

Content

<u>Items</u>	<u>Page</u>
Review of Emerging Issues	2
Date of By-election	2
1976 Summer Olympic Games	2
Visit of President Nixon	3
Ministerial Letterhead	3
Co-ordination of Ministerial Announcements	3
Ministerial Attendance at Presentation by The Canadian Federation of Agriculture	4
An Act to Amend the Canada Labour Code - Oral Report by the Minister of Labour	4
Business of the House	6
Measures to Lower the Unit Cost of Prescription Drugs, Including a Drug Benefit Program	8
Agreement between Canada and the United States on Great Lakes Water Quality	10
Proposed James Bay Hydro Electric Project	11
Canada-U.S.S.R. Trade Negotiations	12
The Canada Wildlife Act	12
Action Required to Increase the Capacity of the Present Transportation and Handling System Through the Provisions of Additional Cars	13
Domestic Control of the National Economic Environment	14
Confirmation of the Decisions of Cabinet Committees:	17
Canadian Delegation to UNCTAD III - Santiago, Chile	17
Master Low Income Housing Agreement Between the Quebec Housing Corporation and Central Mortgage and Housing Corporation	17
Revision of the Mint's Buying Price for Gold	18
Appointment: Chairman of the Tariff Board	19
Judicial Appointment: Kenneth H. Fogarty	19
Judicial Appointment: F.A. Gardner	19
Appointment: Unemployment Insurance Act; Chairman, Board of Referees, Quebec Regional Division	19
Appointment: Deputy Minister, Department of Manpower and Immigration	19

Review of Emerging Issues

(a) Date of By-election

The Prime Minister referred to the need to announce, in one case by March 31 and in the other by April 7, the dates for by-elections to fill vacant seats in Ontario and Newfoundland respectively. The Prime Minister wondered whether an announcement of the proposed date of the by-election had to be made in the House prior to the Easter recess. The point would be looked into.

(b) 1976 Summer Olympic Games

The Minister of State for Urban Affairs reported that Mayor Drapeau was calling on April 3 a conference of international press representatives to report on plans for the Summer Olympic Games scheduled to be held in Montreal in 1976. It was possible that Mayor Drapeau would on that occasion imply a degree of financial support by the federal government going beyond the position which Mayor Drapeau had hitherto taken, privately and publicly, that federal expenditure would not be required in connection with the Games, except as reflected in established programs. Should that occur it might no longer be possible to maintain the present posture of saying as little as possible about the 1976 Olympic Games.

Review Of Emerging Issues - Olympics '76

The Prime Minister, in introducing this item, informed his colleagues that Mayor Drapeau had insisted upon seeing him before his departure for Munich. The Prime Minister explained that the Mayor wanted to reassure him concerning the financial implications of holding the Olympics in Montreal; he was quite confident that he could proceed as planned and that enough money could be raised without having to ask financial assistance from the federal government. The Prime Minister had reiterated the federal position to Mayor Drapeau both verbally and in writing. He got the impression that the Mayor was sensitive to the political difficulties which would arise if large sums of federal money were poured into Montreal, and the Mayor stated that he did not want in any way to hurt the federal government politically, especially during the period of a general election. The Mayor had expressed agreement with the federal position and appreciated the reasons behind it. It had been agreed that following Mr. Drapeau's return from the Munich Olympics, officials from the federal government would meet with the City's officials concerned with a view to proceeding to an analysis of costs. The Prime Minister added that meanwhile the work of the Senior Interdepartmental Committee should be suspended and that the Committee be dispensed from submitting the report which Cabinet had earlier requested; any draft of that report should not be circulated in order to prevent any possible indiscretion that might be misconstrued as showing federal interest in the Olympics. However, work should proceed on a list of questions concerning costs. The Minister of Urban Affairs questioned the relevance of his being the Minister responsible for this question in view of its political aspects and the fact that he was not as thoroughly familiar with the political situation in Quebec as some of his colleagues. The Prime Minister agreed that the point was well taken and that he would be pleased to discuss it personally with Mr. Basford but pointed out that a change at this time might convey the impression of a change in the federal government's position. In answer to a question regarding the attitude of Premier Bourassa, the Prime Minister said that, like Mayor Drapeau, the Quebec Premier believed that the Olympics would have the effect of taking people's minds away from separatism, an opinion he does not share. He quoted the precedent of Expo '67 which had been followed by a slowing down of the economic growth of Quebec. He added that both Premier Bourassa and Mayor Drapeau firmly believe that enough revenues would be earned to make financial assistance from the federal government unnecessary. Various proposals are under consideration for raising money (lotteries, stamps, coins, etc.). The Minister of Supply and Services said that he was aware of one of those proposals which call for special gold coins to be produced by the Canadian Mint, and which in due course, after review by the Mint Officials, would be brought to the Cabinet for approval. The Secretary of State, for his part, informed the Cabinet that the President of the CBC had arranged for the organizers of the Olympics to meet the Corporation's financial committee and that in the light of the discussions that took place some of the misconceptions regarding anticipated television revenues were corrected. The Minister of Finance inquired as to the level at which the meeting would be held in Montreal. Mr. Turner's point was that it should be at a level below the Mayor. However, the Prime Minister believed that the Mayor himself was the only person fully familiar with all aspects of the Games and that it could be difficult to have these discussions on cost estimates without his being present. Mr. Basford suggested that despite the fact that the report of the Interdepartmental Committee would not be completed, he should nevertheless be in a position to ask officials to proceed with their financial analysis. The consensus of Ministers was that indeed this should be done, and that the Executive subcommittee of the Committee should go ahead with the assistance of financial experts drawn from within the Government.

SECRET

The Prime Minister reported that Mr. Bourassa appeared to believe that the Olympic Games could be held in Montreal in 1976 without in fact involving the federal government in any unusual expenditure; Premier Davis, on the other hand, recognized that considerable expenditures would be involved, and was anxious, with regard to the proposal to hold certain events in the Kingston area, to avoid any commitment on the part of the Government of Ontario.

The Cabinet noted that it would be desirable to review the position in the light of developments at Mayor Drapeau's forthcoming press conference.

(c) Visit of President Nixon

The provisional program for President Nixon's forthcoming visit was reviewed. While United States reactions to that proposed program were not yet available, it was assumed that following arrival in Ottawa on the evening of April 13, and an address to both Houses of Parliament on April 14, President Nixon would travel to Toronto on April 15 for the signing (either by himself or by Secretary of State Rogers) of the Great Lakes Water Quality Agreement. The political importance of that ceremony, and of functions that might be arranged in connection with it, were noted. The Prime Minister proposed that Ministers from the Toronto area, and others connected with the visit or the ceremony, should keep in close touch with his office to ensure that the arrangements made meet federal requirements.

(d) Ministerial Letterhead

The Postmaster General, observing that the supply of his present letterhead was nearly exhausted, enquired whether it would be the view of Ministers that he should order in replacement, letterhead conforming to the new pattern previously approved by Cabinet, or whether such action at this time might give rise to unnecessary difficulties. It was noted that some Ministers had already begun to use letterhead conforming to the new pattern, but that in the case of the Postmaster General, because of questions already raised about mail vans and post boxes, and in the case of the Prime Minister, because of his unique position, the introduction of the new type of letterhead might better be delayed.

The Minister of Manpower and Immigration observed that the earlier decision to move to the new style of letterhead had involved certain subsidiary considerations which had not yet been brought back to Cabinet for review as envisaged at that time. These considerations were at present under examination by Information Canada, and he expected in a short time to bring a paper to Cabinet that would review the various factors involved in the implementation of this decision.

The Cabinet noted the intention of the Prime Minister and the Postmaster General to follow Mr. O'Connell's suggestion that no change in practice be made prior to consideration of his forthcoming paper, and (if necessary meanwhile) to order a small additional supply of the present stationery.

(e) Co-ordination of Ministerial Announcements

The Cabinet noted that the Prime Minister would be writing to his colleagues shortly to remind them of the procedure whereby Miss Fairbairn, of his office, was to be notified a week in advance of proposed ministerial statements on Motions to permit the effective co-ordination of such statements, unless of course emergency situations arose which precluded such advance notification.

SECRET

The Cabinet agreed that:

(a) the work of the Senior Interdepartmental Committee on the Olympics be suspended for the time being;

(b) the Executive sub-Committee of the Interdepartmental Committee need not submit the report which the Cabinet had requested at its meeting of July 14;

(c) the Executive Sub-Committee should continue its analysis of the estimates of the costs of the Olympic Games in anticipation of meetings to be held with Mayor Drapeau and his officials following the Munich Olympics, and for the purpose of this analysis of costs, the Sub-Committee enlists the assistance of financial experts from within the Government.

Review Of Emerging Issues - Food Prices

The Minister for Consumer and Corporate Affairs brought to the attention of the Cabinet the latest figures regarding the increase in the index for food prices. The Minister of Finance commented that the same situation prevailed in the United States, despite the controls that the Nixon administration had set up. The Minister of Finance strongly suggested that the less said publicly about price controls the better. The threat of such controls brought about price increases. While in agreement, Mr. Andras pointed out that some form of political response on the part of the Government was needed in answer to likely inquiries about the latest index. Mr. Turner said that he would try to come up with an analysis of the situation. The Minister of Agriculture commented that the rise in food prices was welcomed by farmers and helped them significantly. The rise in food prices had lagged behind the rise in other prices during the last ten years.

Negotiations With The Postal Workers -
Review Of Emerging Issues

The Postmaster General reported to the Cabinet that he had just heard that the postal workers had decided in favour of conciliation procedures. In answer to an enquiry from the Prime Minister, he expressed the view that this was a move that might likely lead to a strike situation.