

**La vingt et unième
Conférence Annuelle des
Premiers Ministres**

Winnipeg, Manitoba
au 20 août 24 août 1980



**The Twenty-First
Annual Premiers'
Conference**

Winnipeg, Manitoba
August 20-24, 1980

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challenges facing the Canadian economy.

They emphasized that the process of constitutional reform, while extremely
important, must not be allowed to interfere with or divert from the concerted
effort necessary to respond to current economic problems. The specific measures
were identified as being essential to support this effort.

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CONFERENCE COMMUNIQUE #2

process of federal/provincial consultation on fiscal and
economic matters, including a Conference of Finance Ministers
prior to the Federal Budget, and a full-scale First Ministers'
conference on the economy at the earliest opportunity later
this year.

THE ECONOMY

2. The Premiers also directed their Ministers of Finance and

Economic Development to meet at an early date, with the
objective of improving the co-ordination and harmonization of
provincial economic development policies and strengthening the
operation of the Canadian economic union. Federal Ministers
will be invited to participate.

The Premiers stressed that realization of the hypothesized vision for
Canada in the next several years will require complementary, carefully
planned measures by both levels of government, and that it is essential for
all efforts to ensure the most effective possible working partnership.

The Current Economic Situation

While all Premiers voiced their governments' concerns about Canada's
economic performance by 1982, they noted that moderate recovery is forecast
for 1981, and that prospects continue to be positive for the medium and long
term, given the well-lying provincial strengths and advantages which the
Canadian economy enjoys.

THE ECONOMY

Following a detailed review of national and regional economic conditions and the outlook for 1981, the provincial Premiers agreed unanimously on the need for a more effective, co-operative approach by senior governments to the challenges facing the Canadian economy.

They emphasized that the process of constitutional reform, while extremely important, must not be allowed to interfere with or detract from the concerted effort necessary to respond to current economic problems. Two specific thrusts were identified as being essential to support this effort.

1. They agreed that there must be an immediate renewal of the process of federal/provincial consultation on fiscal and economic matters, including a Conference of Finance Ministers prior to the Federal Budget, and a full-scale First Ministers' Conference on the Economy at the earliest opportunity later this year.

2. The Premiers also directed their Ministers of Finance and Economic Development to meet at an early date, with the objective of improving the co-ordination and harmonization of provincial economic development policies and strengthening the operation of the Canadian economic union. Federal Ministers will be invited to participate.

The Premiers stressed that realization of the opportunities open to Canada in the next several years will require complementary, carefully planned responses by both levels of government, and that it is essential for new efforts to ensure the most effective possible working partnership.

The Current Economic Situation

While all Premiers stated their governments' concerns about Canada's economic performance in 1980, they noted that moderate recovery is forecast for 1981, and that prospects continue to be positive for the medium and long term, given the underlying potential strengths and advantages which the Canadian economy enjoys.

However, they stressed that the realization of Canada's potential in the years ahead will depend, to a significant degree, on the public policy environment established at the national and provincial levels.

The Premiers also believed it is imperative that the federal government recognize the key role of the provinces in strengthening, and adding greater balance to provincial economies.

The Need for Renewed Federal/Provincial Consultation

The Premiers recalled the valuable results of the 1978 First Ministers' Conferences on the Economy, including the set of fiscal and economic policy guidelines which had been agreed to by all eleven governments. They stated that it was essential to re-establish the kind of effective, ongoing consultative process which was required to refine and strengthen those guidelines.

The Premiers agreed that a Finance Ministers' Conference should take place in advance of the Federal Budget in light of growing apprehension about some of the fiscal options the federal government appears to be considering.

The Premiers noted that it had been almost two years since the First Ministers last met to discuss general economic policy concerns. The Premiers agreed that the guidelines established at their February, 1978 Conference and reaffirmed at the follow-up Conference in November, 1978, should be the starting point for discussion at the next First Ministers' Conference.

Other major topics suggested for the conference agenda were:

- current economic problems, including inflation, interest rates, and budgetary and balance of payments deficits,
- employment with emphasis on provincial and regional concerns,
- productivity, and research and development,
- housing,
- marketing of agricultural products,
- transportation,
- automotive industry, and
- regional and provincial development issues.

The Premiers noted, as they did at their 1979 Conference in Quebec, that to be of maximum value, a First Ministers' Conference on the Economy should be preceded by substantial joint preparation.