 km. Two continent-wide railways, Canadian National and Canadian Pacific, spanned 7 000 km from Atlantic to Pacific over vast stretches of rock and muskeg, flat prairie and mountain ranges to make possible the settlement of Western Canada. Today, these railways offer multi-modal transportation services, with emphasis on quick, cheap and efficient long-distance movement of bulk commodities and containers. Intercity passenger services are provided by VIA Rail Canada. Provincially operated railways including the British Columbia Railway, British Columbia Hydro's railway, Ontario Northland, GO Transit, and a number of other railways, complete Canada's rail system.

In 1983, metric tonnes of revenue freight carried by rail totalled 250 million, down 19 per cent from a 1979 peak, but up 4 per cent from the 1982 low. The number of passengers carried, which reached 24.3 million in 1981, just below its 1974 peak, resumed its slow, steady decline, falling to 21.2 million in 1983. The number of employees needed to transport these people and goods was down to 92,845, or 17 per cent below the 1979 peak of 112,307.

**Table 3. Railways operating in Canada
selected financial and operational statistics, 1982 and 1983**

		Transcontinental railways ¹		Other railways and companies reporting under the Railway Act		All railways and companies	
		1982	1983	1982	1983	1982	1983
Number of companies	No.	3	3	29	29	32	32
Operating revenues	\$'000,000	5,733	6,456	569	571	6,301	7,027
Freight revenues	\$'000,000	4,042	4,808	473	479	4,515	5,287
Passenger revenues	\$'000,000	161	174	35	36	196	210
Operating expenses	\$'000,000	5,592	5,887	593	551	6,185	6,438
Revenue freight carried	'000 t	164 600	176 532	75 061	73 280	239 661	249 812
Revenue passengers carried	'000	7,184	6,541	14,162	14,658	21,346	21,199
Revenue per tonne- kilometre of freight	\$	2.02	2.33	2.38	2.54	2.06	2.35
Average length of haul	km	1 212	1 170	265	257	916	1 022
Average passenger journey	km	297	369	36	36	124	138

¹ Transcontinental railways include Canadian National Railways, Canadian Pacific Limited and VIA Rail Canada Inc.

Operating revenue, at \$7 billion in 1983, was up 12 per cent, compared to a 41 per cent increase in operating expenses from 1982. Net operating income in 1983, at \$590 million, was more than five times the amount for the previous year with freight revenue accounting for 75 per cent of the total and passenger revenue only 3 per cent.

Motor Vehicle Transportation

The principal means of passenger transportation remains the motor vehicle, with its accompanying high levels of fuel usage. Registrations of all road motor vehicles for 1983 totalled 14.6 million, up 10 per cent since 1979. Passenger automobile registrations, at 10.7 million, predominate, but their share of the total declined from 76 per cent in 1979 to 74 per cent in 1983. Trucks and buses have remained at 23 per cent of the total since 1981. Motorcycles, although less than a half million in total, have shown a 40 per cent increase between 1979 and 1983 and accounted for 3 per cent of all vehicles in 1983.

Fuel consumption ratios have improved in recent years as vehicles have become more energy efficient. From July to September 1982, passenger car fuel consumption averaged 13.6 L/100 km. In the same quarter of 1984, the ratio was 12.9 L/100 km. Personal-use light trucks and vans averaged 20.6 L/100 km in the 12-month period beginning October 1981; from October 1982 to September 1983, the ratio was 19.7 L/100 km.



Transport truck travelling through the Lloydminster area of Saskatchewan.

The annual survey of motor carriers (freight) covers establishments reporting annual operating revenues of \$100,000 or more in the previous year. Except for a slight drop in 1982, both operating revenues and operating expenses have grown steadily since 1979. In 1983, operating revenues stood at \$5.8 billion, up 23 per cent from 1979. Operating expenses were \$5.5 billion or 24 per cent above 1979. In terms of net operating income, the industry moved from a low of \$140 million in 1982 to a high of \$226 million in 1983. Household goods movers also recorded their lowest year in net operating income (\$9 million) in 1982. Between 1981 and 1983 these establishments recorded declines in both operating revenues and operating expenses.

Motor carriers providing passenger services are classified into three basic categories according to principal service, although a variety of services may be offered by a single operator. Of 1,014 motor carriers providing passenger services in 1983, 79 per cent were mainly school bus operators. Urban transit operators, however, earned 62 per cent of the \$2,569 million in total operating revenues. Operating revenues of urban transit

operators earning more than \$100,000 annually have increased steadily since 1979; in 1983 revenues were \$1,600 million, 57 per cent above those of 1979, although estimates of fare passengers carried were up only 14 per cent. Intercity passenger bus operators have also had steadily rising revenues over the same period, with an increase of 48 per cent between 1979 and 1983.

Table 4. Motor carrier industry¹, 1983

		Motor carriers freight	Household goods movers	Urban transit	Intercity passenger bus	Other passenger bus service ²
Establishments reporting	No.	4,209	374	77	33	904
Operating revenues	\$'000,000	5,753	335	1,600	343	626
Operating expenses	\$'000,000	5,527	319	1,524	327	570
Average number of employees including working owners	'000	81	8	34	5	25
Pieces of revenue equipment operated	'000	133	5	13	2	23

¹ Excluding establishments reporting gross annual revenues of less than \$100,000 for the previous year.

² Establishments engaged in limousine service to airports or stations, sightseeing, charter, tour and school bus service.

Trans-Canada Highway along the Saint John River, near Woodstock, NB.



Water Transport

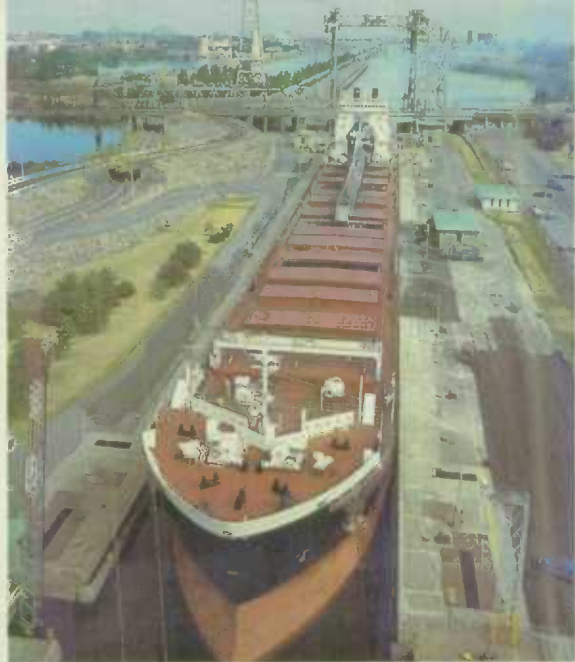
During 1983, water transportation generated revenues of \$2.2 billion for 331 Canadian marine carriers, up 33 per cent from the \$1,626 million earned by 289 such carriers in 1979. Revenues from every source rose steadily between 1979 and 1981. All fell in 1982 as the recession reduced the volume of shipping activity, but most rose sharply in 1983. During that year, revenue from the transport of commodities, which accounts for 60 per cent of total revenues, was 29 per cent above 1979 levels. Passenger revenue, although less than 4 per cent of total water transport revenues, rose 69 per cent over the five-year period. Revenues from towing, an important source of income on the West Coast, rose steadily and were 56 per cent higher in 1983 than in 1979. Charter revenues peaked in 1981 and their 1983 level was 67 per cent above the 1979 figure.

In the 1984 shipping season, 205 million tonnes of international freight were handled at Canadian ports, an 18 per cent recovery from the 1982 low, but still 4 per cent below 1981. In domestic or coastwise shipping, 69 million tonnes of cargo were transported between Canadian ports, down marginally from 1983, and only 4 per cent above the 1982 low, but 17 per cent below the 1980 tonnage carried.

Vancouver is Canada's most active port, loading coal, wheat and numerous other commodities bound for Japan, the USSR, and for every continent but Antarctica. Thunder Bay, Canada's second port in tonnage handled, loads principally wheat and coal for unloading at Quebec and Ontario ports. The ports of Sept-Îles, Pointe Noire and Port Cartier handle mainly iron ore and concentrates. Montreal, the fourth most active port, handles a number of different commodities. Of the top 10 ports, four are in Quebec, three in Ontario, and one each in British Columbia, Nova Scotia and New Brunswick.

Unloading a cargo of salt at the bulk materials wharf, recently constructed at Morrisburg, Ont.





S. Lawrence Seaway at Montreal, Que.

**Table 5. Water transportation
selected financial and operational statistics, 1979 and 1983**

	Water transport industry ¹ (for-hire and sightseeing)		Other marine carriers (private and government)		Total water transportation	
	1979	1983	1979	1983	1979	1983
Number of carriers	213	252	76	79	289	331
Number of vessels	1,654	1,762	1,067	1,085	2,721	2,847
Operating revenues \$'000,000						
Transport of commodities ..	709	797	296	494	1,005	1,292
Transport of passengers ..	13	22	35	59	48	81
Towing	156	251	32	43	188	294
Charter revenues	106	207	37	32	143	239
Other vessel revenues	44	11	5	7	49	18
Water transport subsidies ..	19	21	175	215	194	236
Total water transport revenues	1,045	1,309	581	851	1,626	2,160
Other operating revenues ..	141	157	107	65	249	222
Total operating revenues	1,187	1,466	688	916	1,875	2,382
Operating expenses \$'000,000						
Vessel operating costs	785	1,064	593	884	1,379	1,948
Other operating costs	270	351	303	426	572	777
Total operating costs	1,055	1,415	896	1,310	1,951	2,725

¹ Excluding carriers reporting less than \$100,000 operating revenues for the previous year.



Yarmouth, NS

Table 6. Cargo handled, top 10 Canadian ports, 1984
(thousand tonnes)

	International shipping		Coastwise shipping		Total
	Cargo loaded	Cargo unloaded	Cargo loaded	Cargo unloaded	
Vancouver, BC	51 034	2 848	2 428	2 762	59 072
Thunder Bay, Ont.	2 890	146	20 040	399	23 475
Sept-Îles-Pointe Noire, Que. ...	17 654	363	4 509	638	23 164
Montreal, Que.	5 489	5 724	4 874	5 858	21 945
Port-Cartier, Que.	16 426	990	1 076	3 256	21 749
Halifax, NS	3 800	4 425	2 773	1 807	12 804
Quebec City, Que.	5 165	1 044	1 046	5 322	12 578
Hamilton, Ont.	358	6 387	113	5 515	12 373
Nanticoke, Ont.	43	7 317	493	3 363	11 216
Saint John, NB	2 581	3 570	1 207	1 492	8 849



The retail trade industry is one of the most important in terms of its contribution to the nation's total production.

Domestic Trade

Retail and Consumer Services

Among the leading sectors of the Canadian economy, the retail trade industry is one of the most important in terms of its contribution to the nation's total production. Since the beginning of the present decade, the retail sector has been subject to major changes and notable transformation. The introduction of new technologies aimed at increasing store productivity, the tremendous expansion of credit facilities to consumers, the employment of more aggressive marketing strategies such as the warehouse stores concept, no-name brand product sales, subsidized financing sales programs and a wide range of other measures intended to foster consumer spending, contributed to create a new type

of environment on the retail market. However, these incentives, along with others, did not offset the impact of the recession which affected consumers' attitudes and their willingness to purchase goods. The volume of total retail trade declined 5 per cent in 1982, after a rise of less than one per cent in the previous year; its value rose less than 4 per cent, compared to a 12 per cent increase in 1981.

After the disappointing performance of 1982, the retail industry regained its strength in 1983; its volume was up 4.5 per cent and its total value rose 9 per cent. The upswing in residential construction and the acceleration of demand for new automobiles, in conjunction with the substantial drop in interest rates and the sharp decline in inflation, provided the necessary elements to restore consumer confidence and generate an upturn in the retail industry. Many incentives to improve final consumer demand were introduced in 1983, such as: the residential construction and home ownership stimulation programs, changes allowing Registered Home Ownership Savings Plan (RHOSP) funds to be used for the purchase of furniture and appliances, the temporary removal of Ontario's sales tax



Since the beginning of the present decade, the retail sector has been subject to major changes and notable transformation.



Retail trade activity is dominated by three business groups: automotive, food and general merchandise.

Retail trade, by kind of business, 1980-84
(million dollars)

Kind of business	1980	1981	1982	1983	1984
Food group	21,556	24,502	26,790	28,286	30,189
Groceries and meat stores	16,334	18,305	19,906	21,027	22,341
General merchandise group	13,821	15,021	15,258	16,282	16,878
Department stores	9,367	10,218	10,208	10,930	11,385
Automotive group	26,074 ¹	29,408 ¹	28,866 ¹	32,157	37,160
Motor vehicle dealers	15,698	16,547 ¹	14,413 ¹	17,198	20,847
Apparel and accessories group	5,313 ¹	5,990 ¹	6,150 ¹	6,864	7,393
Hardware and home furnishings group	5,100 ¹	5,574 ¹	5,487 ¹	6,584	7,253
Other stores group	12,163 ¹	13,798 ¹	15,089 ¹	16,070	17,206
Pharmacies, patent medicine and cosmetics stores	2,728	3,227	3,914	4,294	4,727
Alcoholic beverages stores	3,888 ¹	4,354 ¹	4,833 ¹	5,128	5,251
Total, all stores	84,027	94,293	97,639	106,243	116,080

¹ Estimate.

on furniture and appliances, and low-interest financing arrangements for new automobile purchases. Most of these measures were still in effect in 1984 and they helped push the volume of retail sales up 5 per cent and the total value of sales to \$116.1 billion, a level 9 per cent higher than in the previous year.

Independent stores, the largest segment of the retail trade industry, continued to dominate the market in 1984 with sales of \$66.3 billion or 57 per cent of total retail trade. Chain store organizations (those that operate four or more stores in the same kind of business under the same legal ownership) had sales of \$49.8 billion or 43 per cent of the total retail trade.

Because of its demographic predominance, Ontario remained the largest market in Canada with over 37 per cent of total retail sales, followed by Quebec, with 25 per cent, and British Columbia, with 11 per cent. However, the distribution of retail sales by province presents a different picture when examined according to the largest amount of money spent on purchases of goods per capita. In 1984, Alberta led the provinces in per capita sales with approximately \$5,100, followed by Ontario, \$4,800 and Nova Scotia, \$4,600. The average spending in purchases of goods per person in Canada was \$4,600 in 1984, up from \$4,300 in 1983 and \$4,000 in 1982.

Retail trade activity is dominated by three business groups: automotive, food and general merchandise. Respectively they accounted for 31 per cent, 26 per cent and 16 per cent of all retail sales over the past five years. The food group, and its major component,



Section of a department store in Toronto - two-thirds of the general merchandise group sales come from department stores.



Sales clerk arranging comic books in Filmoreton, Ala.

grocery and meat stores, have displayed one of the more stable growth rates during the period. The general merchandise group sales, some two-thirds of which stem from the department stores, were less impervious to the recession and have shown less than average growth in the post-recession period. Their rate of growth between 1980 and 1984 was slightly less than 60 per cent of total retail sales.

The automotive group, while the most seriously affected by the recession, also enjoyed the strongest recovery. Both the decline and the strong rise can be attributed to the new motor vehicle dealers component, which represented between 50 and 60 per cent of the automotive group's yearly sales for the period. The value of new motor vehicle sales declined 13 per cent in 1982, but rose 19 per cent in 1983 and 21 per cent in 1984. The 1983 rise in new motor vehicle sales accounted for 85 per cent of the increase in automotive group sales and 32 per cent of the growth in total sales during that year; the 1984 increase was responsible for 37 per cent of the growth in total sales. Despite the strong growth during this two-year period, the 1984 value of new motor vehicle dealers' sales was only 33 per cent higher than in 1980, one of the smallest increases in the value of retail sales during the period.

Sales of new passenger cars totalled 971,200 units in 1984, 36 per cent more than in 1982, but 3 per cent less than the 1,003,000 unit peak recorded in 1979. Sales of North American-built cars were largely responsible for both the decline in total sales between 1979 and 1982 and the following recovery. Sales of North American-built cars totalled approximately 800,000 units each year from 1974 to 1979, peaking at 863,600 units and an 86 per cent market share in 1979; by 1982, sales were down to 646,900 units and a 69 per cent market share. Sales recovered to 724,900 units and a 75 per cent market share in 1984.



Mechanic working on motor in Fredericton, NB. Although the automotive group was the most seriously affected by the recession, it made the strongest recovery.

Sales of Japanese-built passenger cars have also fluctuated over the past 10 years. Sales were lowest in 1979, totalling 78,900 units and an 8 per cent market share; sales were highest in 1981 reaching 207,600 units, 54 per cent more than in 1977 and 2.6 times as high as in 1979. Their highest market share, 25 per cent, was recorded in 1982. In 1984, their market share was down to 18 per cent and their sales figure, at 171,200 units, was 18 per cent lower than in 1981. Sales of European-built passenger cars have suffered a near continuous decline during the past 10 years, rising only in 1977 and 1978. In 1974, their sales totalled 76,400 units and their market share stood at 8 per cent; by 1983, sales of non-Japanese overseas-built cars (European and Korean) were down to 41,700 units and a 5 per cent market share. The strong 80 per cent rise, to 75,100 units in 1984 was largely the result of the increasing popularity of Korean cars.

Each year, substantial volumes of goods are sold to consumers through channels other than retail stores, primarily consisting of direct selling, vending machines and campus bookstores. In 1983, total sales of these non-store-retailing channels amounted to approximately \$3 billion. Of this total, the direct selling activities of manufacturers, mail-order agencies, book, newspaper and magazine publishers and other specialized agencies accounted for \$2.3 billion, reflecting a decrease of 7 per cent from the 1982 level. In addition, vending machine operators reported total sales in 1983 of \$340 million and campus bookstores contributed an additional \$210 million during the 1983-84 academic year.

Total consumer expenditures on goods reached an estimated \$136.7 billion in 1984, or 55 per cent of total consumer expenditures. The remaining 45 per cent (\$10.4 billion) was devoted to the purchase of services, including rent costs, the largest single service expenditure item (\$43 billion). Between 1981 and 1984, real (inflation adjusted) consumer expenditures on goods rose 5 per cent, compared to a 4.5 per cent real increase for



Decorating a large selection of pastry in Victoria, BC. Expenditures on services offered by restaurants and hotels rank as the second largest service expenditure item.

expenditures on services. The value of expenditures on services offered by restaurants and hotels, the second largest service expenditure item, rose 28 per cent between 1980 and 1984 and reached \$15 billion, despite a 7 per cent decline in real expenditures for these services. The other major service expenditures were for recreational, educational and cultural services, for financial, legal and related services, and for transportation and communications services.

Numerous groups and organizations are active in the promotion and protection of consumer interests in the marketplace. In the 1983-84 fiscal year, Consumer and Corporate Affairs Canada provided \$1.7 million worth of financial support to a number of groups working in the consumer's interest, as well as \$119 million to assist eligible homeowners affected by urea formaldehyde foam insulation. The department also conducted programs to provide consumer information and assist in the resolution of consumer complaints. It is also responsible for improving the efficiency and equitable functioning of a competitive marketing economy, by investigating prohibited practices, and by providing a legal framework for the orderly conduct of business. Incorporation, bankruptcy proceedings, patents, trademarks and copyrights are among its concerns.

Wholesale trade, selected statistics, 1981-83

	Number of establishments	Volume of trade ¹ \$'000,000,000	Net sales and receipts \$'000,000,000	Goods bought or sold on commission \$'000,000,000
Wholesale merchants				
1981	49,766	147.8	139.9	8.0
1982	49,306	145.3	135.8	9.5
1983	47,482	158.7	148.3	10.3
Agents and brokers				
1981	5,268	29.2	1.1	28.1
1982	5,015	27.3	1.2	26.1
1983	4,806	31.3	1.3	30.0
Wholesaling by manufacturers				
1981	6,172	21.0		
1982	6,186	18.8		
1983	6,126	21.4		

¹ In wholesaling by manufacturers, figures are the value of sales only.

Wholesale Trade

The total volume of trade of the wholesale trade sector amounted to \$189.9 billion in 1983, up 10 per cent from 1982 and 7 per cent from 1981. The notable increase in the value of wholesale sales in 1983, which followed a downturn in 1982, largely reflected renewed demand by retailers, industrial and commercial users, and by foreign markets, for goods handled by Canadian wholesalers, although part of the rise was attributed to price increases. The volume of trade per wholesale establishment rose to \$3.6 million in 1983 from approximately \$3.2 million in each of the previous two years. Four kind-of-business groups dominated wholesale trade activity: the food products group, with 17 per cent of the volume of trade, the fossil fuel products and the machinery and equipment groups, each with 16 per cent, and the farm products group, with 13 per cent.

Wholesale merchants (establishments primarily engaged in buying merchandise for resale to domestic and foreign users, retailers or other wholesalers) accounted for 84 per cent of the total volume of wholesale trade. In 1983, their volume of trade totalled \$158.7 billion, up 9 per cent from 1982 and 7 per cent from 1981. The value of their net sales and receipts, which represents over 90 per cent of their volume of trade, declined 3 per cent in 1982 and stood 6 per cent above its 1981 level in 1983; during the same period, the value of goods bought or sold on commission rose 29 per cent. The volume of trade per establishment reached \$3.3 billion in 1983, up from less than \$3.0 billion in 1981 and 1982.

Agents and brokers (businesses primarily engaged in buying and/or selling products owned by others on a commission basis) accounted for the remaining 16 per cent of the total volume of wholesale trade. These establishments reported a total volume of trade



The West Edmonton Mall in Edmonton, Alta. - one of the world's largest shopping malls - has more than 800 stores, an aquarium, complete with dolphins and sharks, a skating rink, 34 movie theatres, a re-creation of Bourbon Street in New Orleans with 13 nightclubs and a variety of other features

in 1983 of \$31.3 billion, up 14 per cent from 1982 and 7 per cent from 1981. Contrary to the situation for wholesale merchants, the value of agents' and brokers' sales and receipts did not decline in 1982 and the 1983 level was 16 per cent higher than in 1981; however, the value of goods bought or sold on commission fell 7 per cent in 1982 and rose only 7 per cent between 1981 and 1983. The volume of trade per establishment was \$6.5 billion in 1983, up from approximately \$5.5 billion in each of the previous two years and nearly twice as high as the figure for wholesale merchants.

Wholesaling is a secondary activity for an estimated 17 per cent of all manufacturing establishments, particularly those with foreign affiliations. The number of these establishments varied little over the three-year period, although the value of their sales declined 11 per cent in 1982 and rose 14 per cent during the subsequent year. The value of wholesale sales reported by manufacturing establishments was equal to just over 10 per cent of the value of manufacturing shipments in both 1982 and 1983. Average sales per manufacturing establishment engaged in wholesaling as a secondary activity rose to \$3.5 billion in 1983, from \$3.0 billion in 1982 and \$3.4 billion in 1981.

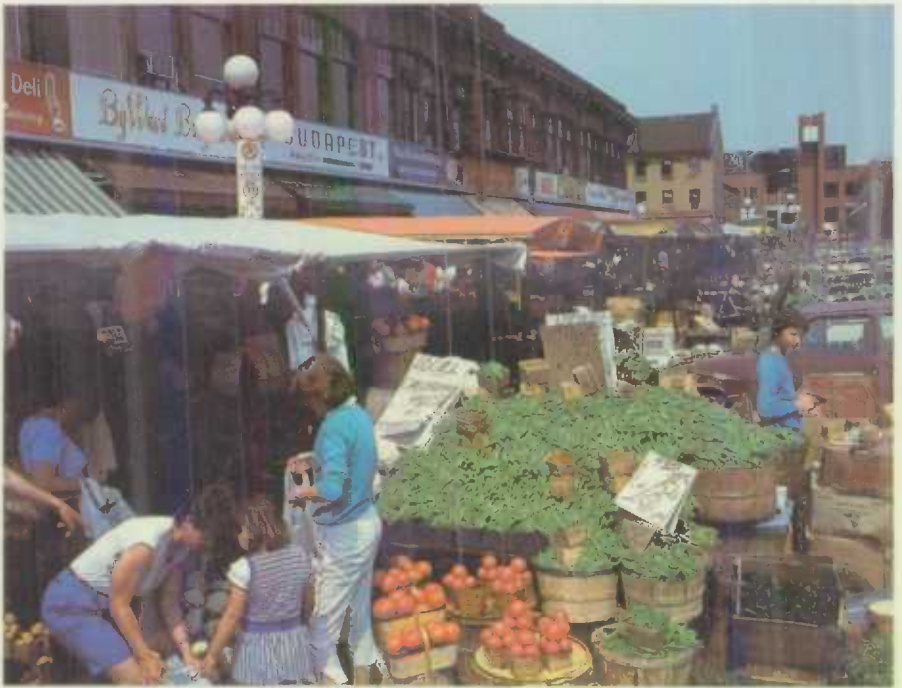
Consumer Prices

The consumer price index (CPI) rose 12.5 per cent in 1981, its sharpest annual rate of change since 1948; CPI registered increasingly smaller advances in each of the following three years. By 1984, the annual rate of increase of the all-items index had fallen to 4.4 per cent, the lowest rate of change since 1971.

The decline in the growth rate of consumer prices, while universal among the components, was particularly noticeable in the food and energy indexes. The rate of growth of food prices decelerated from 11.4 per cent in 1981 to 3.7 per cent in 1983, before edging up to 5.6 per cent in 1984. The deceleration in price increases for energy products was even stronger; the rate fell from 30 per cent in 1981 to less than 6 per cent in 1984. This deceleration can be credited with some dampening effect on price changes in such component areas as housing and transportation. Prices of both consumer goods and consumer services posted declining rates of increase. The rise in the goods index was reduced from a high of 13.1 per cent in 1981 to 4.7 per cent in 1984, while the rate of increase in the services index fell to 3.8 per cent in 1984, from 12.9 per cent in 1982.

Eaton Centre in Toronto, Ont.





ByWord Market, Ottawa, Ont.

The purchasing power of the consumer dollar declines as prices rise; the goods and services purchased with \$1.00 in 1984 would have been obtained with 81.4 cents in 1981 and 34.5 cents in 1971.

Consumer price index and major components for Canada, percentage change between annual average indexes

	1978	1979	1980	1981	1982	1983
	1977	1978	1979	1980	1981	1982
All-items	9.0	9.1	10.1	12.5	10.8	5.8
Food	15.5	13.2	10.7	11.4	7.2	3.7
All-items excluding food ..	6.4	7.9	10.0	12.8	11.8	6.4
Housing	7.5	7.0	8.2	12.4	12.5	6.8
Clothing	3.8	9.2	11.8	7.1	5.6	4.0
Transportation	5.8	9.7	12.8	18.4	14.1	5.0
Health and personal care	7.2	9.0	10.0	10.9	10.6	6.9
Recreation, reading and education	3.9	6.9	9.5	10.1	8.7	6.5
Tobacco and alcohol	8.1	7.2	11.2	12.9	15.5	12.6

Financial Institutions

Canada's financial community has witnessed profound changes in its environment over the past 10 years. While a large number of foreign banks and other financial concerns have become active in Canada, Canadian financial institutions, particularly the large banks, have significantly expanded their international activities. Increased competition during the last recession and since also had a dramatic effect in a number of areas. A number of insurance companies and trusts ceased operations; others merged or were purchased by individuals or corporations involved in other business areas. Two small Canadian banks suspended operations in September 1985, marking the first bank failures in 62 years; a third, ranked eighth in terms of assets, experienced a run on its deposits and merged with the sixth largest bank. These difficulties have occasioned a continuing examination of the financial system and the federal government has proposed a general strengthening of controls on banks and other federally-incorporated financial institutions; the provincial governments have also strengthened their control and examination of institutions within their provinces.

Bank of Canada

The Bank of Canada is Canada's central bank and the agency directly responsible for monetary policy. It has the sole right to issue notes for circulation in Canada and these notes, together with the coinage produced by the Royal Canadian Mint, make up the currency in circulation and are the means of payment in cash transactions. This control

The Royal Canadian Mint's refinery transforms gold into many different forms.





Silver is a byproduct of the gold refining process.

over the level of currency in circulation and over the amount of cash reserves available to the banking system enables the Bank of Canada to exercise a broad controlling influence over the growth of money and the level of interest rates in Canada, and thereby to affect levels of spending and economic activity. Over the past two years, the thrust of the Bank of Canada's policy has been to encourage a shift toward lower interest rates, although its scope in this endeavour has been constrained by international financial conditions. Under those conditions, the monetary authorities have been trying to absorb exchange rate disturbances with as little impact as possible on the movement toward lower rates of inflation and on the recovery in Canada.

The aim of the Bank of Canada's cash reserve management of the chartered banking system is to bring about sufficient monetary expansion to contribute to a growing economy, but not so much that it feeds inflation. The principal technique used by the Bank of Canada to alter cash reserves involves changes in its holdings of Government of Canada securities and the transfer of government deposits between the central bank and the chartered banks. These allow the Bank of Canada to modify the amount of cash reserves each chartered bank is required to maintain — the stipulated minimum average

amount is calculated as a percentage of deposit liabilities — and thus to influence the willingness of the chartered banks to purchase securities or make loans and to bid for new deposits, and in turn, to determine short-term interest rates and influence the public's desire to hold money.

Supplementary tools available to the Bank of Canada in the management of the cash reserves of the banking system include the power to require chartered banks to hold secondary reserves, the authority to make short-term advances to chartered banks and the right to change the bank rate, the minimum rate at which it is prepared to make advances. The Bank of Canada has recently been called upon to lend much more actively and persistently to relieve problems of liquidity of some chartered banks. Loans are larger and for a more extended period than before, but all advances are made on security; the Bank of Canada does not supply capital to the chartered banks or attempt to regulate or manage their affairs.

In addition to its responsibility for monetary policy, the Bank of Canada acts as fiscal agent for the Government of Canada. In this role, it undertakes the management of the public debt for the government, operates a deposit account through which flow virtually all of the government's receipts and expenditures, handles foreign exchange transactions for the government and generally acts as an advisor on economic and financial matters.

Chartered Banks

The chartered banks are the largest deposit-taking institutions in Canada and a major source of short- to medium-term financing. They are major participants in the Canadian short-term money market and it is primarily through their response to the Bank of Canada's cash management that the influence of the central bank is transmitted to the money market and to credit markets generally. In addition to their domestic activities, the chartered banks have an extensive foreign currency business and maintain offices and branches in major financial centres around the world.

Canada's chartered banks operate under the Bank Act which regulates certain internal aspects of bank operations such as the issuing of stock, the setting aside of reserves, etc. Under the revised Bank Act, enacted in December 1980, foreign banks are permitted to incorporate subsidiaries by letters patent. On October 31, 1985, the banking system consisted of 13 Canadian-owned banks and 58 foreign-owned banks. The assets controlled by these banks as of that date were valued at \$435.5 billion (\$243.5 billion in Canadian dollars and \$191.1 billion in foreign currency).

Canadian banks generally accept various types of deposits from the public including accounts payable on demand, both chequing and non-chequing notice deposits, and fixed-term deposits. In addition to holding a portfolio of securities, they typically make loans under a wide variety of conditions for commercial, industrial, and agricultural purposes, and they account for a major share of the consumer credit extended and a significant share of residential mortgages. While many loans are relatively short-term, the banks also provide term loans to businesses and farmers, and invest in non-residential mortgages. Under the current revision to the Bank Act, banks may also carry out certain types of leasing and factoring activities through subsidiaries. Banks also generally deal in foreign exchange, receive and pay out bank notes, provide safekeeping facilities and perform various other services.



Technician checking a random sample of newly minted coins at the Winnipeg Royal Canadian Mint.

Other Financial Institutions

In addition to the chartered banks, a wide range of other financial institutions serves the diverse needs of the community. The growth and development of such institutions has been particularly rapid during the past two or three decades, in large part reflecting

The Toronto Stock Exchange



the expansion of the Canadian economy and the increasing complexity of financial markets. While there is a degree of specialization in the different types of institutions, there is also considerable competition. Among the more important non-bank deposit-taking institutions are: trust and mortgage loan companies, credit unions, caisses populaires and the Quebec savings bank. Other major institutions include: sales finance and consumer loan companies, life insurance companies and various types of investment companies. Stockbrokers and investment dealers also play an important role in financial markets. A number of institutions, including government agencies, specialize in medium- to long-term financing for small businesses, farmers and exporters or in particular types of lending such as leasing.

There are currently about 120 deposit-taking trust and mortgage loan companies in Canada, most of which have branch networks. They compete with the chartered banks for deposits, mainly through the sale of fixed-term debentures and investment certificates, and are the largest lenders in the mortgage market, holding a major share of their assets in the form of mortgages. In addition to their deposit-taking activities trust companies are also the only corporate entities which can offer fiduciary services. As such, they may act, for example, as executors, administrators or receivers of trusts of all types. They may also act as agents for stock and bond issues, as real estate agents and managers, investment managers, custodians, and administrators of pension plans. Trust and mortgage loan companies which are licensed and supervised either by the federal Department of Insurance or by provincial authorities, held assets estimated at \$115.6 billion at the end of October 1985.

Credit unions and caisses populaires, with assets totalling \$42.9 billion at the end of the second quarter of 1985, are also an important part of the financial system. Most of them are formed on the basis of a common bond, such as employment, or organized on community lines; they differ from other financial institutions in their co-operative nature and local character. Shares are sold to members, but most of the funds come from members' deposits and their assets are held largely in the form of mortgages and personal loans to members. Credit unions operate under provincial legislation; nearly all belong to central credit unions operating within their respective provinces. These central credit unions belong to either one of the two national central credit unions.

Insurance

At the end of 1983, Canadians owned over \$621 billion worth of life insurance, with an average of \$68,300 in force per household.

The Canadian life insurance business consists of about 260 companies and fraternal benefit societies, over 70 per cent of which hold a federal certificate of registration. The latter group of companies writes more than 92 per cent of the total life insurance business of the industry and holds assets in Canada of over \$60 billion. In addition, most of these companies sell accident and sickness insurance policies that cover expenses resulting from illness and compensate policyholders for wages not received during illness.

About 320 companies, of which approximately 80 per cent hold a federal certificate of registration, sell property, automobile, liability and other casualty lines of insurance. The federally registered companies selling these lines of insurance have assets in Canada of over \$13 billion.



Parliament Buildings, Ottawa, Ont.

Public Administration

Governments have a very significant role in our society and economy, through the laws they pass and enforce and in the studies and discussions which shape our social and economic future. In addition, governments are major employers, buyers of goods, providers of education, health, welfare and other services, and redistributors of wealth. At the end of 1984, the three levels of government, excluding educational and health institutions and government enterprises, employed over 1.15 million Canadians, including 447,000 in federal departments and agencies, 415,000 in their provincial counterparts and 291,000 in local governments. In that year, income received by the three levels of government through taxes and investment accounted for 41 per cent of the Gross National Product (GNP), their expenditures on goods and services equalled 22 per cent of the Gross National Expenditure, and their collective deficit amounted to \$26.7 billion, or 6 per cent of the GNP.

Federal Government

Gross general revenue to the federal government totalled \$76.7 billion, or \$3,053 per person, for the 1983-84 fiscal year, an increase of 5 per cent over the previous year; gross general expenditures, meanwhile, rose 10 per cent, to reach \$102.0 billion, or \$4,059 per person. As a result, the operating deficit for the 1983-84 fiscal year was up 28 per

cent to \$25.3 billion; it had more than tripled in 1982-83. The operating deficit per capita reached \$1,005 in 1983-84, more than three times as much as at the beginning of the decade (1979-80).

At the end of the 1983-84 fiscal year, federal government liabilities, according to the Public Accounts of Canada, exceeded government assets by \$157.0 billion. This figure was up 31 per cent from the previous year and 129 per cent higher than on March 31, 1980. The net federal government debt per capita was \$6,049, 2.1 times more than at the end of the 1979-80 fiscal year. Interest on the public debt amounted to \$18.1 billion, or \$720 per person, twice as much as the \$355 per person recorded at the beginning of the decade.

Revenue. More than half of the federal government's gross general revenue for 1983-84 was from direct taxes on persons, another 22 per cent was from indirect taxes, 14 per cent came from direct taxes on business, and the rest was from investment income and other sources.

At 49 per cent of total revenue, income taxes constituted the major source of the federal government's gross general revenue. Revenue from personal income taxes increased faster than total gross general revenue over the period and amounted to \$1,166 per capita in 1983-84. Revenue from corporate income taxes actually declined in 1982-83 and its 1983-84 level was only slightly higher than it had been five years before.

Consumption taxes, the second largest source of federal government revenue, contributed a smaller share than in 1979-80. Revenue from this source declined 6 per cent in 1982-83. The largest increases in revenue from this source were registered in taxes on alcoholic beverages and tobacco.

Revenue from health and social insurance benefit levies rose more than twice as fast as gross general revenue and their share of revenue was up, largely due to a 162 per cent rise in contributions to the unemployment insurance plan; revenue from universal pension plan levies increased 57 per cent.

Expenditures. Almost half (46 per cent) of total gross general expenditures of the federal government in 1983-84 were on transfer payments to persons, including social service payments (30 per cent of total expenditures), and debt charge payments (12 per cent of total expenditures). The other major areas of expenditure were purchases of goods and services (25 per cent), transfer payments to other levels of government (18 per cent), and transfer payments to business (7 per cent).

Social service payments nearly doubled between the 1979-80 and 1983-84 fiscal years, mainly because of a 2.5 times increase in unemployment insurance payments (a 79 per cent increase in 1982-83 alone) which, by 1983-84, accounted for a 10 per cent share of total expenditures. Old Age Security payments, up 65 per cent, also represented 10 per cent of total expenditures. Payments under the Canada Pension Plan were 2.3 times higher than five years before, and social welfare assistance payments doubled. Family Allowance payments showed a relatively small increase over the same period. Social service payments amounted to \$1,407 per person in 1983-84, including \$414 per person for Old Age Security and \$403 for Unemployment Insurance.

The second largest government expenditure was in payments on its debt, mostly in interest. Persons and non-commercial institutions received 97 per cent of the \$13.1 billion paid out. Interest payments on federal debt in 1983-84 were equal to more than 16 per cent of total gross general revenue and to more than 12 per cent of total gross general

Federal government finance

(fiscal year ended March 31, 1984)

Source or function	Amount	Share of	Change since	Share in
	\$'000,000	total	1979-80	1979-80
		%	%	%
REVENUE BY SOURCE				
Income taxes:				
Personal	29,290	38.2	63.3	36.0
Corporation	7,286	9.5	4.8	13.9
Payments to non-residents	909	1.2	15.5	1.6
Sub-total	37,485	48.9	50.0	51.5
Consumption taxes:				
General sales	6,660	8.7	41.8	9.5
Tobacco and alcoholic beverages	1,970	2.6	51.3	2.7
Custom duties	3,380	4.4	12.7	6.0
Motive fuel and other	727	0.9	13.9	1.3
Sub-total	12,737	16.6	32.2	19.4
Health and social insurance levies	10,942	14.2	114.5	10.2
Miscellaneous taxes	5,821	7.6	273.6	3.1
Natural resources	200	0.3	455.6	0.1
Privileges, licences and permits	102	0.1	61.9	0.1
Sales of goods and services	2,265	3.0	-25.5	6.1
Return on investment	5,394	7.0	47.5	7.3
Other revenue from own sources	1,770	2.3	69.0	2.1
Gross general revenue	76,715	100.0	54.0	100.0
EXPENDITURE BY FUNCTION				
General services	4,883	4.8	67.9	5.1
Protection of persons and property	9,866	9.7	74.9	9.9
Transportation and communication	3,190	3.1	-2.7	5.7
Health	6,197	6.1	47.5	7.3
Social services:				
Social security	14,109	13.8	77.1	13.9
Labour force plans	10,173	9.9	145.7	7.2
Social welfare	5,246	5.2	104.0	4.5
Family allowances	2,327	2.3	34.8	3.0
Veterans' benefits	1,370	1.3	48.6	1.6
Tax credits and rebates	2,117	2.1	117.6	1.7
Sub-total	35,342	34.6	93.1	31.9
Education	3,565	3.5	49.5	4.2
Resource conservation and industrial development:				
Resource conservation and industrial development	8,751	8.6	66.4	9.2
Other expenditures	7,308	7.2	66.6	7.7
General purpose transfers to other levels of government:				
General purpose transfers to other levels of government	6,560	6.4	60.7	7.1
Transfers to own enterprises	3,206	3.1	231.5	1.7
Debt charges	13,101	12.9	122.9	10.3
Gross general expenditure	101,968	100.0	78.0	100.0

expenditure. On a per capita basis, this was the largest single expenditure item, at \$521.

All the other major areas of federal government expenditure rose less rapidly than total expenditure during the past five years, thereby reducing their share of total expenditures. Protecting people and their property totalled \$393 per person in 1983-84. Nearly two-thirds of the rise in expenditures in health and half of increased education costs occurred in 1983-84, when per capita expenditures totalled \$247 for health and \$142 for education.

The share spent on resource conservation and industrial development slipped to under 9 per cent in 1983-84, largely because of a 10 per cent decline in actual expenditures in that year; it had been above 10 per cent in the previous three years.

Provincial Governments

Provincial governments received gross general revenue during the 1982-83 fiscal year totalling \$78.7 billion, up 9 per cent from the previous year; gross general expenditures increased 16 per cent to reach \$85.4 billion. The operating deficit rose to \$6.7 billion for the 1982-83 fiscal year, up from a \$400 million deficit the year before and surpluses in each of the previous four years, including \$1 billion in 1978-79 and over \$1 billion the following year. Per capita, the operating deficit was \$272, compared to \$16 per person in 1981-82; from 1978-79 to 1980-81, there had been surpluses of \$43, \$44 and \$19 respectively. The change from a net surplus to a net deficit position during the last five years was the result of a larger rate of growth of expenditures than of revenue. On a per capita basis, revenue increased 51 per cent to reach \$3,183 in 1982-83, while expenditures rose 68 per cent to \$3,455.

At the end of the 1982-83 fiscal year, provincial government liabilities exceeded their assets by \$4.1 billion; the year before, assets had exceeded liabilities by \$3.3 billion. During the following fiscal year, liabilities increased by 19 per cent, assets by only 8 per cent.

Revenue. There are four main groupings of revenue for provincial governments: 31 per cent of the total comes from direct taxes on persons; while indirect taxes, transfers from other levels of government and investment income each account for a 20 per cent share.

Like the federal government, provincial governments receive the largest single portion (27 per cent in 1982-83) of their revenue from income taxes. Although the share was the same as in 1978-79, the composition of this source of revenue changed: revenue from personal income taxes rose faster than total revenue over the period, and their share of total revenue increased. Revenue from corporation income taxes dropped 36 per cent in 1982-83, to a level 8 per cent lower than in 1978-79; as a result, its share declined.

Transfers from other levels of government were the second largest individual source of provincial revenue at the end of the 1982-83 fiscal year. Transfers for general purposes from the federal government nearly doubled, while money allocated by the federal government to the provinces for specific purposes rose only half as fast as total revenue.

Consumption taxes, part of the indirect tax classification, became a relatively more important source of provincial government revenue during the period. Revenue from every major element of consumption taxes rose more rapidly than total revenue during the five-year period; the largest increases were recorded for motive fuel taxes and taxes on alcohol and tobacco. The increase in revenue from general sales taxes, the largest single item in this category, was also substantial.

Income from investments recorded the largest increase of all revenue sources over the five-year period. At \$3.2 billion, revenue from investment in government enterprises



St. John's, 1982

was up 60 per cent and accounted for one-third of all income from investments. Liquor boards remitted profits totalling \$1.7 billion in 1982-83.

The share of total revenue contributed by health and social insurance levies rose marginally; health insurance premiums and taxes totalled \$3.1 billion, up 84 per cent since 1978-79 and the largest increase in this group. Natural resources had the smallest increase in revenue; oil and natural gas resources revenue was up 30 per cent, but revenue from both forest and mines was lower than in 1978-79.

Expenditures. Goods and services purchased, including transfers to public hospitals, accounted for more than 48 per cent of total gross general expenditures in 1982-83, down nearly two percentage points from the 1978-79 figure. Transfers to persons accounted for another 29 per cent of funds, up almost three points. Transfers to other levels of government (18 per cent) and transfers to business (4 per cent) were other significant expenditures.

Provincial government finance
(fiscal year ended March 31, 1983)

Source or function	Amount \$'000,000	Share of total %	Change since 1978-79 %	Share in 1978-79 %
REVENUE BY SOURCE				
Income taxes:				
Personal	18,952	24.1	72.7	22.1
Corporation	2,348	3.0	-7.7	5.1
<i>Sub-total</i>	<i>21,300</i>	<i>27.1</i>	<i>57.6</i>	<i>27.3</i>
Consumption taxes:				
General sales	7,734	9.8	71.5	9.1
Motive fuel	3,008	3.8	82.9	3.3
Tobacco and alcoholic beverages	1,170	1.5	77.8	1.3
Other	515	0.7	55.3	0.7
<i>Sub-total</i>	<i>12,428</i>	<i>15.8</i>	<i>74.0</i>	<i>14.4</i>
Health and social insurance levies	6,490	8.2	66.2	7.9
Miscellaneous taxes, including real property				
Natural resources	1,729	2.2	75.6	2.0
Privileges, licences and permits	6,763	8.6	24.2	11.0
Sales of goods and services	1,837	2.3	31.2	2.8
Return on investment	1,773	2.3	43.2	2.5
Other revenue from own sources	9,488	12.1	102.5	9.5
Transfers:	1,122	1.4	63.2	1.4
General purpose	6,080	7.7	94.1	6.3
Specific purpose	9,679	12.3	30.3	15.0
<i>Sub-total</i>	<i>15,759</i>	<i>20.0</i>	<i>49.2</i>	<i>21.3</i>
<i>Gross general revenue</i>	<i>78,689</i>	<i>100.0</i>	<i>58.7</i>	<i>100.0</i>
EXPENDITURE BY FUNCTION				
General services	4,791	5.6	54.1	6.4
Protection of persons and property	2,629	3.1	65.0	3.3
Transportation and communication	6,091	7.1	67.4	7.5
Health	20,996	24.6	80.9	23.9
Social services:				
Pension plans	1,158	1.4	116.8	1.1
Labour force plans	2,265	2.7	122.7	2.1
Social welfare and family allowances	7,687	9.0	73.4	9.1
Tax credits, rebates and other	2,179	2.6	98.5	2.3
<i>Sub-total</i>	<i>13,290</i>	<i>15.6</i>	<i>87.7</i>	<i>14.6</i>
Education	17,178	20.1	58.2	22.4
Resource conservation and industrial development				
Other expenditures	5,977	7.0	116.6	5.7
General purpose transfers to local governments	4,256	5.0	62.6	5.4
Transfers to own enterprises	1,631	1.9	18.0	2.8
Debt charges	861	1.0	101.9	0.9
<i>Gross general expenditure</i>	<i>7,709</i>	<i>9.0</i>	<i>121.7</i>	<i>7.2</i>
<i>Gross general expenditure</i>	<i>85,407</i>	<i>100.0</i>	<i>75.9</i>	<i>100.0</i>



Legislative buildings in Regina, Sask.

Nearly one-fourth of the money provincial governments spent in 1982-83 went to health care costs. Hospital care expenditures recorded the smallest increase in this category and accounted for 62 per cent of total health care expenditures; medical care, representing 31 per cent of total health care costs, showed the largest increase.

Education expenses accounted for one-fifth of total provincial expenditures. The largest proportion of education funds, 62 per cent, was spent at the elementary and secondary school levels. Most of the remaining funds were devoted to postsecondary education.

Providing social security accounted for 16 per cent of total expenditures. This function recorded the largest increase in expenditures among the major functions. The smallest increases were in family allowances and social welfare payments, which consumed the largest portion of social security funds; expenditures for pension plans and labour force plans, such as unemployment and workers' compensation plans, were both 2.2 times higher than in 1978-79.



City Hall, Toronto, Ont.

Other major financial responsibilities include paying debt charges, mostly interest, providing transportation and communications services, and payments to encourage resource conservation and industrial development. Payments to maintain provincial debt recorded one of the largest increases during the last five years. Resource conservation and industrial development expenditures related to oil and gas were 3.2 times higher and those on agriculture were up 2.2 times. In the area of transportation and communications, expenditures to provide public transit tripled during the period and their share of this function doubled to 20 per cent, although expenditures on roads were up less than 50 per cent.

Local Governments

The third level of government in Canada, local governments, includes municipalities, school boards, joint boards and special purpose municipal boards.

In 1982, gross general revenue to local governments totalled \$34.6 billion, 9 per cent more than in 1981; their gross general expenditures rose 11 per cent, to \$35.4 billion. At \$761 million, the operating deficit was 21 per cent higher than in the previous year, but still 51 per cent less than in 1978. During the five-year period, per capita revenue rose 53 per cent, to \$1,406, while expenditures rose 46 per cent, to \$1,437.

Local government liabilities as of December 31, 1982 were \$16.8 billion more than assets, a rise of 4 per cent over 1981 and 15 per cent higher than in 1978. Debenture debt at that date stood at \$22.8 billion, 11 per cent more than in 1981 and 28 per cent above the 1978 level.

Revenue. Nearly 48 per cent of all local government revenue in 1982 was from provincial government transfer payments. Indirect taxes (36 per cent) and sales of goods and services (10 per cent) were the other two main sources.

While the portion of local government revenue drawn from transfer payments changed little over the five-year period from 1978 to 1982, its composition differed markedly. The value of general purpose payments fell as did their share, while both the value of specific purpose payments, and their share of total revenue rose. Payments for education were up 71 per cent over the period and, by 1982, accounted for 68 per cent of specific purpose payments. The value of transfers for health care rose 56 per cent over the five-year period and this component represented 10 per cent of specific purpose payments.

Real property taxes, the other major single source of local government revenue, recorded one of the smallest increases, while the other sources of tax revenue, in particular, special assessments and business taxes, recorded higher than average growth.

Expenditures. Elementary and secondary school education expenditures by far the single largest expenditure item of local governments, with a 41 per cent share, did not rise as quickly as total expenditures in 1982.

City Hall, Victoria, BC



Expenditures on transportation and communications, the second largest area of expenditures, also rose somewhat less rapidly than total expenditures. Some 80 per cent of transportation and communications expenditures were on road and street construction and maintenance.

Protection of persons and property overtook environment as the third largest expenditure in 1982. Policing, which accounted for nearly 5 per cent of total local government expenditures, and firefighting, nearly 3 per cent, dominated this category.

Environment-related expenditures by local governments recorded the smallest increase for a major function. Expenditures for water purification and supply, and sewage collection and disposal which totalled 81 per cent of environment expenditures, each had increases of only 32 per cent during the five-year period.

Local government finance (fiscal year ended December 31, 1982)

Source or function	Amount \$'000,000	Share of total %	Change since 1978 %	Share in 1978 %
REVENUE BY SOURCE				
Taxes:				
Real property	9,750	28.1	40.4	32.2
Special assessments	595	1.7	94.7	1.4
Business	1,260	3.6	69.6	3.5
Grants in lieu of property taxes	835	2.4	86.6	2.1
Other property, related and miscellaneous taxes	358	1.0	127.4	0.7
Sub-total	12,797	36.9	48.9	39.9
Privileges, licences and permits	161	0.5	13.2	0.7
Sales of goods and services	3,354	9.7	85.0	8.4
Return on investment	1,155	3.3	200.1	1.8
Other revenue from own sources	868	2.5	165.2	1.5
Transfers:				
General purpose	1,252	3.6	-5.7	6.2
Specific purpose	15,051	43.5	67.9	41.6
Sub-total	16,303	47.1	58.4	47.7
Gross general revenue	34,639	100.0	60.7	100.0
EXPENDITURE BY FUNCTION				
General services	1,983	5.6	85.8	4.6
Protection of persons and property	2,845	8.0	63.7	7.5
Transportation and communication	3,895	11.0	45.1	11.6
Health	1,969	5.6	74.3	4.9
Social services	1,108	3.1	62.7	2.9
Education	14,556	41.1	49.7	42.0
Resource conservation and industrial development	396	1.1	107.0	0.8
Environment	2,664	7.5	33.6	8.6
Recreation and culture	2,135	6.0	55.3	5.9
Other expenditures	778	2.2	18.5	2.8
Transfers to own enterprises	541	1.5	141.0	7.2
Debt charges	2,529	7.1	52.1	1.0
Gross general expenditure	35,400	100.0	53.1	100.0



Holland, Man.

Goods-Producing Industries

Agriculture

Farm Income, Expenses and Investment

Farming plays a significant role in Canada's economy, especially in the Prairies, where about half of Canada's total net farm income is earned. In 1984, total net farm income was slightly less than \$3.2 billion, up 19 per cent from 1983 but 31 per cent less than the record net income earned in 1981. This decline reflects the downturn in the farm economy in 1982 and 1983.

Cash receipts from crops were over \$9.7 billion in 1984, about 48 per cent of total farm receipts. Wheat is easily the crop of greatest economic value in Canada with total cash returns and Wheat Board payments of \$4.2 billion in 1984. Cash receipts from livestock products also amounted to \$9.7 billion. Depreciation charges, machinery expenses, feed costs and interest charges are the most important expense categories for agriculture in Canada. Total operating expenses and depreciation charges were slightly greater than \$16.2 billion in 1984.

Although the number of farms in Canada has declined over time, the rate of decrease has slowed in recent years. Larger farm size, mechanization and inflation have raised the total capital investment in farming from \$24 billion in 1970 to \$121 billion in 1984, measured in current dollars. Investment in land and buildings represents 78 per cent of the total investment, with 14 per cent in machinery and 8 per cent in livestock and poultry. Outstanding farm debt totalled \$21.3 billion at the end of 1983. The major lenders were the chartered banks (41 per cent) and the federal government agencies (22 per cent).

Governments at both the federal and provincial levels offer support to agriculture through a number of programs administered either directly by Agriculture Canada or by various agencies. Both levels of government offer loans to individual farmers and to syndicates of farmers. They also administer programs that assist farmers by supporting

Farming in Eastern Quebec.





Lush farmland near Kinlock, PEI.

the prices of certain agricultural products and by ensuring adequate supplies of various goods and fair returns to farmers through a number of marketing agencies which monitor prices and approve cost-of-production formulas. Some agencies also assist agricultural and food interests in Canada in their efforts to increase foreign demand for Canadian food products and services.

Governments are also active in agricultural and food research. Agriculture Canada employs approximately 900 scientists who conduct over 50 per cent of this research. While research continues in the traditional areas of crop and animal production and protection, new emphasis is on biotechnology, food processing, energy use, reduction of soil erosion and loss of organic matter, protection of the environment and the loss of prime agricultural land to other uses. Through research, experimental models, legislation and educational and other programs, efforts are made to ensure better farm management planning and to formulate programs and policies to solve the economic problems.

Table 1. Production and area of the major Canadian field crops, 1981-84

Item	Production				Area
	1981 '000 t	1982 '000 t	1983 '000 t	1984 '000 t	1984 '000 ha
Winter wheat	1 018.0	1 552.0	1 190.0	1 260.0	469.0
Spring wheat	20 682.4	23 117.2	22 750.1	17 829.4	10 989.0
Durum wheat	2 819.0	3 121.0	2 648.0	2 110.0	1 700.0
All wheat	24 519.4	27 790.2	26 588.1	21 199.4	13 158.0
Oats for grain	3 569.5	3 683.9	2 773.1	2 669.9	1 406.3
Barley for grain	13 384.2	14 073.6	10 296.0	10 251.9	4 546.2
All rye	963.9	913.1	827.5	663.8	369.9
Corn for grain	6 213.8	6 512.9	5 932.8	7 023.5	1 191.7
Flaxseed	477.0	734.0	446.5	676.0	704.4
Canola/rapeseed	1 794.1	2 246.0	2 632.3	3 245.9	2 990.3
Soybeans	631.0	857.0	721.6	934.0	417.6
Mustard seed	82.5	80.3	83.7	100.6	125.5
Sunflower seed	174.8	94.1	52.2	81.6	74.8
Tame hay	24 499.3	24 355.0	24 863.7	25 660.6	5 366.2
Fodder corn	13 969.5	11 248.0	9 908.0	10 618.8	355.6

Field Crops

Grains, forages and oilseeds are the main field crops grown in Canada, covering about 75 per cent of total cropland. Millions of tonnes are processed annually in the domestic food manufacturing industries, fed to livestock or exported. Grains and oilseeds usually represent about three-quarters of the value of all agricultural exports and are an important source of foreign exchange.

In terms of seeded area as well as volume and value of commodity and product exports, wheat is the dominant field crop. Spring wheat is produced throughout the agricultural area of the Prairie provinces, especially in Saskatchewan where wheat contributes more than 65 per cent of the province's farm cash receipts. In 1984, 21.2 million tonnes of wheat were harvested; 21 million tonnes were exported.

The production of feed grains, particularly oats and barley on the Prairies and grain corn in Ontario, is essential to the Canadian livestock industry. In the crop year ending July 31, 1984, more than 15 million tonnes of oats, barley and grain corn were fed to livestock. Prairie farmers usually produce more than 85 per cent of the national oats and barley crop while Ontario farmers harvest about 75 per cent of the total corn crop. Production of grain corn has increased appreciably over the last few years.

The principal oilseeds — canola/rapeseed, flaxseed, soybeans and sunflower seed — are a major commodity group. Production of canola/rapeseed, flaxseed and sunflower seed is concentrated on the Prairies while soybean production is located mainly in



Pincher, Alta. - Grains, forages and silages are the main field crops grown in Canada, accounting about 75 per cent of total cropland.

southwestern Ontario. Approximately 45 per cent of the canola/rapeseed crop and 50 per cent of the flaxseed crop are destined for foreign markets. Domestically, these crops are processed to produce vegetable oils for human and industrial use, and to produce high protein meal for livestock feed. Overall demand for canola/rapeseed has increased appreciably over the last five years. In recent years canola, a new variety of rapeseed, has been developed with excellent properties both for human and animal consumption. Canola currently represents a very large proportion of the rapeseed crop.

The emphasis placed on livestock production in the non-Prairie regions results in a larger proportion of cropland being devoted to forages, particularly fodder corn and tame hay. Ontario and Quebec fodder corn in 1984 amounted to about 6.5 million tonnes and 3.0 million tonnes respectively. These two provinces also produce a large proportion of tame hay.

The area devoted to cultivation of tobacco is relatively small, however this crop is traditionally high in cash value. Farm cash receipts for 1984 were \$360 million, about 90 per cent of the crop originates in southwestern Ontario.



Harvesting peat moss in northern New Brunswick.

Horticultural Crops

Over 30 varieties of fruits and vegetables are grown in various parts of Canada for domestic and export markets. Canadian farm cash receipts for fruits and vegetables amounted to over \$792 million in 1984. Apples are the leading winter storage fruit crop — popular varieties are the McIntosh and Delicious, which account for over half of total apple production. Commercial apple orchards are located in British Columbia and in most of Central and Eastern Canada. Pears, peaches, cherries, plums and grapes are grown mainly in the Niagara region of southern Ontario and in the Okanagan Valley of British Columbia. Strawberries, raspberries and blueberries are grown in the Maritimes, Quebec, Ontario and British Columbia.

Potatoes generate a significant proportion of farm receipts in certain regions of the country; the bulk of the crop originates in the Maritimes. In 1984, 2.7 million tonnes of potatoes were produced in Canada.

Mushrooms are cultivated in mushroom houses, resembling greenhouses in climate control, but without light. This industry has expanded in recent years to meet increasing demand, and 1984 production exceeded 41 million kilograms, with farm sales of approximately \$112 million.

The greenhouse industry in Canada consists of producers of flowers and plants and producers of greenhouse vegetables. In 1983, 1,592 greenhouses reported farm sales of \$271 million, 85 per cent from sales of plants and 15 per cent from sales of vegetables. Popular greenhouse products are tomatoes, cucumbers, bedding plants, cut flowers (roses, chrysanthemums, carnations), and potted plants.

Sales reported by 633 Canadian nurseries in 1983 totalled over \$187 million, 20 per cent of which were receipts from the sale of sod. Other nursery products include fruit trees, hedging, and shade trees. Nursery stock, which is grown out-of-doors, occupied almost 28 000 hectares of land in 1983.

A major proportion of the world's maple syrup is produced in Canada. Quebec accounts for approximately 85 per cent of Canadian production; Nova Scotia, New Brunswick and Ontario are also involved in this industry. Approximately 8 million kilolitres of maple syrup were produced in 1984. The syrup is also made into maple sugar, taffy and butter, and these products brought over \$29 million to Canadian farmers in 1983. In that same year, sales of maple products totalling over \$18 million were made to the United States, Canada's largest export market for these products.

Honey is produced commercially in all provinces, except Newfoundland. The Prairie provinces produce most of Canada's honey crop. In 1984, 44 thousand tonnes of honey were produced, generating farm cash receipts of over \$72 million.

Greenhouse workers in the provincial nursery in Kingsclere, NB.



Livestock and Dairy Products

On July 1, 1984, total cattle and calves on farms in Canada were estimated at 12,284,200. Inspected slaughter of cattle in 1984 was 3,116,200 head. Approximately 216,000 head of cattle were exported to the United States for slaughter in 1984.

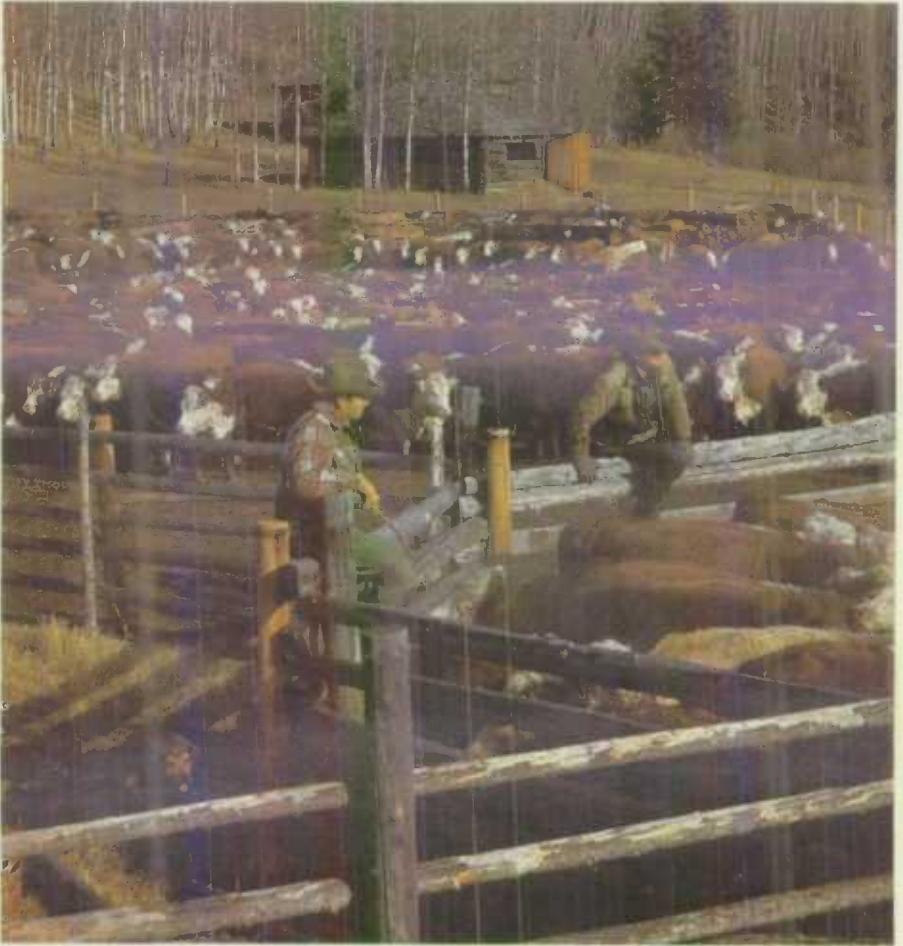
On July 1, 1984, there were 10,759,500 pigs on Canadian farms. Federally inspected slaughter of pigs in 1984 totalled nearly 13 million. Exports of dressed pork, at 176 million kg in 1984, was nearly 12 times the imports (15 million kg).

Table 2. Inventory of selected classes of livestock on farms in Canada, January 1, 1978-84
(thousands)

Year	Total cattle	Milk cows and heifers	Beef cows and heifers	Total pigs	Total sheep
1978	12,526.1	2,573.7	4,704.9	6,798.9	388.0
1979	11,995.9	2,499.3	4,521.5	8,363.2	425.7
1980	12,125.8	2,455.5	4,575.0	10,091.2	485.1
1981	12,165.9	2,465.5	4,541.7	10,189.7	529.9
1982	12,088.0	2,495.5	4,510.2	10,034.7	563.8
1983	11,618.4	2,441.6	4,282.9	10,070.2	563.8
1984	11,335.1	2,389.1	4,166.6	10,740.9	554.3

Table 3. Estimated meat production and consumption, 1981-84

Animal	Year	Animals slaughtered '000	Production	Imports	Exports	Domestic consumption
			t	t	t	t
Beef	1981	3,699.2	980 243	78 702	79 232	991 388
	1982	3,806.8	991 362	86 306	82 772	997 311
	1983	3,709.6	992 959	90 650	82 375	996 837
	1984	3,581.1	952 457	113 643	104 526	963 661
Veal	1981	571.1	36 108	1 876	21	38 281
	1982	621.0	40 170	1 808	465	41 621
	1983	648.7	41 630	833	303	41 723
	1984	690.8	44 833	1 211	570	45 850
Mutton & Lamb	1981	365.8	6 555	10 018	396	17 260
	1982	422.7	7 915	10 475	117	18 189
	1983	468.5	8 731	13 792	197	19 919
	1984	482.1	9 180	9 834	39	21 852
Pork	1981	13,681.8	840 371	19 751	128 998	733 462
	1982	13,448.5	832 749	14 532	163 363	686 569
	1983	13,687.8	852 047	19 418	157 552	712 906
	1984	13,850.7	862 536	14 739	175 294	701 209



Sorting cattle in fall drive in southern Alberta. In this co-operative drive, cattle of various ranches are driven to a common holding pen - then sorted by brands and driven to their respective ranches.

Sheep and lamb numbered 790,800 head on July 1, 1984. Federally inspected slaughter of sheep and lambs continued to rise in 1984, to a total of 290,400 head. In 1984, imports of sheep and lambs at 13.9 million kg outstripped exports which totalled 39 thousand kg.

During 1984, 7 462 245 kL (kilolitres) of milk were sold off farms, with Ontario and Quebec accounting for 73 per cent of the total. Thirty-five per cent of this milk was used for fluid purposes with the remaining 65 per cent used for manufacturing purposes. Farm value of milk sold off farms in 1984, including supplementary payments, exceeded \$3 billion. The number of farms reporting dairy cows in the 1981 Census was 67,889, compared with 96,910 in 1976.



Dairy farming in southwestern British Columbia.

Table 4. Farm sales of milk and cream, Canada, 1981-84
(kilolitres)

Year	Fluid purposes	Delivered as milk	Delivered as cream	Total farm sales
1981	2 618 372	4 487 445	223 334	7 329 151
1982	2 608 539	4 751 152	220 732	7 580 423
1983	2 596 192	4 431 109	205 474	7 232 775
1984	2 598 397	4 669 730	194 118	7 462 245

Poultry and Eggs

A high degree of specialization and concentration has developed over the past 10 years in the production of poultry and eggs, particularly in the egg, broiler chicken and turkey industries. The producers of eggs, turkeys and broiler chickens operate within the constraints of supply-management programs directed by provincial producer marketing boards. The activities of egg, chicken and turkey producers at the provincial level are co-ordinated by national agencies (the Canadian Egg Marketing Agency, the Canadian Chicken Marketing Agency and the Canadian Turkey Marketing Agency, respectively), which operate under federal government charters.

Production of poultry and eggs has remained fairly stable in recent years. Chicken is the major source of poultry consumed by Canadians and the only area with significant growth in 1984. Most production of chicken takes place in Ontario (33 per cent), Quebec (31 per cent), Alberta and British Columbia (each 10 per cent). Turkey production is also concentrated mainly in Ontario (44 per cent) and Quebec (23 per cent). Major producers of stewing hen were Ontario (33 per cent), British Columbia (21 per cent) and Quebec (16 per cent).

Ontario produces 40 per cent of eggs in Canada, followed by Quebec (16 per cent), British Columbia (12 per cent), and Manitoba (10 per cent). In 1984, 7 per cent of eggs produced were for hatching and the other 93 per cent were consumed.

Furs

With increasing fur farm production, the value of fur farm pelts rose to \$49.2 million in 1983-84, while the value of wildlife pelts continued to decline and fell to \$42 million, or 46 per cent of the value of all pelts. In 1979-80, wildlife fur production was valued at nearly \$90 million.

Table 5. Estimated poultry and egg production, 1981-84

	Year	Birds slaughtered '000	Weight t	Value \$'000
Chicken	1981	286,762	398 799	604,226
	1982	282,182	397 376	594,739
	1983	278,147	395 183	593,585
	1984	295,616	427 401	701,654
Turkey	1981	16,791	95 434	164,080
	1982	17,084	97 510	169,281
	1983	16,640	96 852	161,698
	1984	16,265	97 721	176,148
Stewing hen	1981	22,717	32 444	11,815
	1982	23,054	32 573	12,837
	1983	22,973	35 018	14,582
	1984	22,155	33 361	15,006
		Layers '000	Dozens of eggs '000	Value \$'000
Eggs	1981	24,710	496,234	487,350
	1982	24,255	493,559	471,524
	1983	24,367	504,804	493,028
	1984	23,521	489,538	516,336



Preparations of red meat, poultry and fish consumed by Canadians tend to fluctuate, following production and price cycles.



The popularity of cheese is increasing among Canadians.

Per Capita Food Consumption

Total Canadian consumption of fruit reached 102 kg per person in 1981 and dropped off slightly in 1982 to 95 kg. Fresh fruit remains the mainstay of this portion of our diet; and apples and citrus fruits are very popular, accounting for almost half of Canadian fruit consumption.

Over recent years, total consumption of vegetables has remained fairly stable; 63 kg per person in 1983. The recent growth in attention paid by Canadians to nutrition is reflected in the consumption of fresh vegetables, over 50 kg since 1980. Consumption of potatoes has been enhanced recently by innovations in the restaurant trade, for example, sales of baked potatoes by fast food outlets and the continuing popularity of french fries. Domestic disappearance rose from over 65 kg per person in 1981, to 72 kg in 1983.



Fruits are grown in various areas of Canada and provide a significant portion of the Canadian diet.

Canadians have recently shown a preference for partly skimmed 2% milk over homogenized milk, per capita consumption of 2% milk rose from 56 L in 1981 to 61 L in 1984, while consumption of homogenized milk dropped from 40 L to 34 L during the same period. A similar type of substitution from butter to margarine, occurred in the 1970s. By 1983, consumption of margarine, at 6.3 kg per capita per year, was 1.4 times larger than that of butter (4.5 kg). The popularity of cheese is increasing among Canadians; in 1984 per capita consumption of cheddar cheese (2.3 kg) was the second highest in history, as was per capita consumption of variety cheese (3.8 kg). Consumption of process cheese reached a new high (3.0 kg per capita) in 1983.

Meat continues to be consumed in significant quantities by Canadians, however, the proportions of red meat (pork and beef), poultry and fish tend to fluctuate, following production and price cycles. While this cyclical effect occurs traditionally as consumers switch between beef and pork, chicken and fish have become relatively important elements in Canadian consumption. In 1984, per capita disappearance of pork was nearly 28 kg with beef at 38 kg. Per capita consumption of poultry reached 24 kg in 1984.

Consumption of tea and coffee has remained relatively constant over the past 10 years, although marginal decreases have occurred since 1981. Consumption of tea went from .93 to .88 kg and coffee went from a high of 4.77 to 4.37 kg between 1981 and 1984. Shifts in consumption of alcoholic beverages are also apparent. Consumption of wine increased every year between 1974 and 1983 when it reached 9.6 L per person. During the same period, per capita consumption of beer dropped to 82.0 L in 1983. Consumption of distilled spirits remained fairly constant at 8 L per capita between 1974 and 1982, but declined to 7.1 L in 1983.

Forestry

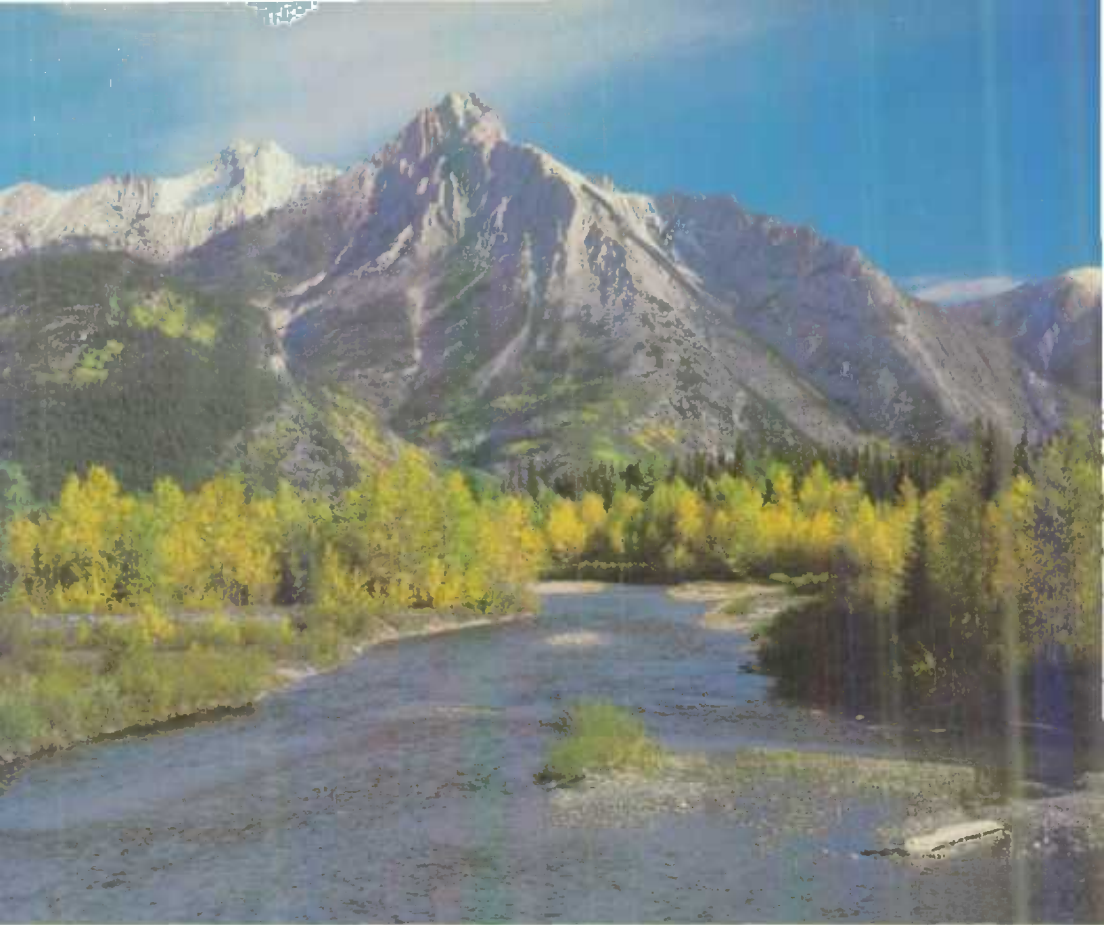
Canada's forests are our greatest renewable resource. Stretching across the continent in an unbroken belt 500 to 2 100 km wide, they provide raw material for the great lumber, pulp and paper, plywood and other wood-using industries so vital to the country's economy. One in 10 jobs in Canada depends on this resource, which accounted for \$15 billion of exports, or 13.8 per cent of Canada's total exports in 1984. The forests of Canada, an important part of our environment, control water run-off and prevent erosion, shelter and sustain wildlife, and offer unmatched opportunities for human recreation and enjoyment.

Forest land — available for producing usable timber — covers more than 1 635 000 km² (square kilometres). The total volume of wood on these lands is estimated at 17 230 million m³ (cubic metres), of which four-fifths is coniferous and one-fifth deciduous.

Seventy-five per cent of Canada's productive forest area is known as the boreal forest; it stretches in a broad belt from the Atlantic Coast westward and then northwest to Alaska. The forests of this region are predominantly coniferous, with spruce, balsam fir and pine the most common species. Deciduous trees found in the boreal forest are predominantly poplar and white birch. The Great Lakes – St. Lawrence and Acadian forest regions, south of the boreal region, are mixed and many species are represented. The main conifers are eastern white pine, red pine, eastern hemlock, spruce, eastern white cedar and fir; the main deciduous trees are yellow birch, maple, oak and basswood.

Log booms on the Ottawa River in Quebec.



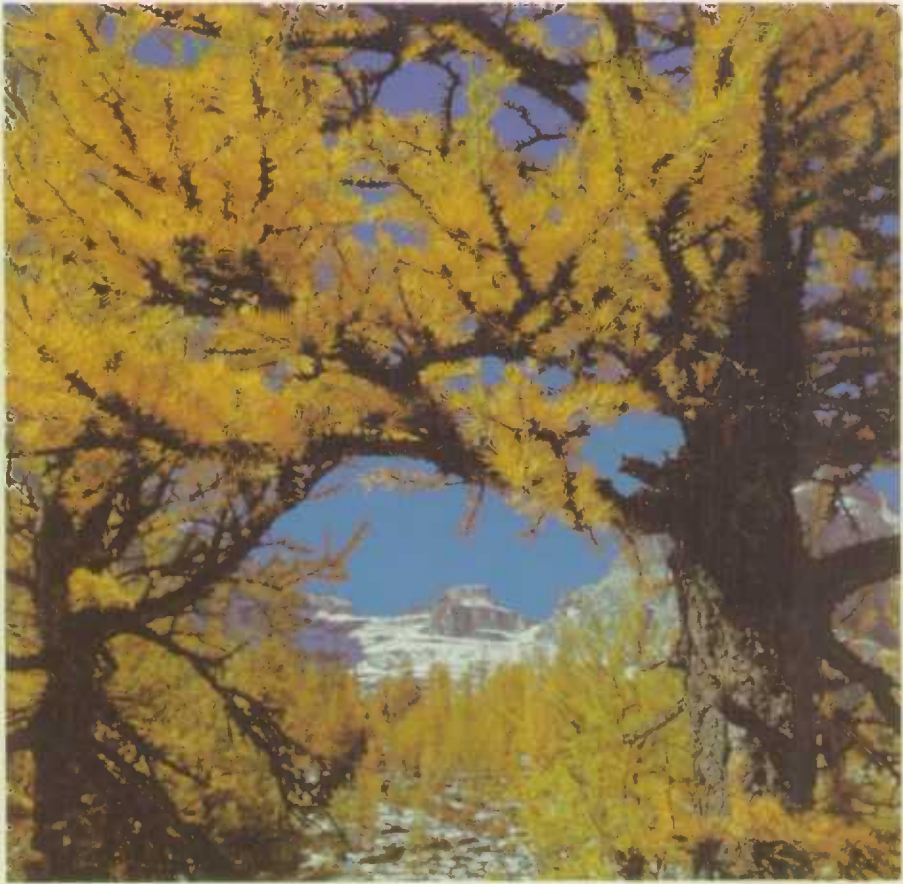


Autumn colour along the Kananaskis River in Alberta.

In the coastal region of British Columbia, the forests are coniferous and, because of a mild, humid climate and heavy rainfall, very large trees are common — 60 m (metres) tall and more than 2 m in diameter. This region contains less than 2 per cent of the country's forest area, but supplies almost one-quarter of the wood cut. Species are western red cedar, hemlock, spruce, fir and Douglas fir. The coniferous forests of the British Columbia interior and Alberta are mixed; distribution and characteristics of species depend on local climate, which ranges from dry to very humid. Production in this area has expanded rapidly in recent years, with the establishment of many new pulp mills.

The only true deciduous forests in Canada occupy a relatively small area in the southernmost part of Ontario, which is predominantly an agricultural district.

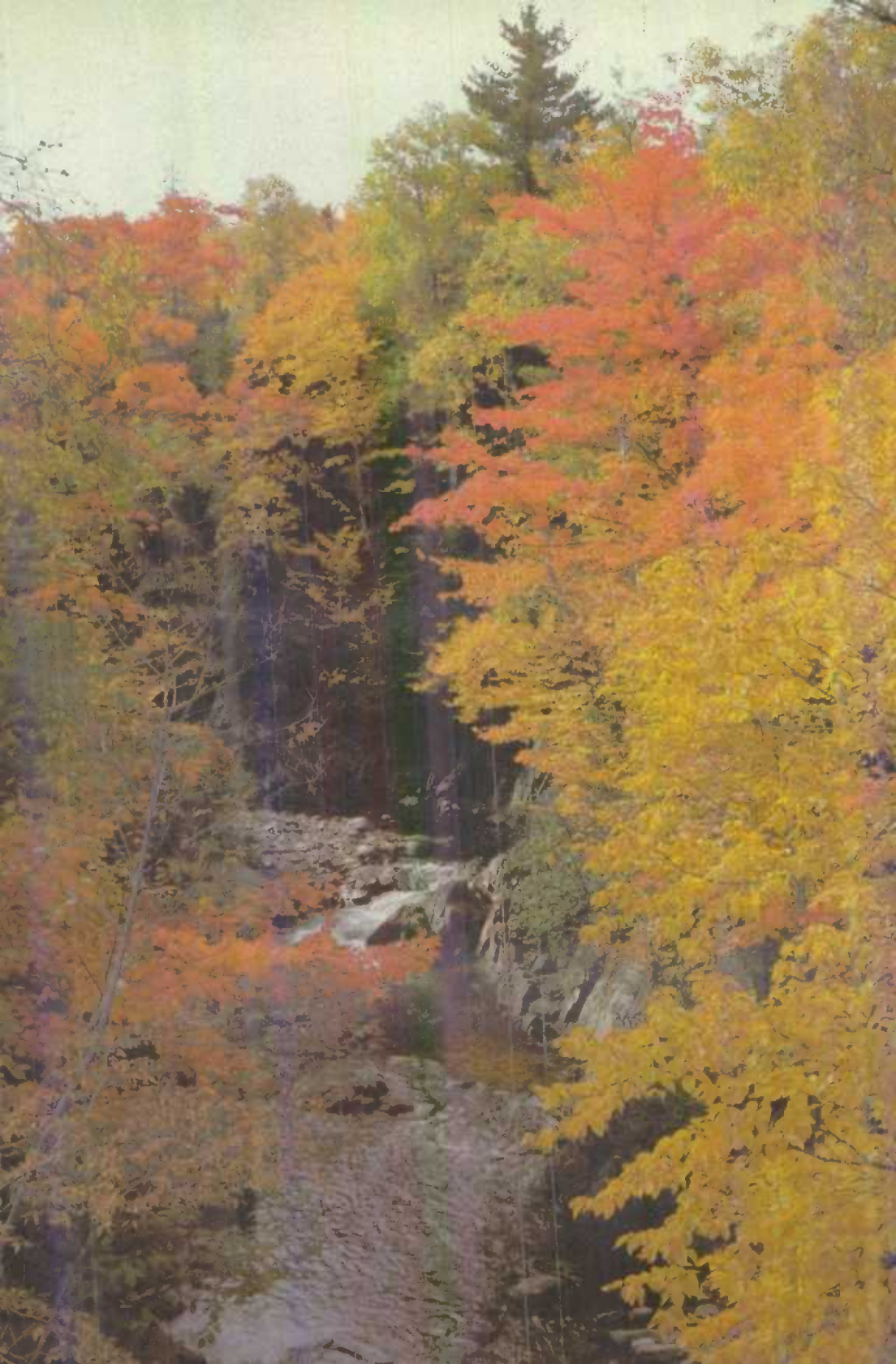
Ninety per cent of Canada's productive forest land is publicly owned. Under the British North America Act the various provincial governments were given the exclusive right to enact laws regarding management and sale of public lands within their boundaries, including the timber and wood on those lands. In the northern territories, which contain only about 5 per cent of the country's productive forest land, the forests are administered by the federal government.



Larch Valley in Banff National Park, Alta. Summer foliage of pale green needles of the gnarled and twisted larch trees turn to brilliant gold before they are shed for winter.

For many years the policy of both federal and provincial governments has been to retain in public ownership lands not required for agricultural purposes. In some of the older settled areas of Canada, however, a high proportion of land is privately owned, especially in the three Maritime provinces. Thus, the administration and protection of most of Canada's productive forest area is vested in the various provincial governments, which make the forests available to private industry through long-term leasing and other arrangements.

Nature's unique blend of colour along the Cabot Trail on Cape Breton Island, NS →





A pulp and paper mill in British Columbia. Canada is the world's largest exporter of wood pulp.

Table 6. Principal statistics — logging, wood industries, paper and allied industries, 1979-83

	Establishments	Employees	Salaries and wages	Value of shipments	Value added — manufacturing activity
	No.	No.	\$'000	\$'000	\$'000
Logging					
1979	2,844	56,614	1,115,163	4,222,214	2,052,605
1980	3,241	54,370	1,178,557	4,559,329	2,048,704
1981	3,276	48,402	1,191,864	4,429,667	1,883,000
1982	3,082	40,214	1,033,573	3,997,857	1,650,482
1983	3,508	45,943	1,218,763	4,915,002	2,157,670
Wood industries					
1979	3,208	122,048	2,074,274	8,808,483	4,021,183
1980	3,363	117,307	2,216,529	8,397,016	3,465,556
1981	3,394	112,570	2,286,414	8,441,830	3,447,224
1982	3,353	97,125	2,103,873	7,173,003	2,708,148
1983	3,505	101,152	2,426,579	9,405,902	3,992,695
Paper and allied industries					
1979	732	128,918	2,491,301	12,286,636	5,756,181
1980	764	130,310	2,783,784	14,502,818	6,770,109
1981	758	131,024	3,145,707	15,729,427	6,965,466
1982	773	122,763	3,282,476	14,783,955	6,079,544
1983	672	114,308	3,340,650	15,010,828	5,940,332



Lumber shipments on Vancouver Island, BC, in 1984, exports of lumber from Canada totalled over \$4.2 billion.

Forest Industries

The forest industries group is composed of the logging industry; the primary wood and paper manufacturing industries, which use wood fibre as their chief raw material; and the secondary wood and paper industries, which use lumber, wood pulp and basic paper as raw material to produce numerous wood and paper products. These industries employed over 261,000 persons in 1983, slightly more than the number employed in 1982, but less than the previous five years.

Shipments by the logging and wood industries recovered strongly in 1983, as foreign and domestic demand for lumber and other residential construction wood products rose. In 1984, exports of lumber totalled over \$4.2 billion, and exports of other primary wood products, nearly \$1 billion. The paper and allied industries were still feeling the effect of reduced domestic and foreign demand in 1983: employment continued to decline and the value of exports fell for a second consecutive year. These industries started to recover in the second half of 1983 as foreign demand rose sharply.

Canada is the world's largest exporter of wood pulp and the second largest producer of wood pulp, after the United States. In 1984 exports of wood pulp were up nearly 30 per cent to \$3.9 billion. Quebec, followed by Ontario and British Columbia, account for the largest shares of Canada's pulp and paper industry.

Canada is the largest producer of newsprint in the world. In 1982, Canada produced close to 33 per cent of the world total while exports of other paper products reached nearly \$1.3 billion. Exports of newsprint increased nearly 20 per cent in 1984 to \$4.8 billion.

Use of hydrogen peroxide by the pulp and paper industry for bleaching is growing rapidly. A sales representative in the laboratory at the Abitibi-Price plant, Beaupré, Que. inspecting a product sample.





Stacks of lobster traps in the harbour of North Lake, P.E.I. In 1983, approximately 67 per cent of commercial fishermen in Canada were located on the Atlantic Coast.

Fisheries

As a member of 10 international commissions, Canada plays an active role in seeking support of conservation principles and changes in international sea law.

Canada's fish harvest has been on a slow downward slide since peaking in 1979. As in the past, the industry is still experiencing marketing difficulties, particularly for Atlantic groundfish, necessitating some federal government support programs.

The number of commercial fishermen in Canada has been declining in the last few years. In 1983, it was approximately 78,000, of which some 67 per cent were located on the Atlantic Coast and 25 per cent on the Pacific Coast; the remainder were engaged in the inland fisheries. The size of the fishing fleet operating in the sea fisheries was approximately 39,000 vessels, also down from previous years. In addition to providing financial

assistance to the industry, Fisheries and Oceans Canada plays a vital role in the overall management of Canada's ocean and inland fisheries through programs which foster the understanding, management and best use of renewable aquatic resources, to develop markets for Canadian fisheries products. The department is also involved in negotiating fisheries agreements with other countries.

Total fish landings in Canada peaked at 1.44 million tonnes in 1981 and have fluctuated downward since; in 1984, the total was estimated at 1.25 million tonnes. Landed value of the catch totalled \$867 million, down \$20 million from 1979. Landings on the Atlantic Coast in 1984 totalled 1.03 million tonnes, compared to 1.24 million tonnes in 1979. The 1984 landed value of the Atlantic catch was \$578 million, \$43 million less than the 1982 peak value. Landings of cod, which account for more than 40 per cent of total Atlantic landings, declined for a second consecutive year. On the Pacific Coast, the salmon catch fell strongly in 1984 and was significantly lower than in 1981; however, the groundfish catch has been improving in the last few years. The 1984 harvest of Pacific Coast species totalled 166 000 t, nearly 25 000 t less than the 1983 peak. The landed value of this harvest for Pacific Coast fishermen amounted to \$240 million, up from 1983 but \$90 million lower than in 1979.

Cod fishing on the Pacific Coast.





Squid hanging to dry near Bonavista Bay, Nfld.



Sorting shrimp in a processing plant in Quebec.

The market value of all Canadian fisheries products in 1983 was an estimated \$2.1 billion, an increase of approximately \$305 million (17 per cent) over 1979. The value of Canadian exports remained steady at about \$1.6 billion in 1984, maintaining Canada's position as the world's leading fish exporting nation. Following the trend of previous years, some 60 per cent of Canadian exports went to the US. Other major markets were the European Economic Community (13 per cent) and Japan (10 per cent).

Minerals and Energy

The value of production of Canadian minerals increased to \$43.0 billion in 1984, from \$26.1 billion in 1979 and \$11.7 billion in 1974. Led by crude petroleum and natural gas, mineral fuels accounted for 70 per cent of the total value of production. Crude petroleum is by far the leading Canadian mineral commodity; its production value reached \$17.9 billion in 1984, up from \$7.1 billion in 1979. Metallic minerals accounted for 20 per cent of the value of Canadian mineral production in 1984; non-metallic minerals and structural materials accounted for the other 10 per cent. Active research is carried out in the fields of energy and mineral resources by the department of Energy, Mines and Resources. Using both the new technology of remote sensing from aircraft and satellites and the traditional survey and mapping activities, the department assesses the magnitude of energy and mineral resources and compiles information on their nature and distribution; this information is vital to developing effective resource management and safeguarding the environment. The Department's laboratories carry out research and studies aimed at safer, cleaner and more efficient extraction, processing and use of the country's mineral resources, as well as ensuring mining health and safety.

Minerals

Of the principal minerals, iron ore had the highest value in 1984, at \$1.5 billion; iron ore is mined mostly in western Labrador, northeastern Quebec and northern Ontario. Zinc and copper were each valued at \$1.4 billion. British Columbia and Ontario are the major copper-producing provinces; Ontario, New Brunswick and Northwest Territories

Oil refinery near Quebec City, Que.





Lac Minerals at Hemlo. Three mining companies - Noranda, Tect-Comoro and Lac Minerals - are developing Canada's richest gold deposit at Hemlo, Ont., on the south shore of Lake Superior. All three producers in the Hemlo camp poured their first bars of gold in 1985.

Table 7. Mineral production, by class and province, 1981-84
(thousand dollars)

	1981	1982	1983	1984 ¹
Canada				
Metals	8,683,794	6,874,197	7,398,944	8,510,094
Non-metals	2,706,596	1,979,329	1,907,209	2,272,527
Fossil fuels	19,045,631	23,038,376	27,154,107	29,999,407
Structural materials	1,769,152	1,729,584	1,829,053	1,906,711
Total²	32,420,159	33,831,494	38,534,085	43,070,710
Newfoundland	1,030,263	646,762	807,003	993,534
Prince Edward Island	1,616	1,774	726	890
Nova Scotia	269,521	281,211	260,183	293,033
New Brunswick	530,965	493,033	506,021	590,368
Quebec	2,419,946	2,064,451	2,038,956	2,043,425
Ontario	4,159,828	3,147,568	3,681,814	4,493,725
Manitoba	642,101	529,706	732,675	755,723
Saskatchewan	2,292,572	2,312,503	2,842,597	3,785,185
Alberta	17,559,491	20,913,347	24,103,412	25,963,735
British Columbia	2,830,845	2,768,954	2,902,831	3,353,720
Yukon	235,575	169,120	62,987	59,574
Northwest Territories	447,436	503,065	594,880	737,798

¹ Preliminary estimates.

² Totals may not agree with components due to the inclusion of confidential data, not published at the detail level or due to rounding.

are the major zinc-producing areas. Canadian gold production, 70 per cent of which came from Quebec and Ontario, was valued at \$1.2 billion in 1984. Canada's nickel mines, located in the Sudbury region of Ontario and the Thompson region of Manitoba, yielded \$1.2 billion worth of that mineral during the year. Uranium, worth almost \$1 million, came exclusively from Ontario and Saskatchewan.

Canada produced \$2.3 billion worth of non-metallic minerals in 1984. With the opening of a number of mines in Saskatchewan between 1962 and 1970, and in New Brunswick in the last couple of years, potash production grew to a value of \$759.3 million in 1984, from less than \$1 million in 1960. About 95 per cent of the world's potash is used as fertilizer. Canada's elemental sulphur production increased to \$574.2 million in 1984; almost all elemental sulphur produced in Canada comes from natural gas, therefore its production is in direct proportion to natural gas production regardless of the price of sulphur. One-half of all sulphuric acid, the final product of nearly all sulphur, is used in the manufacture of fertilizers. In 1984, 83 per cent of Canada's asbestos production, valued at \$413 million, came from the province of Quebec; the remainder from British Columbia and Newfoundland. Canada produces approximately 20 per cent of the world's total supply of asbestos and is the world's second leading producer. Salt production in Canada totalled \$214.9 million in 1984; more than half is produced in Ontario.

Cement, with production valued at \$667.1 million in 1984, was the most important structural material produced in Canada; almost 70 per cent of the production came from the provinces of Ontario and Quebec. Sand and gravel production, valued at \$590.5 million in 1984, was concentrated in Ontario, Alberta and British Columbia.

More than 60,000 reels of computer tape, in Calgary, store Dome Petroleum's seismic data and geological information on its extensive landholdings. This information is used to make decisions on future exploration and development drilling.





Dome's drilling island system, the SSDC (single steel drilling caisson) sets on an underwater sand foundation and can operate outside the stable landfast ice area, in the unpredictable shear ice zone.



Gulf's MOLIKPAQ, an extension of the caisson-retained island concept, is the first single-piece deep caisson vessel designed and constructed for bottom-founded year-round drilling operations in Arctic waters.

The Fossil Fuels: Petroleum, Natural Gas and Coal

Canada is fortunate to be endowed with significant reserves of most forms of energy, although the proven reserves of hydrocarbon energy now represent relatively few years of oil and gas production. Therefore, the federal government, in collaboration with the provinces, has launched a number of programs to conserve energy and develop non-conventional energy sources. Efforts have focused on both a more rational utilization of fossil fuels and conversion from oil to relatively more abundant domestic sources,

Table 8. Selected mineral production, by kind, 1981-84

Mineral	Unit	1981	1982	1983	1984
		'000	'000	'000	'000
Metallics					
Bismuth	kg	168	189	253	220
Cadmium	kg	834	886	1 193	1 602
Cobalt	kg	2 080	1 274	1 410	2 325
Columbium (Cb ₂ O ₃)	kg	2 741	3 086	1 745	2 500
Copper	kg	691 328	612 455	653 040	712 374
Gold	kg	52	65	74	81
Iron ore	t	49 551	33 198	32 959	41 065
Lead	kg	268 556	272 187	271 961	259 402
Molybdenum	kg	12 850	13 961	10 194	10 865
Nickel	kg	160 247	88 581	125 022	174 195
Platinum group	kg	12	7	7	11
Selenium	kg	255	222	266	354
Silver	kg	1 129	1 314	1 197	1 171
Tin	kg	239	135	140	217
Tungsten (WO ₃)	kg	2 515	3 030	1 126	4 328
Uranium (U ₃ O ₈)	kg	7 507	7 643	6 823	9 693
Zinc	kg	911 178	965 607	987 713	1 022 054
Non-metallics					
Asbestos	t	1 122	834	858	836
Gypsum	t	7 025	5 987	7 507	8 725
Nepheline syenite	t	588	550	523	485
Peat	t	462	487	529	499
Potash (K ₂ O)	t	6 549	5 309	6 294	6 972
Quartz	t	1 765	1 784	2 303	2 624
Salt	t	7 240	7 940	8 602	10 294
Soapstone, talc, pyrophyllite	t	83	71	97	126
Sodium sulphate	t	535	547	454	387
Sulphur in smelter gas	t	783	627	678	848
Sulphur, elemental	t	8 018	6 945	6 631	7 700
Mineral fuels					
Coal	t	40 088	42 811	44 787	56 800
Natural gas	m ³	73 824 000	75 977 000	72 229 000	73 656 000
Natural gas byproducts	m ³	18 883	18 466	18 013	19 397
Petroleum, crude	m ³	74 553	73 790	78 751	82 989
Structural materials					
Cement	t	10 145	8 426	7 871	8 619
Lime	t	2 555	2 197	2 232	2 280
Sand and gravel	t	260 134	216 274	233 408	220 649
Stone	t	85 091	59 181	67 555	71 047



Coal mining at Elkford, BC. Coal production in Canada increased from 33.2 million tonnes in 1979 to 57.4 million tonnes in 1984 and its value more than doubled.

primarily electricity and natural gas. The search for new energy supplies has included emphasis on the development of oil sands and offshore resources as well as research in such areas as the upgrading of heavy oil, the fluidized-bed combustion of coal, and coal gasification and liquefaction.

In 1984 the petroleum industry extracted about \$30 billion worth of hydrocarbon products, and Alberta accounted for 90 per cent of the value of crude oil, natural gas and natural gas byproducts produced. In addition to conventional reserves Canada possesses significant volumes of bituminous tar sands. According to one estimate the ultimate recoverable reserves of synthetic crude oil from all Alberta's bituminous deposits amount to 50 billion cubic metres of which approximately 5 billion cubic metres is considered recoverable by methods similar to those now in use at the two plants operating near Fort McMurray. Other techniques will be needed to recover the remainder.

To find and develop new conventional reserves as production depletes present supplies, \$7.5 billion of capital expenditures were undertaken in 1984. A further \$0.5 billion was devoted to non-conventional reserves. Forty-four per cent of the \$5.4 billion allocated for explorations in 1984 was spent in the frontier areas of the Canadian North and offshore research. A further \$2.8 billion was spent on development, \$2.8 billion for operations and \$6.7 billion for royalties in the oil and gas industries.

Domestic sales of refined petroleum products totalled 78 323 214 m³ (cubic metres) in 1984, including 32 914 816 m³ of motor gasoline, 23 575 721 m³ of middle distillates, 7 226 840 m³ of heavy fuel oils and 14 605 837 m³ of other products.

Coal production in Canada increased from 33.2 million tonnes in 1979 to 57.4 million tonnes in 1984 and its value more than doubled, to \$1.8 billion from \$860 million. Exports to 22 countries amounted to 25 138 069 t. Japan (66 per cent), South Korea (14 per cent) and Brazil (4 per cent) were the principal customers.

Electricity

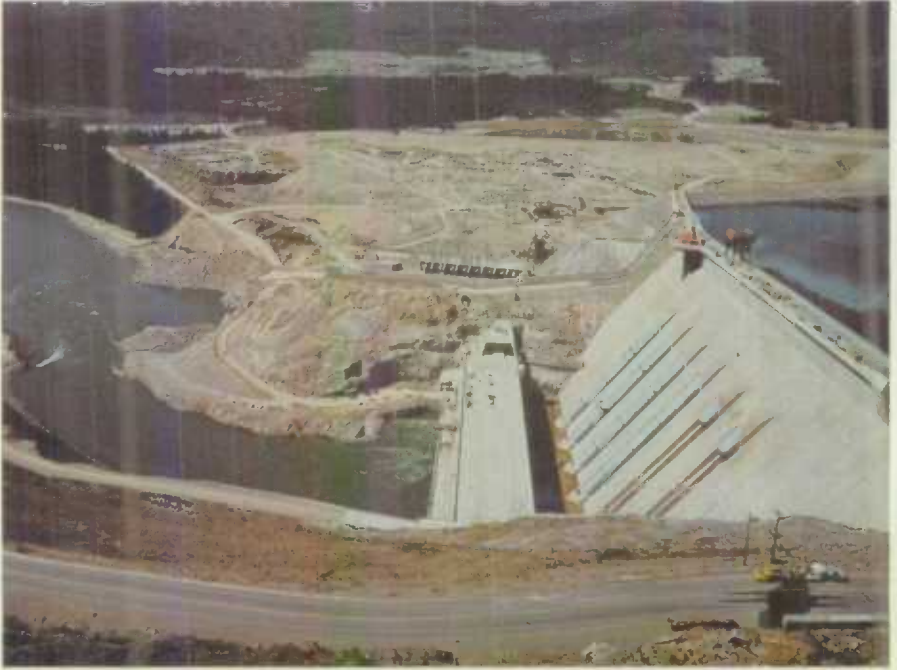
Canada's total generating capacity increased from a modest 133 MW (megawatts) in 1900 to approximately 95 224 MW in 1984. These facilities produced 425 250 GWh (gigawatt hours) of electric energy in 1984, 67 per cent in hydroelectric stations. Energy exported to the US exceeded the energy imported by 39 093 GWh, bringing the total available to Canadian users to 386 157 GWh.

Although water power traditionally has been the main source of electrical energy in Canada, and still is, thermal sources are becoming more important and this trend is expected

Table 9. Production of electricity, by province, 1984
(gigawatt hours)

Province or territory	Type of generating capacity				Total
	Hydro	Steam conventional	Steam nuclear	Other	
Newfoundland	44 522.3	783.2	—	-2.4	45 303.2
Prince Edward Island	—	1.4	—	0.6	2.0
Nova Scotia	1 031.0	6 191.0	—	0.2	7 222.2
New Brunswick	3 093.1	4 131.2	5 011.4	—	12 235.7
Quebec	118 503.2	-46.8	3 422.1	188.3	122 066.8
Ontario	40 835.9	38 080.3	40 832.4	844.4	120 593.0
Manitoba	21 226.1	200.2	—	53.0	21 479.4
Saskatchewan	1 704.6	9 774.7	—	46.5	11 525.8
Alberta	1 427.1	28 060.0	—	1 571.7	31 058.9
British Columbia	50 243.7	1 942.5	—	186.8	52 373.0
Yukon	232.7	—	—	22.8	255.4
Northwest Territories	317.9	—	—	174.8	492.7
Total	283 137.7	89 117.7	49 265.9	3 086.8	424 608.1

— Nil or zero.



Concrete gravity dam and powerhouse of B.C. Hydro's Revelstoke power project on the Columbia River.

to continue. The choice between the development of a hydroelectric power site and the construction of a thermal generating station must take into account a number of complex considerations, the most important of which are economic. The heavy capital costs involved in constructing a hydroelectric project are offset by maintenance and operating costs considerably lower than those for a thermal plant. The long life of a hydro plant and its dependability and flexibility in meeting varying loads are added advantages. Also important is the fact that water is a renewable resource. The thermal station, on the other hand, can be located close to areas where power is needed, with a consequent saving in transmission costs; however, pollution problems at these plants are an undesirable factor.

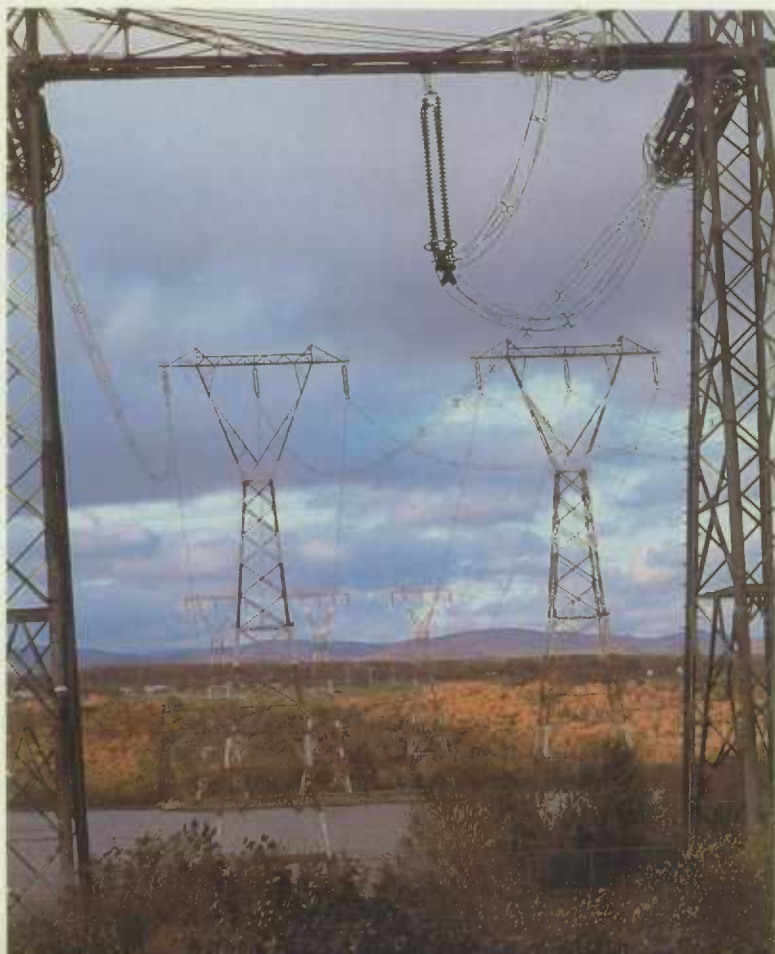
The marked trend toward the development of thermal stations that became apparent in the 1950s can be explained to some extent by the fact that, in many parts of Canada, most of the hydroelectric sites within economic transmission distance of load centres have been developed and planners have had to turn to other sources of electrical energy. Although recent advances in extra-high voltage transmission techniques have given impetus to the development of hydroelectric sites previously considered too remote, thermal stations will probably be the more important of the two sources in the long run.

Substantial amounts of water power have been developed in all provinces except Prince Edward Island, where there are no large streams. Quebec, the richest province in water power resources, with over 40 per cent of the total for Canada, has the most developed capacity. Plans for the development of a number of rivers flowing into James Bay are becoming a reality.

Prince Edward Island, Nova Scotia, New Brunswick, Ontario, Saskatchewan, Alberta and the Northwest Territories depend on thermal stations for most of their power requirements. Quebec's wealth of water power has so far limited the application of thermal power in that province to local use. Manitoba and British Columbia both have substantial amounts of thermal capacity, but hydroelectricity is still the focus of current development.

Development of commercial electric power generation in thermal plants using the heat generated by nuclear reactors is one of Canada's major contributions to energy resource technology. This development has centred around the CANDU reactor, which uses a natural uranium fuel with a heavy water moderator; heavy water as a moderator provides a high-energy yield and facilitates the handling of spent fuel. The first experimental reactor went into use in 1962 at Rolphton, Ont., with a capacity of 20 MW. Since then, six major nuclear projects have been undertaken. Nuclear plants are located at Point Lepreau, NB, Gentilly, Que. and Pickering and Bruce in Ontario. Another plant is under construction at Darlington in Ontario.

Transmitters at Beaumont, Que., on the St. Lawrence River.





Assembly line for heavy-duty off-highway trucks at Oakville, Ont.

Manufacturing

Manufacturing is the largest of Canada's goods-producing industries. Because of its importance to the growth of national productivity, its high demand for capital goods and its contribution to exports, it plays an important role in the economy.

Data from a monthly survey of manufacturing activity show that Canadian manufacturers shipped \$226 billion of their own products in 1984, an increase of 34.3 per cent over 1980. (By comparison, the annual average index of selling prices of manufacturing industries increased 25.8 per cent over the same period and the annual average index of industrial production increased 3.6 per cent.)

An exact measure of exports of manufacturers is not routinely compiled, but if exports of fabricated materials and end products are accepted as roughly equivalent to manufactured products, Canadian manufacturers did some processing on about seven dollars out of every 10 of exports of Canadian products in 1984. Domestic exports of fabricated materials, excluding electricity, amounted to \$34.2 billion, approximately 12 times the 1961 total. However, exports of end products, valued at \$46.8 billion, roughly equivalent to highly manufactured goods, though including very small values of non-manufactured goods were about 66 times their 1961 value. This is a striking reflection of the growth of those sectors of Canadian manufacturing producing more highly fabricated goods.

Loading fertilizer grade ammonia into tanker trucks at a chemical fertilizer plant in Carseland, Alta.





Pouring liquid steel at Regina, Sask. steelworks.

Most manufacturing activity in Canada is highly mechanized and Canadian factories thus constitute a large market for equipment. This is partly because many types of natural resources processing are inherently capital-intensive; that is, they employ a great deal of machinery, equipment and buildings in proportion to employees. Industries producing highly manufactured goods — like machinery and automobiles — have become increasingly important. In addition high living standards, reflected in high wages, create an incentive to economize in the use of workers and this often leads to increased mechanization.

In 1985, according to a survey of investment intentions, it was anticipated that the manufacturing industries would be accounting for 29 per cent of all capital expenditures by business and government for new machinery and equipment. These expenditures represent, of course, not only the expansion of productive capacity but presumably some “deepening” of capital (an increase in capital per employee or per unit of product).



Manufacturing some plates and heavy equipment at a plant in Windsor, NB.

Increasing capital intensity of production has probably been a prime cause of the rise in productivity of each employee in the manufacturing industries. Output (per man-hour worked) in the manufacturing industries increased at an average rate of 3.3 per cent over the 1961-84 period. However, over the 1979-84 period (with two recessions), this average rate was only 1.5 per cent.

The leading manufacturing industry in Canada in 1984, measured by the value of shipments of its own products, was petroleum refining. With a total value of \$22.7 billion, this industry's shipments were only \$750 million (3.4 per cent) greater than in 1983, prices having increased by 4.4 per cent during the year. There has been a marked price deceleration in this industry in recent years.

The second-ranking industry in 1984 was motor vehicle manufacturers at \$22.5 billion, with an increase of \$6 billion in shipments from the previous year. The industry's real

Sales of New Passenger Cars, 1971-84 ¹

— Other countries
— Japan
— North America

Thousands



¹ Prior to 1973, sales of Japanese-built cars were included in "other countries"; from 1973 to 1983, "other countries" comprised European-built cars only; since 1983, "other countries" also includes Korean-built cars.

domestic product rose 23.5 per cent in 1984, 49.6 per cent higher than its recession-reduced 1982 level. Prices have increased by only 3.3 per cent over 1983 as a result of a lower general rate of inflation, lesser cost increases and competitive pressure. Pulp and paper mills had the third largest value of shipments at \$12.5 billion, an increase of approximately \$2 billion from 1983. This industry's real domestic product rose 3.9 per cent from 1983, while prices rose 13 per cent over the same period, in large part due to the rise in value of the US dollar.

Twelve other manufacturing industries, in descending order of magnitude, had shipments over \$3 billion in 1984: motor vehicle parts and accessories, \$10.2 billion; meat and meat products, \$8.1 billion; iron and steel mills, \$7.7 billion; sawmills, planing mills and shingle mills, \$6.5 billion; dairy products, \$6.2 billion; industrial chemicals, \$6.2 billion;

Table 10. Manufacturing industries, selected years, 1920 to 1984

Year	Establishments	Employees	Salaries and wages	Value added by manufacture	Value of shipments of goods of own manufacture ¹
	No.	No.	\$'000	\$'000	\$'000
1920	22,532	598,893	717,494	1,621,273	3,706,545
1929	22,216	666,531	777,291	1,755,387	3,883,446
1933	23,780	468,858	436,248	919,671	1,954,076
1939	24,805	658,114	737,811	1,531,052	3,474,784
1944	28,483	1,222,882	2,029,621	4,015,776	9,073,893
1949	35,792	1,171,207	2,591,891	5,330,566	12,479,593
1954	38,028	1,267,966	3,896,688	7,902,124	17,554,528
1959	32,075	1,287,809	5,030,128	10,154,277	22,830,827
1964	33,630	1,491,257	7,080,939	13,535,991	30,856,099
1969	32,669	1,675,332	10,848,341	20,133,593	45,930,438
1974	31,535	1,785,977	17,556,982	35,084,752	82,455,109
1975	30,100	1,741,159	19,156,679	36,105,457	88,427,031
1976	29,053	1,743,047	21,799,733	39,921,910	98,280,777
1977	27,716	1,704,483	23,595,238	44,104,548	108,881,959
1978 ²	31,963	1,790,618	26,571,956	51,523,349	128,889,376
1979 ³	34,578	1,856,196	30,123,709	60,623,174	152,133,081
1980	35,495	1,850,436	33,133,061	65,851,774	168,058,662
1981	35,780	1,853,968	37,106,195	73,873,772	190,852,815
1982 ³	34,121	1,702,303	37,624,733	68,988,161	187,710,349
1983 ⁴	35,286	1,670,881	39,593,678	76,935,998	203,255,931
1984	..	1,669,700 ⁵	43,954,000 ⁵	..	225,970,458 ⁶

¹ Before 1952, data represent gross value of production.

² Increase in number of establishments due to improved coverage.

³ Decrease in number of establishments due to introduction of 1980 SIC; some establishments previously classified as manufacturing are now classified as the service industry.

⁴ Preliminary figures.

⁵ Based on monthly surveys of employment and earnings.

⁶ Based on monthly survey of shipments of manufacturers.

.. Not available.



Production of continuous cast copper rod at Stouffville, Ont.

miscellaneous machinery and equipment, \$5.1 billion; metal stamping, pressing and coating, \$4.0 billion; commercial printing, \$3.8 billion; miscellaneous food products, \$3.5 billion; communication equipment, \$3.4 billion; and plastics products, \$3.4 billion.

The largest four enterprises or groupings of commonly controlled companies had 256 manufacturing establishments in 1982 and accounted for 9.4 per cent of all manufacturers' shipments, 9.3 per cent of manufacturing value added and 7.0 per cent of total employees. The largest 16 enterprises accounted for approximately 26.1 per cent of manufacturing shipments. (While these data are not issued annually, figures on the size of manufacturing establishments are compiled each year.) The average size of a manufacturing establishment in 1982 was \$5.2 million worth of shipments of goods of own manufacture — or about 48 persons, measured by the number of persons employed. These averages are, however,

greatly affected by the large number of small establishments operated by local or regional entrepreneurs in manufacturing industries throughout Canada. Actually, 48.5 per cent of the total work force in the manufacturing industries was in establishments employing 200 or more persons and there were 138 manufacturing establishments with more than 1,000 persons employed in 1982.

The proximity of the US, the interest of foreign firms in fabricated materials for use in foreign industry and the profitable opportunities of the Canadian market over many years have led to widespread investment in Canadian manufacturing by foreign companies. However, a special analysis of the census of manufactures for 1981 showed that Canadian-controlled firms nonetheless accounted for 62 per cent of all employment in the manufacturing industries; the proportion of total value added was somewhat lower, 55 per cent.

Aluminum foil at a plant in Quebec.





Toronto, Ont.

Construction and Housing

Construction

Construction activity suffered acutely from the 1981-82 economic recession. The volume of new construction fell by 9 per cent in 1982 and continued to decline in the subsequent two years until, by 1984, it was 15 per cent lower than in 1981. Repair construction was not affected as strongly: its volume declined slightly in 1981 and 1982, but rose in 1983 and 1984. Overall, the volume of construction activity in 1984 was 12 per cent lower than in 1981. Data on construction expenditure intentions for 1985 indicated that it could be the first year since 1981 to record a rise in the volume of construction activity.

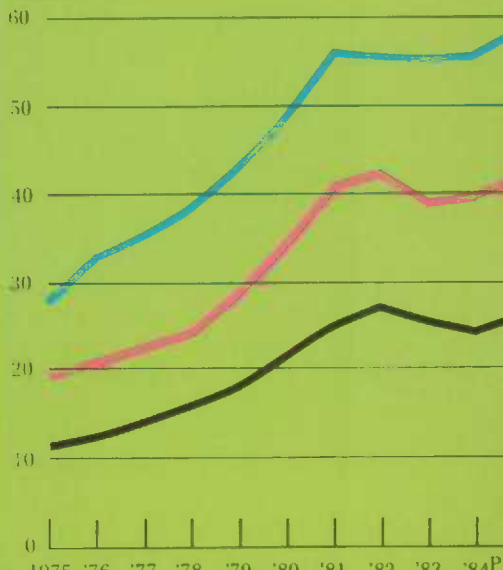
The timing and magnitude of the decline in construction varied significantly among its many sectors. Engineering construction, which requires a significant amount of long-term planning, was the last to register a decline, and its 1985 value was expected to be slightly lower than its pre-recession level. While some types of engineering construction, notably waterworks, sewage systems and most surface transportation infrastructures,



Value of Construction, by Type, 1975-85

- Building, residential
- Building, non-residential
- Engineering

Billion dollars



0 10 20 30 40 50 60
 1975 '76 '77 '78 '79 '80 '81 '82 '83 '84^P
 P. Preliminary I. Intentions



Montreal, Que.

were largely unaffected by the recession, other types, particularly construction of oil and gas facilities and electrical power generating plants, registered significant declines. Characteristically, the delayed reaction of the engineering construction sector to prevailing economic conditions allowed the value of construction in this sector to rise sharply in 1980 (19 per cent) and 1981 (16 per cent) but more moderately in 1982 (7 per cent). By 1983 it was showing a decline (-7 per cent) and registered another in 1984 (-2 per cent), but there were signs of recovery in 1985. All the decline in the value of engineering construction occurred in new construction.

The value of non-residential building construction had also registered strong growth (20 per cent or more) in each of the three years prior to 1982, but the value of new construction declined slightly in 1982 and the value of total construction rose less than one per cent. After considerable declines in 1983, both were up in 1984 and again in 1985, with the 1985 value of total construction expected to surpass the 1982 level.

Hardest hit by the recession was the industrial building construction sector. Its value fell 32 per cent between 1981 and 1983 and the level expected in 1985 was significantly lower than in 1981. By comparison, the decline in commercial building construction was less severe (-8 per cent) and was limited to 1983; its value was expected to reach a new peak in 1985. The value of institutional building construction declined slightly in both 1983 and 1984, mostly in repair work, and was expected to rise in 1985. The value of other types of building construction fell nearly 8 per cent in 1983 but recovered fully in 1984; the farm buildings component is still experiencing some weakness.



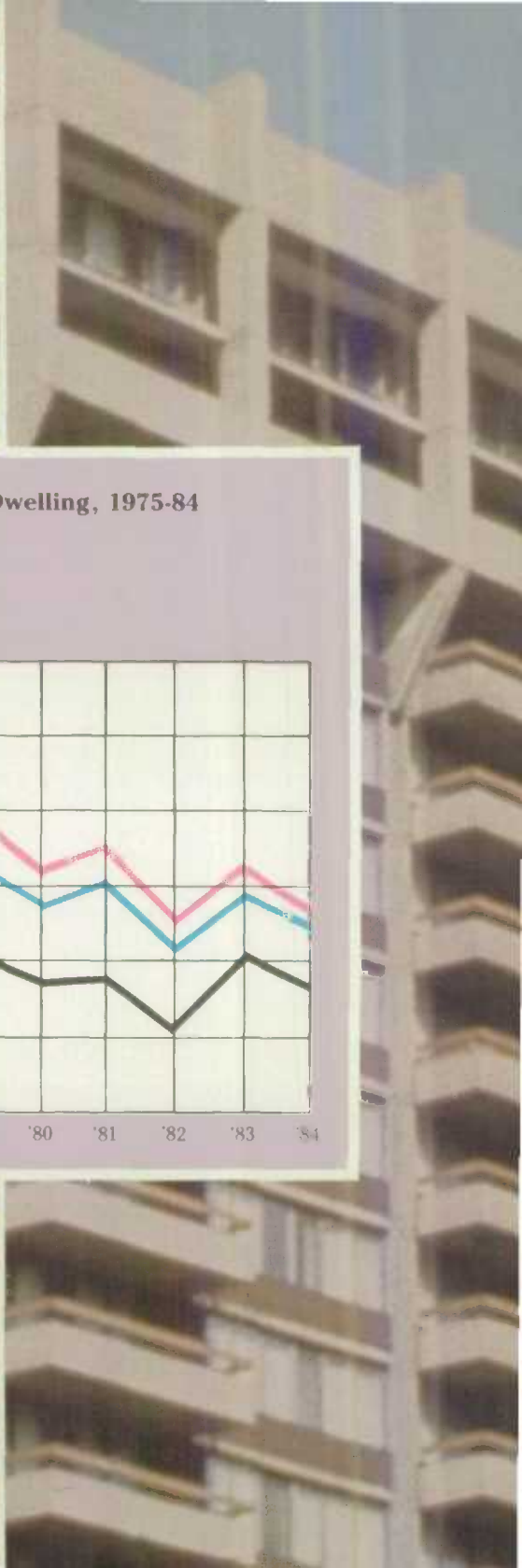
Yellowknife, NWT.

Housing

The early years of the 1980s were noted for large fluctuations in the value of new residential building construction. It rose 19 per cent in 1981, fell 23 per cent in 1982, and recovered most of this decline in 1983 only to fall slightly in 1984. All dwelling types were affected and, in nearly all cases, the 1985 value of new construction was expected to be somewhat lower than in 1981 or 1983. The value of repair construction rose steadily throughout the period.

While the value of residential construction nearly doubled between 1975 and 1985, the volume of this construction declined significantly over the decade. Data compiled by the Canada Mortgage and Housing Corporation (CMHC) indicate that nearly 35,000 dwelling units were started in 1984, less than half the number in 1976 and the second smallest total in the last 10 years. Starts of single detached dwellings, which accounted for slightly more than half of all starts from 1975 to 1984, fell from 134,300 in 1976 to 54,500 in 1982, recovered to 102,400 in 1983, but declined to 83,700 in 1984. Starts of apartment dwellings, which accounted for nearly one-third of all starts during that 10-year period, declined from 92,300 units in 1977 to 48,300 units in 1980, moved up to 61,600 in 1981 and continued downward to 37,300 in 1984. Starts of other types of dwellings also peaked in 1977, at 45,000, and fell during every subsequent year except 1981; by 1984 they were down to 13,900. Only permits for conversions showed growth during the decade, tripling in value from 1975 to 1984.

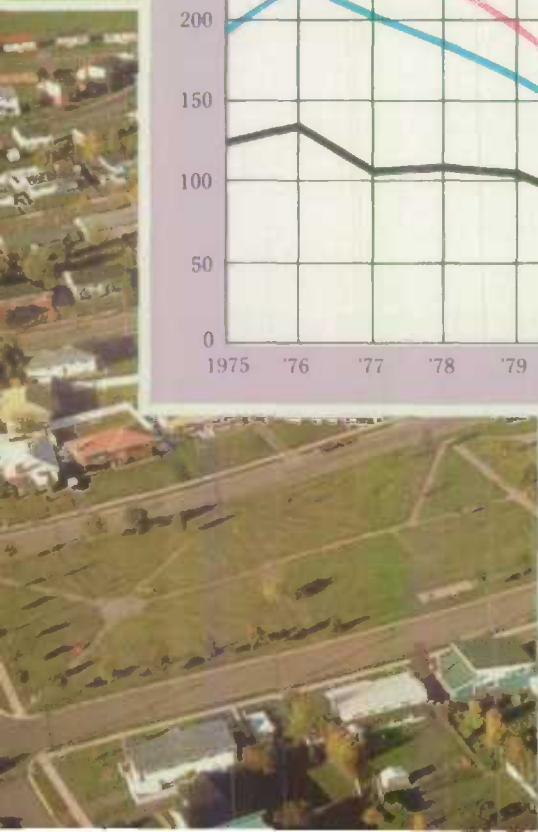
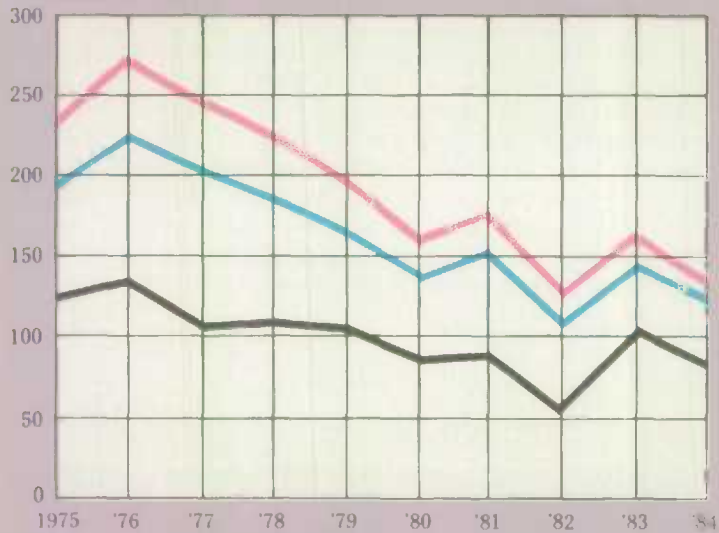
Nearly 50 per cent of the 407,000 residential loans approved in Canada from 1980 to 1985 were guaranteed by CMHC. Over the past four decades CMHC has helped create about one-third of Canada's 8 million housing units. At the end of 1984, \$38 billion of CMHC insured mortgages were in force. CMHC is also involved in a number of programs to encourage availability of quality housing across Canada.



Housing Starts, by Type of Dwelling, 1975-84

- Other types
- Apartment dwellings
- Single-detached dwellings

Thousands of units



Foreign Economic Relations

Trade in Goods and Services

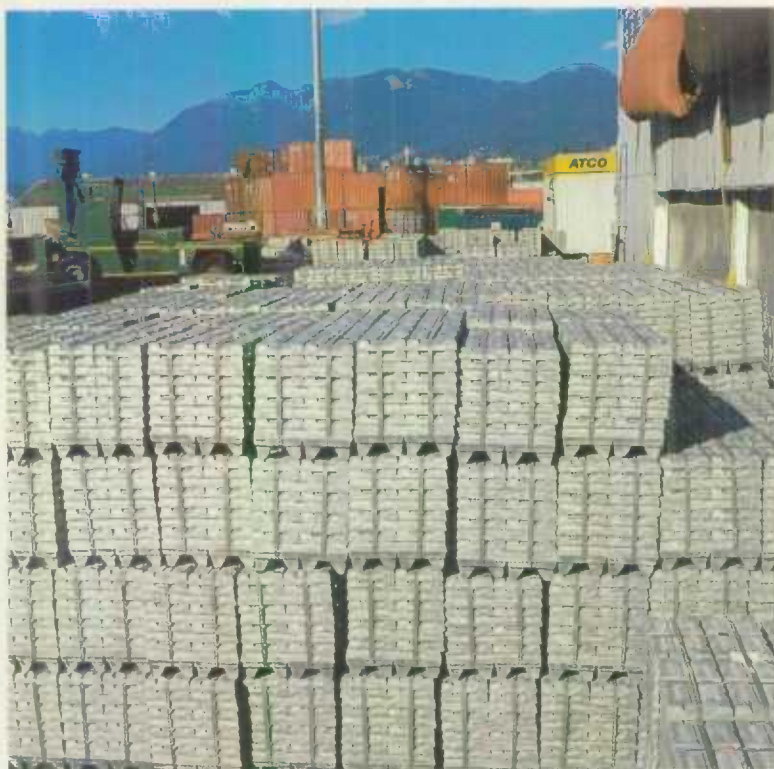
Canada's current account balance has improved dramatically over the past five years largely because of remarkable increases in the country's merchandise trade surplus, particularly in 1981 and 1982. Conversely, service transactions have resulted in larger deficits every year since 1968, but the rise in their deficits during the past five-year period has not been as dramatic as the surge in the merchandise trade surplus. The balance on unilateral transfers (various financial transactions of a non-investment nature) has been positive for Canada in the past 20 years, largely due to net receipts from inheritances and migrants' funds; it helped reduce the level of current account deficits in the 1970s and early 1980s, and has added to the surplus since 1982. The United States contributes a large portion of Canada's merchandise trade surplus; it is also the major beneficiary of Canada's service transactions deficit.

Merchandise Trade

The merchandise trade surplus, the excess of merchandise exports over imports, reached a record level of \$20.7 billion in 1984, on a balance-of-payments basis. This figure was up nearly 17 per cent from a level of slightly less than \$18 billion in both 1982 and 1983, and 2.5 times the average \$8 billion surplus recorded in 1980 and 1981. The 1981-82 recession played a large part in the \$10.5 billion rise in Canada's merchandise trade surplus in 1982; while the volume of exports was nearly unchanged (-1 per cent) between 1981 and 1982, the volume of imports fell by 15 per cent. The recession also dampened price increases for both imports and exports: in 1984 the price index for imports was down 4 per cent, compared to a 17 per cent rise in 1980; the price index for exports declined

Record tonnages of coal and potash moved through Thunder Bay, Ont. terminals in 1984. A dry bulk handling system, installed during the year, moved potash efficiently and effectively.





Zinc ingots from mines in British Columbia at dockside in Vancouver for export.

from 16 per cent in 1980 to -1 per cent in 1984. The volume of both imports and exports increased during the economic recovery: the volume of imports rose 14 per cent in 1983 and a further 19 per cent in 1984, while the volume of exports was up 9 per cent in 1983 and 22 per cent in 1984.

Exports

The United States is Canada's most important foreign customer; in 1984, it accounted for 75.6 per cent (or \$82,796 million) of domestic exports. Other leading export destinations were Japan (5 per cent), the United Kingdom (2 per cent), the USSR (2 per cent), followed by the People's Republic of China, the Federal Republic of Germany and the Netherlands, each with a one per cent share. In 1984, wheat accounted for 90 per cent of Canadian exports to the USSR, and for nearly 50 per cent of exports to the People's Republic of China. Brazil, South Korea, France, Belgium - Luxembourg, Australia and Italy were also important export destinations; Brazil and South Korea have become more important export destinations over the past few years, although exports to the other countries have decreased. These 13 leading destinations accounted for nearly 92 per cent of domestic exports in 1984.

Table 1. Domestic exports¹, by leading countries, 1981-84²
(million dollars)

Country	1981	1982	1983	1984
United States	53,900	55,847	64,206	82,796
Japan	4,498	4,568	4,722	5,629
United Kingdom ³	3,306	2,670	2,445	2,443
USSR	1,866	2,069	1,761	2,122
China, People's Republic of ...	1,018	1,228	1,607	1,272
Germany, Federal Republic of ²	1,287	1,234	1,150	1,221
Netherlands ¹	1,196	1,044	957	1,063
Brazil	678	537	596	775
Korea, South	449	484	555	713
France ³	981	707	626	701
Belgium - Luxembourg ³	830	773	700	677
Australia	777	649	438	617
Italy	916	695	549	578
Sub-total	71,702	72,503	80,313	100,607
Total domestic exports	81,337	81,825	88,155	109,543

¹ Customs basis.

² Countries are ranked according to 1984 values.

³ Due to trans-shipments via the Netherlands and Belgium - Luxembourg, exports to and imports from these countries tend to be overstated, whereas exports to and imports from Germany, France and some other European countries may be under-represented by these data.

Table 2. Exports¹, by commodities, 1981-84
(million dollars)

Commodity	1981	1982	1983	1984
Wheat	3,728	4,289	4,648	4,710
Animals and other edible products ...	5,714	5,933	5,761	6,108
Metal ores and concentrates	4,086	3,192	2,896	3,670
Crude petroleum	2,505	2,729	3,457	4,390
Natural gas	4,370	4,755	3,847	3,886
Other crude materials	4,250	4,108	4,073	5,404
Lumber	2,989	2,913	3,965	4,254
Wood pulp	3,819	3,221	3,049	3,908
Newsprint	4,326	4,086	3,956	4,784
Fabricated metals	8,352	7,373	7,707	9,448
Other fabricated materials	11,054	10,272	11,296	13,597
Motor vehicles and parts (partial)	13,185	16,518	21,227	29,404
Other machinery and equipment	9,969	9,953	9,718	12,403
Other domestic exports	2,990	2,483	2,556	3,578
Sub-total	81,337	81,825	88,155	109,543
Re-exports	2,474	2,705	2,458	2,952
Total exports	83,811	84,530	90,613	112,495

¹ Customs basis.



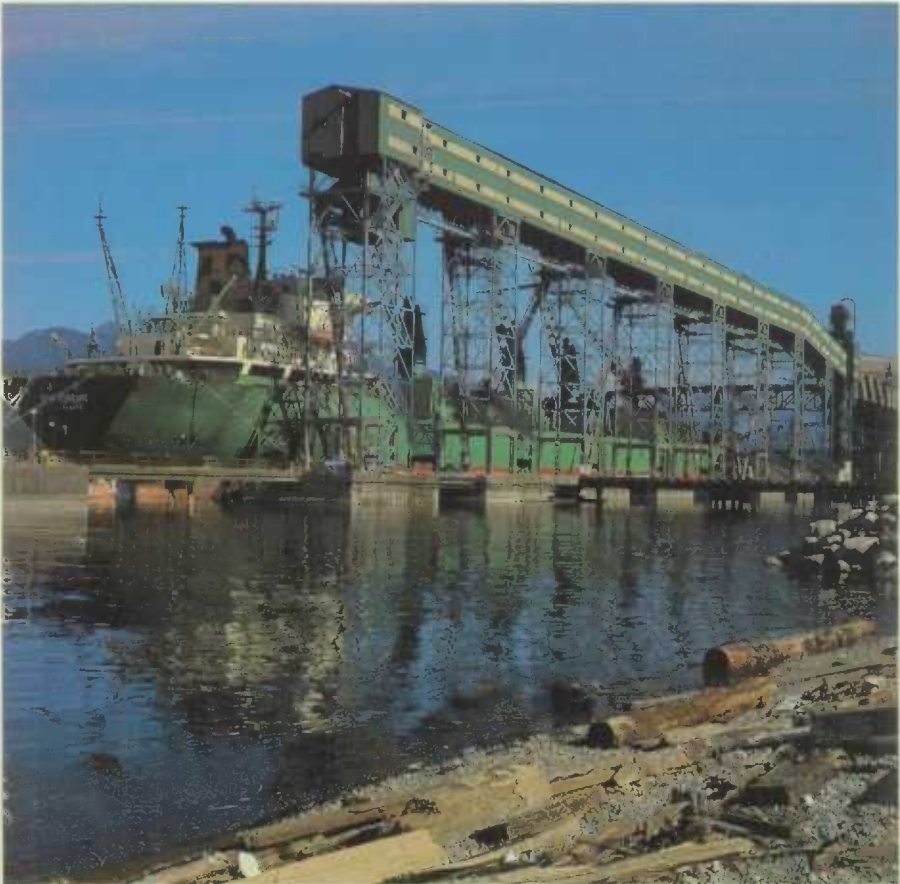
Canadian lumber being cut into saleable lengths upon arrival in dealer's yard in Onihama, Japan.

Houses in Tskuba, Japan, built with lumber from Canada.



The value of exports of automotive products recorded another large increase (42 per cent) in 1984; their share of domestic exports increased from 17 per cent in 1981 to 28 per cent in 1984. Exports of major forest products of lumber, wood pulp and newsprint paper accounted for 12 per cent of domestic exports in 1984, compared with 14 per cent in 1981. The value of crude petroleum exports rose by 27 per cent for a second consecutive year, largely as a result of increases in the volume exported. Natural gas exports were 18 per cent lower than in 1982, a result of depressed prices and soft demand in the US. Exports of metals, in ore and fabricated form have accounted for 12 per cent of domestic exports during the past two years, down from 15 per cent in 1981. The value

Freighter at wheat pool terminals in Vancouver. loading grain for export.





A train load of coal from the Elk River area of southern British Columbia travelling to Vancouver for shipment to Japan.

of exports of machinery and equipment, comprising industrial machinery, aircraft and telecommunication equipment rose sharply (28 per cent) in 1984, after two declines; their share of total domestic exports was 11 per cent in 1984, down from 12 per cent in 1981 and 1982.

In 1946, the Canadian Parliament established the Canadian Commercial Corporation (CCC), a Crown corporation with a mandate to "assist in the development of trade between Canada and other nations". Since then, the corporation has assisted more than 500 Canadian firms to export nearly \$13 billion in goods and services to over 90 foreign countries. In 1984, the CCC negotiated government-to-government contracts providing for export sales totalling nearly \$800 million. Since 1978, the corporation has also been assisting Canadian firms and consortia in the pursuit of capital project opportunities abroad.

Table 3. Imports¹, by leading countries, 1981-84²
(million dollars)

Country ¹	1981	1982	1983	1984
United States	54,538	47,866	54,077	68,540
Japan	4,057	3,527	4,413	5,711
United Kingdom	2,386	1,904	1,810	2,319
Germany, Federal Republic of	1,610	1,384	1,575	2,174
Mexico	1,049	998	1,089	1,438
Taiwan	729	661	925	1,224
France	879	877	841	1,219
Venezuela	2,385	1,805	1,004	1,207
Korea, South	608	586	791	1,152
Italy	703	725	798	1,116
Hong Kong	675	669	820	966
Brazil	431	482	500	670
Sweden	445	366	416	582
Netherlands	296	267	350	545
Sub-total	70,791	62,117	69,409	88,863
Total imports	79,482	67,856	75,608	95,842

¹ Customs basis.

² Countries are ranked according to 1984 values.

³ The list of countries was developed to indicate trade figures; its scope does not reflect the views of the Government of Canada on international issues of recognition, sovereignty or jurisdiction.

Imports

The share of total imports from the United States rose from 68.6 per cent in 1981 to 71.5 per cent in 1983 and 1984. Automotive products are an important component of imports from the US; their share rose from 27 per cent in 1981 to 35 per cent in 1984. Ranking next was Japan with a 6 per cent share of total imports followed by the United Kingdom and the Federal Republic of Germany, both with shares slightly larger than 2 per cent. Mexico, Taiwan, France, Venezuela, South Korea, Italy and Hong Kong all recorded import shares between one per cent and 1.5 per cent. Mexico and Venezuela together supplied 44 per cent of crude petroleum imports to Canada in 1984; this commodity accounted for 72 per cent of imports from Venezuela and for 40 per cent of imports from Mexico.

Imports of automotive products and machinery and equipment rose to 57 per cent of total imports in 1984, compared with 50 per cent in 1981. The share of total imports represented by automotive products rose to 29 per cent in 1984, from 21 per cent in 1981. The share of machinery and equipment decreased in 1982 and 1983 due to declines of imports of industrial machinery, agricultural machinery and aircraft; its 1984 rise was mostly attributable to the beginning of recovery in these sectors and continued strength in imports of electronic computers and other machinery and equipment. Imports of electronic computers recorded increases of 14 per cent in 1982, 9 per cent in 1983 and 47

per cent in 1984. The value of imports of fabricated metals was 18 per cent below the 1981 level due to decreased imports of iron and steel products. The value of imports of end products rose to 66 per cent of total imports value, up from 58 per cent in 1981. The share of crude materials imports decreased to 8 per cent in 1984 from 15 per cent in 1981. The share of processed materials imported remained quite stable, around 18 per cent over the past four years.

Table 4. Imports¹, by commodities, 1981-84
(million dollars)

Commodity	1981	1982	1983	1984
Meat and fish	689	678	773	925
Fruits and vegetables	1,802	1,873	1,880	2,169
Animals and other edible products	2,743	2,387	2,350	2,812
Coal	834	932	841	1,094
Crude petroleum	8,004	4,979	3,319	3,376
Other crude materials	3,469	2,780	3,080	3,525
Textiles	1,426	1,193	1,483	1,734
Chemical products	3,814	3,586	4,393	5,212
Fabricated metals	4,753	2,834	3,223	3,900
Other fabricated materials	4,554	4,182	4,917	6,366
Motor vehicles and parts (partial)	16,203	15,124	19,286	26,409
Industrial machinery	7,296	5,657	5,292	6,614
Agricultural machinery	2,386	1,688	1,514	1,769
Aircraft, aircraft engines and parts	2,351	1,523	1,815	2,224
Electronic computers	2,327	2,647	2,886	4,242
Other machinery and equipment	8,781	7,880	9,826	12,587
Other imports	8,050	7,913	8,732	10,886
Total imports	79,482	67,856	75,608	95,842

¹ Customs basis.

Service Transactions

The deficit on service transactions reached a record \$19.7 billion in 1984, 13 per cent more than in the previous year. Net payments of interest and dividends traditionally account for a significant part of the service transactions deficit; in 1984, this item showed a \$13.3 billion deficit, up 26 per cent from the previous year and equal to nearly 60 per cent of the total service deficit. The size of the deficit on interest and dividends reflects the much higher level of foreign investment in Canada than of Canadian investments abroad. Canadian foreign travel payments exceeded receipts from foreign visits to Canada by \$2.1 billion in 1984, slightly less than in 1983, and contributed more than 10 per cent of the deficit on service transactions. The travel account recorded its last surplus in 1967 and its worst deficits in 1977, 1978, 1983 and 1984. Most other types of service transactions regularly record deficits; in 1984, the deficit for this category totalled \$5.2 billion, less

than the deficit in 1981 and 1982, but more than any other year. Unlike other service transaction items, freight and shipping have recorded a surplus in each of the past seven years, including a record \$667 million in 1984.

Financial Transactions and Investment

In order to finance its chronic current account deficit (a deficit has been recorded in 28 of the last 35 years) and to maintain the international value of its currency, Canada has had to attract more foreign capital than it has sent abroad. To accomplish this, Canada offered attractive rates of return on its private and public-issued bonds and welcomed foreign investment in Canadian corporations.

From 1946 to 1974, foreign direct investment in Canada was always larger than Canadian direct investment abroad. Since 1975, this situation has been reversed, as Canadians increased their acquisition of equity in other countries (spending totalled \$17.9 billion from 1980 to 1984) and started buying back some of the foreign-owned equity in Canada (expenditures totalled \$14.8 billion over the five years, which included a total of \$11.1 billion in the two-year period 1981 and 1982); the net flows of funds between foreign direct investors and their direct investment enterprises remained strong during the period, amounting to an inflow of \$12.2 billion.

A significant portion of the funds required by Canadian concerns to carry out their acquisitions were found abroad. In the past five years, net foreign sales of Canadian stocks totalled \$1.6 billion; sales were particularly strong in 1980. Canadian corporations raised \$14.5 billion through the issue of new bonds between 1979 and 1984; net receipts from corporate bond transactions amounted to \$8.8 billion. The governments and their enterprises also called upon foreign investors to finance some of their financial operations: net foreign sales of new bond issues earned \$6.2 billion for the Government of Canada, \$17.4 billion for provincial governments and \$900 million for municipalities. The net inflow of funds into Canada from transactions in Canadian bonds amounted to \$39.5 billion during the five-year period.

At the end of 1984, Canada's gross international assets amounted to \$117.4 billion, 2.1 times the amount in 1979 (\$41.4 billion was in direct investment and \$37.6 billion was in portfolio and other long-term investment). Nearly 72 per cent of Canadian direct investment abroad was located in the US and slightly less than 5 per cent was located in the United Kingdom.

At the end of 1984, the value of Canada's gross international liabilities reached \$275.6 billion, 77 per cent more than in 1979 (a level 2.3 times as large as the level of assets); foreign direct investment in Canada was valued at \$83.1 billion, 77 per cent was owned by United States residents and 9 per cent by United Kingdom residents; and the value of foreign portfolio investment reached \$115.4 billion, including \$93.2 billion in bonds.

During the past few years, the Government of Canada has intervened a number of times to reduce the amplitude of change in the value of the Canadian dollar relative to the currencies of our major trading partners, particularly the US dollar. These interventions were reflected in the official monetary movements (international reserves and monetary liabilities). Canada's official international reserves were estimated at US\$3.2 billion at the end of 1984, down from US\$4.2 billion in 1983, and the lowest year-end level since 1969.

Common Conversion Factors from SI Metric to Canadian Imperial Units

Length

1 mm	=	0.03937 in.
1 cm	=	0.3937 in.
1 m	=	3.28084 ft.
1 km	=	0.62137 mi.

Area

1 km ²	=	0.3861 sq. mi.
1 ha	=	2.47105 acres
1 m ²	=	0.000247 acres

Mass (Weight)

1 kg	=	2.204622 lbs.
1 kg	=	0.0011023 tons (short)
1 kg	=	0.000984 tons (long)
1 kg	=	32.1507 troy ounces
1 g	=	0.0321507 troy ounces
1 t	=	1.102311 tons (short)
1 t	=	0.9842065 tons (long)

Volume and Capacity

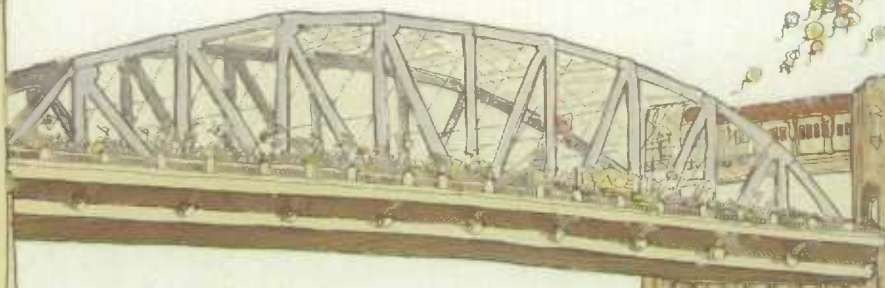
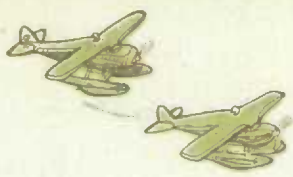
1 m ³	=	220 gal.
1 m ³	=	35.31466 cu. ft.
1 m ³	=	423.78 board feet
1 dm ³	=	0.423776 board feet
1 m ³	=	6.28982 barrels
1 litre	=	0.219969 gal.
1 dm ³	=	0.027496 bushels
1 m ³	=	27.4962 bushels

Mass in SI Metric to Average Capacity in Canadian Imperial Units for Common Field Crops

Wheat, soybeans, potatoes, peas	1 t	=	36.74 bushels
Rye, flax, corn	1 t	=	39.37 bushels
Rapeseed, mustard seed	1 t	=	44.09 bushels
Barley, buckwheat	1 t	=	45.93 bushels
Mixed grains	1 t	=	48.99 bushels
Oats	1 t	=	64.84 bushels
Sunflower seed	1 t	=	91.86 bushels

Temperature

$9/5$ temperature in °C + 32 = temperature in °F



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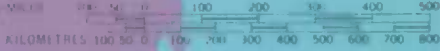
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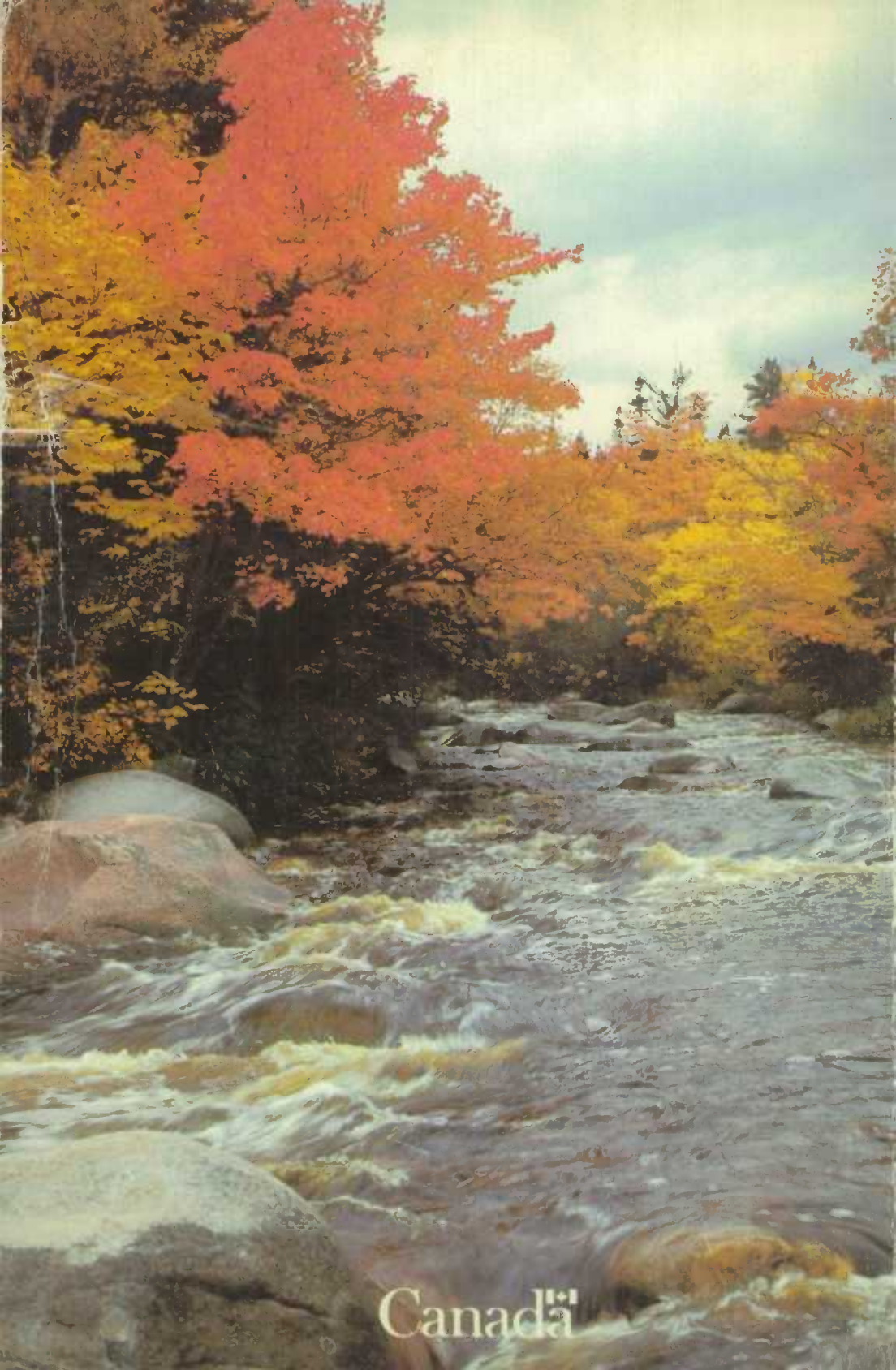


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SCALE 1:250,000,000 OR ONE INCH TO 330 MILES



Federal Capital ● Provincial Capital ●



Canada