

(M1) by one percentage point; the new target would be 4% to 8% growth from the average level of M1 for the three months centred on September 1980.

*Feb. 18,* US President Ronald Reagan sent economic policy initiatives to Congress calling for the largest tax and spending cuts in US history; personal income taxes would be reduced by 30% over three years beginning in July, while an accelerated depreciation allowance plan was introduced for business; expenditure cuts amounted to \$40.8 billion, or 5%-6% of the planned outlays for the fiscal year ending Sept. 30, 1982; it was predicted that the budget would not be balanced until the fiscal year ending in September 1984.

### March 1981

*Mar. 4,* Syncrude Canada Ltd. resumed shipments of synthetic crude oil following production disruptions since early January; at the same time, Alberta implemented the first stage of its crude oil cutbacks.

*Mar. 6,* The Saskatchewan provincial budget cut personal income taxes by four percentage points and raised tobacco tax rates, leaving the fiscal balance with a slight surplus; the budget forecast called for the provincial heritage fund to increase by more than \$1 billion during the year.

*Mar. 10,* The BC budget tabled by Finance Minister Hugh Curtis called for a sharp increase in taxes to avoid a budgetary deficit; the retail sales tax was boosted from 4% to 6%, levies were increased on gasoline, liquor, and tobacco, and the corporate income tax was raised one percentage point.

*Mar. 11,* Finance Minister Jacques Parizeau announced that Quebec's budgetary deficit would remain at about \$3 billion in fiscal 1981-82; a 12.8% increase in spending would be matched by higher revenues from tobacco and Crown corporations; corporate and personal income taxes would be reduced early in 1982.

*Mar. 21,* The Alberta Court of Appeals ruled that the federal government excise tax on natural gas from a provincially owned well was unconstitutional.

*Mar. 23,* The St. Lawrence Seaway shipping season began nine days ahead of schedule and a day earlier than in 1980. The three largest US auto firms decided to extend their rebate programs through the first week of April; the firms were encouraged by the strengthening of auto sales following the introduction of rebates in mid-February.

### April 1981

*Apr. 8,* The 1981-82 New Brunswick budget raised corporate income taxes, and changed the tax on fuels and tobacco to a fixed percentage of the selling price; with expenditure up 16.3%, borrowing requirements rose slightly to \$260 million; the finance minister recommended that this debt should be financed by the Alberta Heritage Fund whenever possible.

*Apr. 14,* The Alberta budget for fiscal 1981-82 projected a 16.3% increase in expenditures and a 1.2% decline in revenues as royalties dropped from oil leases; the budget was expected to be \$336 million in deficit, versus a \$682 million surplus in 1980-81. The Manitoba budget contained no new tax or spending programs except for increased taxes on tobacco and alcohol. The Newfoundland budget called for

higher taxes on tobacco, motor fuel and vehicles to contain borrowing requirements to \$260 million; revenue from offshore oil and gas developments was not expected to become significant until 1987.

*Apr. 24,* The price of gasoline and home heating fuel would rise 0.8 cents a litre on May 1 as a result of a special \$1.15 a barrel levy to help finance Petro-Canada's acquisition of Petrofina Canada. The United States lifted an embargo on grain shipments to the USSR.

### May 1981

*May 19,* The Ontario budget for 1981-82 raised taxes by \$603 million; expenditures were projected to increase 12.2% to a level of \$19.4 billion, resulting in a deficit of \$997 million; Ontario's share of personal income taxes collected by the federal government was increased from 44% to 48%, Ontario health insurance premiums were to increase 15% on October 1, taxes on gasoline, cigarettes, tobacco and beer were set at a fixed percentage of the retail price, sales tax exemptions on household furniture and appliances and selected building materials and a tax rebate on light trucks and vans would expire on June 30.

*May 28,* Oil ministers of OPEC announced they had decided to freeze oil prices at current levels.

*May 30,* Japan was reported to have agreed to a limit on car exports to Canada of 170,000 units for the year beginning Apr. 1; this equalled the 1980 volume plus a 7% growth factor.

### June 1981

*June 1,* Mexico announced oil price reductions of up to \$4 a barrel. Alberta implemented the second stage of oil production cutbacks; production of light and medium crude oil would be held to 848,000 barrels a day until the end of August; production had been cut by 60,000 barrels a day Mar. 1, and the second stage added a further cutback of 60,000 barrels a day.

*June 3,* The federal government raised the wholesale price of gasoline and home heating oil by 1.6 cents a litre.

*June 9,* The 72 day-old strike by 160,000 coal miners in the United States ended.

*June 30,* Across Canada, 22,862 inside postal workers went on strike.

### July 1981

*July 1,* The wellhead price of crude petroleum in Canada rose \$1 a barrel to \$18.75.

*July 13,* About 48,000 BC woodworkers went on strike over wages; this walkout was joined by 12,500 pulp and paper workers, effectively closing down the BC forestry, wood, and pulp and paper industries.

*July 29,* The US House of Representatives voted its approval of a three-year administration plan to reduce personal income taxes by 25%; congress had now approved all legislation proposed in the Reagan administration's economic program.