

APPENDIX 3

ECONOMIC CHRONOLOGY JUNE 1980 - MAY 1984

This chronology is drawn from the publication *Current economic analysis*, Statistics Canada 13-004, produced in the Current Economic Analysis Division of Statistics Canada, Ottawa. The section on news developments provides a summary of events reflecting changes in macro-economic conditions.

The chronology includes not only Canadian news items, but also others dealing with the European Economic Community (EEC), Organization for Economic Co-operation and Development (OECD), Organization of Petroleum Exporting Countries (OPEC), the Federal Reserve Board (FRB) of the United States, the General Agreement on Tariffs and Trade (GATT), financial institutions, corporations and events in other countries with effect on the economy of Canada.

June 1980

June 5, The National Bureau of Economic Research in New York declared that the US had entered a recession in January.

June 11, Ford Motor Co. of Detroit introduced new sub-compact model cars, claimed to have better Environmental Protection Agency (EPA) fuel economy ratings than any other 1981 compact model; Ford is hoping that their new models will reduce the import share of the North American market (currently 27% in the US and 16% in Canada); Canadian production of the new Fords was to begin in the spring of 1981.

June 13, The Federal Reserve Board of the United States lowered its discount rate from 12% to 11%; this was the second 1% reduction in less than a month.

June 17, A province-wide strike by 12,000 carpenters halted all construction projects in southwestern Ontario outside of Toronto; other building trades were allowed to continue work in Toronto.

June 24, A communiqué issued at the end of the two-day Ottawa summit meeting of leaders of the seven major industrialized nations emphasized continued monetary and fiscal restraint to combat inflation and the need to develop the use of coal, nuclear power, and other fuels to break the link between economic growth and oil consumption.

June 27, Citibank lowered its prime lending rate to 11.5%; the US prime rate had fallen to this level from 14% at the start of the month.

June 28, The Canadian Paperworkers Union said it would begin a staggered shutdown of 12 pulp and paper mills in Eastern Canada on July 5 to extract "meaningful" contract proposals.

July 1980

July 3, A strike by 39,000 copper miners brought a virtual halt to production in the United States; as a result, Canadian producers benefited from higher export demand and a firming of prices, up 10 cents to 97 cents US in the last two weeks.

July 4, A strike by the Canadian Paperworkers Union closed all but one of the 13 mills operated by Abitibi-Price Inc., the world's largest newsprint supplier (a tentative settlement was reached on July 28).

July 16, For a second time the National Energy Board decided to delay an increase in the price of natural gas sold to the United States, because of weak market demand in recent months.

July 25, BC breweries were closed by a lockout, following a similar lockout in Alberta earlier in the week over deadlocked contract negotiations. Canada ended an embargo on grain sales to the USSR; Sen. Hazen Argue, minister responsible for the Canadian Wheat Board, said Canada would resume normal deliveries of grain.

July 30, Oil prices in Eastern Canada rose about half a cent a gallon, as the federal government discontinued a subsidy of 18 cents a barrel to eastern refineries on domestic crude oil.

July 31, Alberta and Saskatchewan governments raised the domestic price of crude oil by \$2 a barrel to \$16.75. The Bank of Canada rate rose 0.15 percentage points to 10.31%, the first increase since early in April.

August 1980

Aug. 5, The federal government extended its quota on imports of footwear for one year, beginning Dec. 1, 1980; the EEC threatened to retaliate under the GATT treaty.

Aug. 11, Canadair Ltd. received certification for the \$7 million Challenger jet for which it had received 167 orders mostly for delivery in the United States.

Aug. 16, General Motors Corp. of Detroit raised prices for its 1981 cars by 1.9% from final 1980 prices.

September 1980

Sept. 15, Canada Savings Bonds for 1980-81 would offer a return of 10.5%; some investment dealers noted the rate was below yields available for some savings and term deposits, and redemptions of CSB's were expected to continue to increase on top of the \$1.8 billion worth of