

(g) appropriate bilateral consultations and negotiations with the USA, France and other major countries directly affected by Canada's extension of jurisdiction be pursued as a matter of priority;

(h) officials of the Departments of External Affairs, Environment and Justice be instructed to continue studies of possible amendments of fisheries legislation and possible revisions of international fisheries agreements to which Canada is a party, taking into account new provisions that may be considered expedient following extension of jurisdiction;

(i) upon extension of Canada's fisheries jurisdiction coming into effect, any objections by foreign states to the extended application of Canadian controls on pollution be met by assurances and explanations to the effect that:

(i) the Fisheries Act has never operated to impede international navigation and may not reasonably be expected to do so in the future,

(ii) the extended application of the Ocean Dumping Control Act is justified by the terms of the applicable Convention and by an emerging consensus in the Law of the Sea Conference,

(iii) the Canada Shipping Act is to be amended to permit certain specific limitations on the areas on which its pollution provisions apply, and that

(iv) the laws of Canada applicable to the new zones are to be applied so as to avoid unreasonable interference with international navigation;

(j) the Secretary of State for External Affairs and the Minister of State (Fisheries) report back to Cabinet after the Law of the Sea Conference expected to end May 7, 1976.

Federal Involvement in the 1976 Olympic Games
- Eighth Status Report

Participation du fédéral dans les Jeux Olympiques
de 1976 - Huitième rapport de situation

The Cabinet had for consideration a report of the Cabinet Committee on Science, Culture and Information (760/75CR (1976), February 3, 1976) and a memorandum of the President of the Treasury Board (Cab. Doc. 760/75, November 19, 1975) reporting on federal involvement in the 1976 Olympic Games for the period June-August 1975.

In introducing his memorandum, the President of the Treasury Board reported that the deficit resulting from preparations for the Games continued to increase and that the government of Quebec continued its campaign to obtain further assistance from the federal government. The Premier of the Province had indicated to him that he intended to speak to the Prime Minister on this subject. Mr. Chrétien further reported that there was no change in the federal government's position with regard to assistance to the Games and that he had informed the Quebec government that he was prepared to consider new schemes whereby funds could be collected from the public but that there would be no direct contribution by the federal government.

Mr. Chrétien indicated that, on the basis of the information which was available to him, it was still possible for the installations in Montreal to be in a sufficiently advanced state for the Games to be held there. There would likely be, however, a considerable reduction in the number of seats available for spectators; reports indicated that only 15,000 to 45,000 seats might be available, whereas the design of the stadium was for a total capacity of 70,000. In his view, the problem at this time was not related to financing since Quebec would eventually raise the necessary funds; the obstacle was the lack of time. Productivity on the construction sites could not be increased significantly and the site could not accommodate a larger number of workers; the federal government could not really accomplish much even if it took over tomorrow.

In the course of the discussion, the following points arose:

(a) Ministers expressed concern at the repeated public interventions of some Liberal Members of Parliament in favour of further federal assistance to the Games. They felt that the Caucus should be advised on this matter, particularly because of the intense pressure some Members were subject to in their constituencies.

(b) The Secretary of State for External Affairs noted that outside the country, the Olympics were identified with Canada and not with Montreal or Quebec. Therefore, present difficulties relating to preparations were detrimental to Canada. Measures should be devised to counteract this negative effect.

Mr. MacEachen was also concerned that if the Games left the Province of Quebec with a very large deficit, the problem which the federal government was currently facing in responding to Quebec's campaign would not disappear after the Games.

(c) The Postmaster General agreed that the position of the federal government with regard to direct financial assistance to the Games should not be changed. In his view, however, some care should be taken in stating and reiterating that position in order that if the federal government ever had to change that position it should still be possible to do so. He noted, in this regard, that there had been articles,

recently, in the press, supporting direct financial participation by the federal government and that the Games would, in time, take on a more distinctly Canadian flavour.

(d) The Minister of Supply and Services suggested that the federal government take the initiative in better informing the public about the revenues which were accruing to the "Comité Organisateur des Jeux Olympiques (COJO)" as a result of the Olympic Lottery and of the Olympic Stamp and Coin Program, and underline the contribution of all Canadians through these programmes. For similar reasons, the Minister of Labour suggested that more publicity be given to the fact that some of the proceeds of the Games would go outside the Province of Quebec by way of the events which were to be held in various parts of Ontario.

(e) Ministers considered the possibility of extending the present Olympic lottery, perhaps by changing it to a permanent national lottery, as a means of raising funds to cover, at least partly, the expected deficit of the Games. The President of the Treasury Board noted that the Olympic Lottery was a great success and that its organization was very efficient; he wondered whether this organization should not be maintained. Recent exploratory talks which Quebec had had with other provinces, however, had not been conclusive: Provinces wished to retain up to 95% of the proceeds of any extended Olympic Lottery derived from within their borders. In these circumstances, a federally-initiated national lottery might be a worthwhile alternative. It was estimated by the President of the Treasury Board that such a lottery could produce a yearly net revenue of \$100 millions.

(f) The Minister of Finance held the view that it would be folly to give the government of Quebec any indication, before the Games, that the federal government might consider providing direct financial assistance. On the other hand, Mr. Macdonald pointed out that the federal government did not let provinces go bankrupt and that he had discussed with the President of the Treasury Board implications of the expected Games deficit.

(g) The Minister of the Environment agreed that the government should not move from its present position regarding assistance to the Games. He emphasized, however, that the problems which the 1976 Games had brought should serve as a lesson. The government should, in the future, ensure that the sponsors of similar events were fully able to finance them before they were provided with any sort of approval or support.

The Cabinet agreed that:

(a) the eighth quarterly report on Federal Involvement in the 1976 Olympic Games be noted;

(b) future quarterly reports on Federal Involvement in the 1976 Olympic Games provide data on stocks of unsold Olympic coins;

(c) the Minister of Finance issue regular reports, monthly if appropriate, informing the public of payments made to COJO under existing Olympic revenue-generating programs;

(d) the President of the Treasury Board arrange for publicity to be given to the fact that a number of Olympic events are to be held outside the Province of Quebec and to the activities in these areas in preparation for the events; and

(e) the President of the Treasury Board re-examine the question of a national lottery and report to Cabinet.

Early Retirement Program for Operating
Air Traffic Controllers and Other Special Groups

Programme de retraite anticipée pour les
contrôleurs du trafic aérien d'exploitation
et pour d'autres groupes spéciaux

The Cabinet had for consideration a report from the Treasury Board (Cab. Doc. 57/76CR (NSD), February 6, 1976) proposing that legislation be drafted which would provide for early retirement of operating air traffic controllers and other groups.

In response to a question of the Minister of State (Fisheries), the President of the Treasury Board indicated that Cabinet had authorized the Treasury Board to develop early retirement programs for certain special groups, in particular air traffic controllers and penitentiary employees. He pointed out, however, that the proposed legislation which was for consideration at this time applied to air traffic controllers only.

The Cabinet agreed that:

(a) the Legislation Section of the Department of Justice be authorized to draft legislation, in consultation with the Secretariat of the Treasury Board, to amend the Public Service Superannuation Act to provide for early unreduced retirement pensions for air traffic controllers; and

(b) the legislation be drafted and introduced in Parliament in accordance with priorities to be established by the Cabinet Committee on Legislation and House Planning.

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the Cabinet Committee on Government Operations (734-74CR(1975), January 21, 1975 and 734-74CR(1975) (1), July 18, 1975) and Record of Cabinet Decision 734-74RD (C)(1975) January 20, 1975) which outlines various measures relating to a sugar policy for Canada.

During the discussion, the Minister of Supply and Services requested that his Department be consulted on the drafting of a memorandum examining alternatives for a comprehensive sugar policy.

The Cabinet agreed that:

(a) the report of the Interdepartmental Committee on Sugar Policy be noted;

(b) the Minister of Agriculture in conjunction with the Minister of Industry, Trade and Commerce, the Minister of Consumer and Corporate Affairs and the Minister of Supply and Services should submit for Cabinet consideration, before the end of 1975, a memorandum examining alternatives for a comprehensive sugar policy which would include the following elements

(i) the future role of the domestic sugar beet industry in meeting domestic requirements,

(ii) mechanisms for importing raw sugar to meet domestic needs such as, for example, government regulation or government purchase,

(iii) mechanisms to ensure fair business practices with respect to sugar processing and refining;

(c) the policy memorandum referred to in (b) above should deal with implications relating to, inter alia: international trade relations, consumer prices, stability of supply and tariffs.

Federal Involvement in the 1976 Olympic Games - Sixth Status Report

Participation du Fédéral dans les Jeux Olympiques de 1976 - Sixième rapport de situation

The Cabinet had for consideration a memorandum from the President of the Treasury Board (Cab. Doc. 391-75, May 14, 1975) providing Ministers with information on the status of federal government activities relating to the 1976 Summer

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Olympics and a report from the Cabinet Committee on Government Operations (391-75CR, July 23, 1975).

During the discussion, the following points emerged:

(a) Several Ministers expressed concern that the participation and involvement of the federal government in the Olympic Games were not visible enough to the public. They asked that ways be found to inform the public of its activities before and during the Olympic Games and suggested that the CBC might be a channel through which the participation of the federal government in the Olympic Games could be explained to the public.

(b) The Postmaster General expressed some doubts with respect to the success of the coins program. He said that new marketing avenues would have to be found if the program goals were to be met. Mr. Mackasey informed his colleagues that several companies had authorized the purchase of Olympic coins through payroll deductions. He suggested that the federal government might also wish to adopt the same scheme for public servants.

(c) A few Ministers were concerned that the two series of Olympic gold coins would confuse or irritate prospective buyers since they contained different amounts of gold but were sold for the same price. Other ministers said that these coins were collectors' items and the numismatists would easily be able to differentiate between the coins.

The Cabinet noted:

(a) the Sixth Status Report on Federal Involvement in the 1976 Olympic Games;

(b) the intention of the President of the Treasury Board to bring forward, in September, 1975, a document dealing with the main aspects of the federal government's participation in, and identification with, the Olympic Games.

The Cabinet agreed that:

(a) the Postmaster General consult with the President of the Treasury Board on the feasibility of permitting public servants to purchase Olympic coins through payroll deductions;

(b) the President of the Treasury Board consider in the context of his September report to Cabinet, and in consultation with other interested ministers, the feasibility of using the CBC to inform the public of the involvement of the federal government in these Games.

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3. Federal Involvement in the 1976 Olympic Games - Seventh Status Report
(Committee Report 566-75CR (1976))

Participation du fédéral dans les Jeux Olympiques de 1976 - Septième rapport de situation
(Rapport du comité 566-75CR (1976))

The Cabinet Committee on Science, Culture and Information had for consideration at its meeting on Tuesday, February 3, 1976, a memorandum of the President of the Treasury Board (Cab. Doc. 566-75, September 18, 1975) providing Cabinet with the seventh report, covering the March to May 1975 quarter, on federal involvement in the 1976 Olympic Games.

The Committee agreed that the seventh quarterly report on Federal Involvement in the 1976 Olympic Games be noted.

4. Railway Labour Negotiations
(Committee Report 60-76CR (NSD))

Négociations collectives des travailleurs du rail
(Rapport du comité 60-76CR (NSD))

The Cabinet had for consideration a report from the Cabinet Committee on Government Operations (60-76CR (NSD), February 11, 1976) concerning the present labour negotiation involving the railways.

The Minister of Labour reported that, as he had indicated previously to the Cabinet Committee, he intended to appoint an Industrial Commissioner to assist in resolving the current impasse in collective bargaining between the railways and the railway operating unions.

Mr. Munro informed his colleagues that Judge Emmett Hall had agreed to be the appointed Commissioner and that he intended to make a public announcement in this regard immediately.

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name.

The Cabinet confirmed the report of the Cabinet Committee on Government Operations that the Committee on hearing the Minister of Labour's report that the collective bargaining between the railways and the railway operating unions had reached an impasse, that the parties had requested his assistance, and that he had three possible courses of action: to refrain from intervening in the negotiations for the present; to appoint an Industrial

The Cabinet noted:

- (a) that the Minister of Transport is preparing, for Treasury Board consideration, the plan that Cabinet requested on the ways and means to convert the present 80 per cent subsidy formula to the proposed 100 per cent subsidy level as referred to in (3) above and in Annex A attached;
- (b) the importance of Treasury Board being able to consider in detail this plan before the discussions authorized in (3) above are far advanced.

Le Cabinet prend acte:

- (a) que le ministre des Transports prépare à l'intention du Conseil du Trésor le plan demandé antérieurement sur les voies et moyens de changer la formule actuelle de subvention à 80 p. 100 pour la formule proposée de subvention à 100 p. 100 dont font mention le paragraphe (3) et l'annexe A ci-après;
- (b) qu'il est important que le Conseil du Trésor puisse étudier ce plan à fond avant que les discussions autorisées en (3) ci-dessus ne soient trop avancées.

Federal Involvement in the 1976
Olympic Games - Ninth Status Report

Participation du fédéral dans les Jeux
Olympiques de 1976 - Neuvième rapport de situation

The Prime Minister suggested that the Committee Report be approved without modification on the understanding that the Secretary of State, who was not present, could reopen in Cabinet the request that he review with the CBC the number of hours of Television Broadcasting that the CBC intended to devote to the 1976 Olympic Games.

The Minister of Industry, Trade and Commerce, said he had recently become aware of hotel space that had been reserved by his officials for distinguished visitors to the Olympics, without any apparent attempt to co-ordinate these reservations with other departments. He was concerned that other departments were following the same practice which could lead to waste and duplication.

In reply to a question from the Prime Minister, the President of the Treasury Board confirmed that his staff was responsible for co-ordinating arrangements that individual Departments make to provide accommodation or entertainment to distinguished visitors to the Olympics. He asked Ministers to ensure their officials were aware of the Treasury Board's responsibility, and urged Ministers to ensure that reservations were not being made needlessly.

During the discussion of the Olympics, the Prime Minister mentioned he would entertain the Queen once during her visit to Canada. He asked Cabinet whether Ministers preferred that he offer a large dinner, or a large reception followed by a small dinner. The preference of all Ministers that stated an opinion was for a large reception followed by a small dinner.

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The Cabinet agreed that:

- (a) the Ninth Status Report on Federal Involvement in the 1976 Olympic Games be noted;
- (b) the number of hours of television broadcasting that the Canadian Broadcasting Corporation intended to devote daily to the 1976 Olympic Games during the period July 17 to August 1st, 1976, appeared excessive. This question should be reviewed by the Secretary of State and the CBC, unless the Secretary of State wished further discussion of it by Cabinet;
- (c) all Ministers should ensure that arrangements that individual Departments make to provide accommodation or entertainment to distinguished visitors to the Olympics were known to the Olympics-Federal Liaison Unit, which has responsibility with the Department of Supply and Services for co-ordinating these arrangements. Ministers should also ensure these arrangements are not excessive or wasteful, and that they do not duplicate the facilities of the hospitality center to be operated by the Department of External Affairs, but which will be available to all Ministers.

Le Cabinet convient que:

- (a) soit pris acte du neuvième rapport sur la participation du gouvernement fédéral aux Jeux olympiques de 1976;
- (b) le secrétaire d'État et la Société Radio-Canada réexaminent la question du temps d'antenne (télévision) que celle-ci se propose de consacrer chaque jour aux Jeux olympiques de 1976 entre le 17 juillet et le 1^{er} août 1976, lequel temps lui paraît excessif, à moins que le secrétaire d'État ne juge préférable que le Cabinet poursuive son étude à ce sujet;
- (c) les ministres s'assurent que les dispositions que prendront les différents ministères aux fins de loger ou de recevoir les personnalités venues assister aux Olympiades sont connues du groupe fédéral de Liaison pour les Olympiques, lequel est chargé d'assurer la coordination à cet égard, de concert avec le ministère des Approvisionnements et Services. Les ministres devront en outre faire en sorte que soient évités tout excès ou gaspillage en cette matière, de même que tout doublonnage avec les installations du centre d'accueil qu'administrera le ministère des Affaires extérieures mais dont les ministres pourront disposer.

Research Funds

Fonds de recherche

Several Ministers mentioned they were aware that the Progressive Conservative Party was employing a firm of private detectives to obtain information about alleged corruption in the letting of Government contracts. At the request of the Prime Minister, the President of the Treasury Board agreed to ask the Speaker for a management audit of the research funds allocated to the Progressive Conservative Party. This audit would indicate whether or not these funds had been used for this purpose.

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5. Federal Involvement in the 1976
Olympic Games-Tenth Status Report
(Committee Report 365-76CR)

Participation du Fédéral dans les jeux
Olympiques de 1976 - Dixième Rapport de Situation
(Rapport du comité 365-76CR)

The Cabinet had for consideration a memorandum from the President of the Treasury Board (Cab. Doc. 365-76, undated) and a report of the Cabinet Committee on Science, Culture and Information (365-76CR, dated July 21) reporting on the federal government involvement in the 1976 Olympic Games.

The Cabinet, having confirmed the Committee Report, discussed three related matters - the Taiwan issue, Lottery-Canada and the gift to the Queen.

(1) The Taiwan Issue

The Minister of State (Fisheries) suggested that the Secretary of State for External Affairs should make available the whole record regarding the government's past and present position on the question of Taiwan's participation in the Olympic Games. This would enable Ministers to defend it more effectively and set the record straight for the Canadian public. It was also suggested that in the future, should similar incidents occur, the government should make the record available straightaway rather than after the event. Having reviewed the government's constant position since 1969 and indicated the availability of documents, the Secretary of State for External Affairs suggested that the final outcome of this issue would be positive though Canada had taken a great deal of criticism; it was therefore important not to waver from this position, which was consistent with Canada's foreign policy.

(2) Lottery-Canada

The President of the Treasury Board informed the Cabinet that the Ontario government had decided to establish its own lottery which would take part of the Ontario market from Lottery-Canada. Mr. Chrétien felt that Lottery-Canada had to be competitive in terms of prizes with the Ontario one: this would obviously mean reduced profits. He indicated that he had been in touch with the Premier of Quebec to advise him of the situation and its implications.

(3) Gift to the Queen

The Prime Minister informed Ministers that Canada would offer to the Queen on the occasion of her visit a casting of the Olympic Shield, a sculpture by the late Canadian surgeon-sculptor and athlete, Dr. Tait MacKenzie. There was a consensus that this shield should be displayed in Montreal, preferably at the Olympic Stadium.

The Cabinet confirmed the report of the Cabinet Committee on Science, Culture and Information that:

Le Cabinet approuve le rapport du comité du Cabinet chargé de la Science, de la Culture et de l'Information dans lequel celui-ci recommande:

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- (a) the Minister of Finance, the Postmaster General and the Minister responsible for the Royal Canadian Mint, submit by September 30, 1976, a plan for termination of the Olympic Coin Program;
 - (b) the Postmaster General, after consultation with the Minister of Finance, submit by September 30, 1976, a plan for termination of the Olympic Stamp and Postal-Related Products Program; and
 - (c) the Eleventh Status Report on the Federal Involvement in the 1976 Olympic Games, in order to reflect the specific involvement of the various departments and agencies during the Games, cover the six-month period between March 1, 1976, and August 31, 1976, and include a review as comprehensive as possible of the federal activities in support of the 1976 Olympic Games.
- (a) les ministres des Finances et des Postes ainsi que le ministre responsable de la Monnaie royale canadienne soumettent avant le 30 septembre 1976 le plan envisagé pour mettre fin aux activités du Programme de la monnaie olympique;
 - (b) après consultation du ministre des Finances, le ministre des Postes soumette avant le 30 septembre 1976 un plan pour mettre fin aux activités du Programme des timbres olympiques et des produits connexes; et que
 - (c) de façon à refléter la participation des différents ministères et organisme gouvernementaux aux Olympiades le onzième rapport de la présente série couvre la période de six mois allant du 1er mars au 31 août 1976 et présente notamment une rétrospective aussi exhaustive que possible de l'activité déployée par le gouvernement fédéral à l'appui des Jeux olympiques de 1976.

6. Secretary of State Core Funding of Native Associations
(Committee Report 362-76CR (TB) (NSD))

Secrétariat d'Etat financement de base des Associations Autochtones
(Rapport du comité 360-76CR (TB) (NSD))

Le Conseil du Trésor, lors de sa réunion du 8 juillet 1976, a examiné une présentation, datée le 21 juin 1976, dans laquelle le Secrétaire d'Etat recommande la reconduction pour cinq ans de la politique d'aide financière et de subventions aux associations autochtones, au coût de \$8,720,000 en 1976-77 et de \$9,391,600 en 1977-78.

La politique de base fut d'abord approuvée par le Cabinet en 1971 pour cinq ans (document 783-71) à condition qu'une évaluation soit faite à la fin de ce terme, en même temps que l'analyse générale du programme. Cependant, le programme fut établi dans des conditions qui n'ont pas permis de préparer une évaluation véritable dans les délais prévus. C'est pourquoi le Conseil du Trésor accepta le 19 février 1976 (CT 740912) de prolonger ce programme d'un an, i.e. jusqu'au 31 mars 1977, en reprenant, cependant, la condition originale et en exigeant un rapport d'étape dans les six mois.

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