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The **Canadian News Synthesis Project** is a voluntary, non-profit collective, working to synthesize the most important economic, political and cultural forces in Canadian society, using eleven major newspapers from across the country.

Each issue presents current news coverage, and is organized to show the major trends in Canada and Latin America.

clipping service

All clippings are kept on file and are available at a nominal cost to individuals and groups wishing to do research.

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Ottawa Citizen	OC
Montreal Star	MS
Vancouver Sun	VS
Halifax Chronicle Herald	HCH
Winnipeg Free Press	WFP
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Highlights This Month:

Christmas made a difference in the quantity and quality of news coverage of most issues this month, almost all sections receiving less coverage and attention.

Over the past three months government and business leaders have shifted their emphasis from seeing inflation as the major problem to a concern over recession. see STATE OF THE ECONOMY p 9.

Although government officials are trying hard to get some of the hard-core unemployed back to work, private industry forecasts are pessimistic about hiring more staff and there is much evidence of increasing layoffs. see SOCIAL WELFARE (p 16-17) and UNEMPLOYMENT (p 18-20).

Criticism of the Canadian International Development Agency received attention in the Ottawa Citizen this month and is featured in CANADA-THIRD WORLD (pp 37-9). Investment groups are also featured, such as the Inter-American Development Bank, the Commonwealth Investment Bank, and the Atlantic Community Development Group for Latin America.

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Economic-Capital

Foreign Investment

INTRODUCTION:

Takeovers of Canadian companies by foreign--mostly American--multinationals continues. Eleven more firms sold out. Although three applications for takeovers were rejected, the Cabinet overruled one rejection verdict by the Foreign Investment Review Agency (FIRA). This marks the first such decision by the Cabinet to reverse a FIRA decision. The Cabinet move seems to have resulted from pressure by the Quebec government to do so since it sees the possibility of becoming a minority shareholder in Canadian Blue Bird International. This apparently constitutes "significant benefit" to Canada.

The electronics industry in Canada continues its steady decline as another plant closes due to a decision made by its parent company in the U.S. Meanwhile, foreign multinationals continue to receive government aid to the detriment of smaller Canadian firms and an "economic nationalist" amendment to a proposed business development bank was defeated by the Liberals.

MORE TAKEOVERS

The Cabinet has allowed eleven more takeovers of Canadian businesses while rejecting three. Six companies sold out to American interests, three to British, and one each to French and German firms. Since it began screening foreign takeovers April 9, 1974, the Cabinet has approved 32 takeover bids and rejected 8, not considered to be of "significant benefit". (TS 24,12,74 pA1 c8-9)

CANADIAN BLUE BIRD INTERNATIONAL

Ottawa has reversed an earlier decision rejecting a foreign takeover. Canadian Blue Bird International Inc, a subsidiary of Blue Bird bus company of Fort Valley, Virginia, will assume control of J.H. Corbeil Ltd of St. Lin, Quebec, an assembler of school bus bodies. The Foreign Investment Review Agency had announced on November 11, 1974 that the Blue Bird deal was one of three proposals turned down because it was not of "significant benefit" to Canada. This marks the first time that the agency has had its original verdict reversed. (TS 3,1,75 A3 c7-8)

RCA LIMITED TO CLOSE DOWN QUEBEC PLANT

RCA Ltd. will close down its television set tube plant in Cowansville, Quebec by January 15, 1975 putting 125 people out of work. Solid state devices have replaced tubes and are imported from the U.S. Claudette Thibaudeau, president of Local 514 of the International Union of Electrical, Radio and Machine Workers, noted that RCA had "moved into the more lucrative business of developing outside markets which in effect compete with Canadian products." She also blamed the federal government for not imposing higher tariffs on imported goods.

(WFP 29,11,74 p29 c2)

MORE HELP FOR FOREIGN FIRMS IN ONTARIO

The Ontario government has exempted six more companies from land transfer taxes. The latest exemptions bring the total in waived taxes to more than \$2.6 million, twice the \$1.3 million the government has collected since the tax took effect last April. To date, 16 companies, most of them American, have been granted such exemptions. The government is using the exemptions to encourage foreign industries to locate in northern and eastern Ontario. One of the latest exemptions, however, went to H.D. Lee, a giant U.S. jeans manufacturer. (Last month, this company was granted \$1,136,000 to construct a plant in North Bay.) Canadian jeans manufacturers protested that government support to foreign subsidiaries is driving them out of business. (TS 3,12,74 pA1 c2-7)

CNSP NOTE: (The same kind of generosity to foreign firms is being shown by the New Brunswick government to Bricklin Corp--see Regional Disparity).

NATIONALIST AMENDMENT VOTED DOWN

An "economic nationalist" amendment that would have prevented the proposed federal business development bank from making loans to foreign-controlled firms has been voted down by the Liberals. Industry Minister Gillespie said that such an amendment would create problems in economically depressed regions if foreign-controlled firms got into financial difficulties. The proposed development bank would have \$2.2 billion to lend, mainly to small businesses. It would replace the existing Industrial Development Bank, which has a loan ceiling of \$1 billion. (HCH 30,11,74 p3 c1-4)

CNSP NOTE: see Banking for more detail.

TRADE AND TREATY

INTRODUCTION:

SOME ARE MORE EQUAL: OR CANADA--U.S. RELATIONS

Although most coverage surrounding the Trudeau-Ford meeting early in December pretended that Canada faces the U.S. on an equal footing, (for example a Toronto Star headline: Trudeau-Ford meeting, example of what can happen when more-or-less equals have important interests in common. Dec. 7, 74) foreign ownership and trade figures show otherwise. American ownership of Canadian companies has reached 50% in manufacturing and 60% in mining and smelting. In trade, 2/3 of Canadian exports go to the U.S. and 2/3 of Canadian imports are from the U.S.

The dispute over sales to Cuba, growing U.S. opposition to the autopact and a proposed U.S. anti-trust investigation of a Canadian paper companies' merger, illustrate some of the real dynamics of U.S.--Canadian trade relations.

TRUDEAU-FORD MEETING

A press release the day of the meeting revealed that the Canadian government held close consultations with the U.S. government before Trudeau's visit to Europe. This suggests that Canadian attempts to reduce dependence upon the U.S. will not be allowed to conflict with U.S. interests.

(U.S. Information Service, U.S. Embassy
Ottawa--December 4, 1974)

AUTO PACT

The North American auto industry is facing major changes and restructuring. The integrated nature of the industry means that whatever changes take place in the U.S. which is the dominant partner, are likely to have repercussions in Canada.

(FP 14,12,74 p8 c1-2)

THE AUTO PARTS INDUSTRY

The Canadian auto parts production is in competition with increasing production in the U.S. and production in Latin American subsidiaries.

--the autopact has seen a declining rate of investment in the Canadian sector:

1965-7 \$554 million

1968-70 \$440 million

1971-4 \$331 million

--the number of jobs created has not been significant especially in vehicle assembly:

1965 42,000

1973 45,000

in parts the number of jobs rose from 35,000 to 49,000.

--the quality of jobs for Canadians has declined; most are assembly line jobs.

(FP 21,12,74 p11 c1-6)

CANADA FACES U.S. TRUST BUSTERS

The U.S. justice department's anti-trust division denied it was trying to apply American law in Canada when it requested information on the Abitibi takeover of Price Co. Ltd. The takeover makes Abitibi the world's largest newsprint producer. Canadian firms supply 2/3 of U.S. newsprint imports.

(HS 12,12,74 p15; WFP 14,12,74 p71)

BLOCKED SALE OF FURNITURE TO CUBA

A U.S. company, Litton Industries Inc. ordered its Canadian subsidiary to halt the sale of \$500,000 worth of office equipment to Cuba because its directors (all U.S. citizens) would be liable for prosecution under the U.S. Trading with the Enemy Act.

(TS 23,12,74 pC4 c1-2)

CNSP NOTE: The press noted the backwardness of an act which forbids trade with Cuba but allows it with Russia and China and criticized the Canadian government for failing to draft legislation to protect Canadian interests.

POLICY EASES ON CANDU SALES

Vigorous lobbying by the Canadian Nuclear Association averted any direct curbs on the export of nuclear power plants and fuel by the federal government.

(FP 4,1,75 p3 c1-3)

FERTILIZER TRADE: SUPPLIES TIGHT - PRICES RISE

The U.S. is the major source of raw phosphate rock for one of the fertilizers Canada manufactures - phosphorus. The price of the rock went from \$6.25 per ton in 1973 to \$25.00 per ton in 1974. A major phosphate supplier, Morocco, says it "will shoot for \$75.00 a ton" this year. WFP 1/1/75 p11 c1-4.

IMPORTANT TRADE SEMINAR

A seminar was held in St. John, New Brunswick for those interested in export trade. It was sponsored by the Canadian Export Association (CEA) and the Canadian Bankers' Association.

Mr. J.A. McAvity, president of CEA, asked whether Canadians will reconsider the desirability of restrictions on foreign investment with "our best customer". Representatives from 11 manufacturing companies in New Brunswick will tour Latin America to explore opportunities for trade. T.J. 11/12/74 p28 c4-8;

T.J. 14/12/74 p 32 c3-8.

RESOURCES : OIL AND GAS**Introduction:**

The main story of interest this month is the decision by several companies to abandon or re-think plans to invest in the Tar Sands projects presently under way. The price tag has risen to about \$2 billion each, so the cost per barrel will be prohibitive and uncompetitive for some years to come. Despite the fact that Ottawa and the oil companies all regard the Tar Sands as vital if Canada is to have any chance of remaining self-sufficient in oil, the industry claims that restrictive tax policies imposed upon them by government make it impossible and uneconomical to put any more money into developing new oil sources.

Partly in response to this, the Alberta government decided to return \$250 million to the industry in the form of repayment of taxes and reduction of royalties. In effect, Alberta is giving in to Ottawa in the struggle over who has the right to tax the oil industry. This issue was sparked in the last two federal budgets and has caused much protest by oilmen that they are being squeezed out by the inconsiderate actions of government.

Every newspaper sided with the oil companies, blaming Ottawa in particular for the slowdown of activity. The companies say that they are being taxed at rates of up to 100% of profits. However, the oilmen do not mention that, because of deductions and write-offs, not all their profits are taxable, and, that, in fact, they pay taxes of around 13%. The newspapers tend to uncritically accept the industry's position of attack on Ottawa, and in general, they don't pick up on the fallacy within the argument of the oil companies.

ATLANTIC RICHFIELD PULLS OUT OF TAR SANDS

Atlantic Richfield, which held 30% of Syncrude Canada Ltd., announced that it was withdrawing from the project to build drilling facilities on the Alberta Tar Sands. Earlier the U.S. Import Bank had refused a \$75 million loan to Syncrude which already has had \$100 million invested in it. The final cost of the project is presently estimated at \$1.6 billion.

TS 6/12/74 pC7 c7-9.

SHELL OF HOUSTON PULLS OUT OF CANADIAN SHELL PROJECT

Shell Oil of Houston, Texas has decided to sell 50% of the proposed project that it had undertaken with its Canadian subsidiary, Shell Canada. Shell Canada has decided to continue a feasibility study of the 100,000 barrel per day project which could cost up to \$2 billion. OC 7/12/74 p11 c1-5.

HOME OIL AND CANDEL OIL PULL OUT

Home Oil announced that it would shelve plans for a \$2 billion oil sands project. Home, the biggest Canadian independent company, holds 87.5% of a proposed plant producing 103,000 barrels per day.

Can Del Oil of Calgary announced that it was considering the sale of its 6.8% interest in the proposed \$1.8 billion project headed by Petrofina Canada Ltd.

MS 12/12/74 pA1 c1-3.

ALBERTA ASKS OTTAWA AND PROVINCES TO JOIN SYNCRUDE

Alberta has asked Alberta and the provinces to help the Syncrude project; and, according to the Toronto Star, it's a smart move. The oil companies are pulling out because of government policies, but Ottawa should be willing to join if it thinks its policies are fair. also, it is in the interests of Ottawa, Ontario and Quebec to invest in a project that will offset a huge deficit of payments once Canada becomes a net importer of oil. Finally, if conditions aren't favourable for investment, then Alberta and the oil companies would be proven correct when they say that Canada's oil policy should be changed. TS 20/12/74 pC7 c1-4;

By Jack MacArthur.

ALBERTA REDUCES TAXES ON PETROLEUM INDUSTRY

Because of Ottawa's decision to tax petroleum companies on royalties paid to the oil provinces, Alberta has decided to reduce its own taxes by between \$250 million and \$350 million in 1975. HCH 13/12/74 p3 c4 CP

SOME ELEMENTS OF THE PROPOSAL

- a refund of \$130 million in royalty taxes paid to Alberta.
 - a refund, to a maximum of \$1 million per year, of the taxes on royalties paid to Ottawa;
 - reduction of royalty rates;
 - increase of credits that can be deducted for exploration;
- OC 13/12/74; p33 c3-4.

INDUSTRY HAPPY WITH MOVE

John Poyen, president of the Canadian Petroleum Association, said that at last there was government recognition of the problems of the industry. He hoped that the move would lead to cooperation between Ottawa and the oil provinces.

OC 13/ 12/74; p33 c3-5.

Pacific Petroleums, because of Alberta's announcement, has decided to reinstate



13/12/74 p33 c3-4

its drilling programme which had been suspended.

-Panarctic Oil said its arctic project would be helped because participating oil firms would have more money to invest. MS 17/12/74 pB1 c2-3.

NOTE: Most oil companies announced that they were giving strong consideration to continuing with exploration programmes threatened by lack of funds.

NDP OPPOSES

Grant Notley, leader of Alberta's NDP, said that the tax and royalty cuts will cost the province \$400 million, a figure he claims is more than double the amount spent on exploration by all the oil companies in the province combined. HCH 14/12/74 pl c4-7

NATURAL GAS SUPPLY SHORT : McKEOUGH

Ontario Energy Minister McKeough told the National Energy Board that Ontario is already suffering a shortfall of supply behind demand for natural gas. He stated that inefficient allocation methods by the federal government have meant that Canada will be kept short of gas in the years 1975-1978.

McKeough urged that gas exports to the U.S. be halted; that the MacKenzie Valley pipeline be developed as quickly as possible, and that there be a short term expansion of existing fields. TS 10/12/74 pA3 c1-3.

RESOURCES : excluding oil and gas

Introduction:

The mining industry in British Columbia, through the B.C. Mining Association, has filed suit in an attempt to have the Mineral Royalties Act and the Mineral Land Tax Act declared unconstitutional. Quebec has announced it will export more electric power to Con Ed of New York. Quebec has also allotted \$15 million to stimulate the sugar beet industry.

World food production has declined by nearly 4.5% on a world-wide basis due to poor grain crops. The Canadian minerals industry has recorded record profits.

Generally speaking, no analyses whatsoever appeared in the major newspapers of these various areas.

MINING

The B.C. Mining Association has filed suit on behalf of major B.C. minerals producers challenging the provincial Royalties Act and the Mineral Land Tax Act as unconstitutional. The former affects minerals produced on provincially granted leases. At present royalties are 5% of revenue to producers after certain basic processing and transportation charges. The province also takes about 50% of revenue increases once metal prices rise above a certain level. The latter imposes taxation equivalent to the royalties from Crown-granted mineral claims. TS 24/12/74 pC11 c7 DJ

HYDRO

The National Energy Board has approved Quebec Hydro-Electric's application to export surplus power (up to 1.5 million kilowatt hours of interruptible

power annually) to Consolidated Edison of New York, for two years and five months starting Jan.1/75. TS 20/12/74 pC7 c3 DJ.

FISHING

Federal Fisheries Minister Romeo LeBlanc has announced a \$20 million short term aid programme to help rehabilitate the troubled east coast fishery. This three part programme consists of ascheme to lessen the immediate impact of rapidly rising costs in the frozen groundfish industry; to provide working capital loans for Newfoundland; to increase canned groundfish forCCanada's international food aid programme. HCH 21/12/74 p1 c7-9.

AGRICULTURE

World food production will be about 4.5% lower than last year, according to the U.S. agriculture department. This dismal production picture was blamed largely on decreased grain output in the U.S., Canada, Russia and South Asia. Wheat production dropped from 367.1 million tons, while feed grains' production stands at 558.8 million tons. This will mean tighter food supplies and higher consumer costs. TS 3/12/74 p6 c2 AP; WFP 21/12/74, p2 c4 AP

Quebec has announced that it will attempt to double sugar production at its refinery through a \$15 million expansion programme. This will result in a doubling of the 1,500 ton capacity refined daily at the Raffinerie de Sucre at St. Hilaire.

At present, almost all the sugar beet industry is situated in Alberta, but it supplies only 10% of domestic needs. WFP, 24/12/74 p16 c5-8, CP
TS 20/12/74 pC7 c3-5; CP.

GENERAL

The total value of Canadian mineral production in 1974 was a record \$11.62 billion, compared with \$8.36 billion in 1973, according to statistics Canada. Crude petroleum, natural gas and its byproducts accounted for about 45% of the total.

Alberta with crude oil production valued at \$3 billion and total minerals including oil at \$4.42 billion, was the leading province in mineral value. Total mineral value the previous year was \$2.76 billion.

BANKING

Introduction:

Banking news this month is rather slim with only two major items of no note : the declining fortunes of the Bank of Montreal and the proposed revamping of the Industrial Development Bank to form a new, and expanded, Federal Business Development Bank.

As reported last month, the Bank of montreal has fallen behind the other four "big banks" of Canada in profit earnings. While it remains the third largest bank in size of assets (behind the Royal Bank of Canada and the Canadian Imperial Bank of Commerce), it is failing to equal the fast-growth rates of the Toronto-Dominion Bank and the Bank of Nova Scotia.

The legislation before the House of Commons for the expansion of the Industrial Development Bank (IDB) is an illustration of governmental attempts to deal with complaints by small and medium businesses that they are unable to obtain the credit and the loans that they need. (see :CNBP, Vol.II, #9 & #10).

BANK OF MONTREAL EARNINGS DOWN

For the banking fiscal year ending in November/December of 1974, the Bank of Montreal is alone among the Big Five chartered banks in reporting an earnings decline. Profits slipped from \$56.9 million the year before to \$45 million this year. Spokespersons for the bank explained that the situation of global monetary instability and inflation accounted in part for the decline along with some "bad guesses". TS 9/12/74, pB14, c7-9; FP 14/12/74, p19 c3.

FIRST BANK TO BECOME THE FIFTH

Some financial analysts are predicting that 1975 will see the Bank of Montreal, which bills itself the "first Canadian Bank", eclipsed by the Bank of Nova Scotia and the Toronto-Dominion Bank in terms of size of total capital.

TS 2/1/75, pC7 c9.

THE INDUSTRIAL DEVELOPMENT BANK (IDB)

Legislation is now before the House of Commons to incorporate the IDB into a new Crown Corporation, the Federal Business Development Bank, with enlarged assets and a primary function to give loans to small businessmen that have trouble borrowing from conventional lending markets. The new Crown corporation would be charged with promoting economic welfare by supplementing the activities of other lenders, by increasing the credit to industrial enterprises and by giving special consideration to the financial problems of small businesses.

The 30 year old IDB opened its doors in 1944 as a wholly owned subsidiary of the bank of Canada and in the first year granted 97 loans totalling \$4.1 million. In the most recent fiscal year, 9,712 loans amounting to \$470 million were approved. HCH 10/12/74, p23 c3-8; WFP 30/11/74 p35 c1-8.

STATE OF THE ECONOMY

OVERVIEW:

In the United States, President Ford has just announced that the target sights of his administration's economic policies have been taken off inflation. The target now is RECESSION. Instead of the motto WIN (Whip Inflation Now), Ford's press relations officers will have to gream up some slogan like WOD (Wipe Out Depression).

In Canada, amidst reassurance from Prime Minister Trudeau that Canadians will be better off than many others in the present world economic crisis, the press has shifted its emphasis in reporting on the state of the economy from INFLATION to RECESSION. End of the year analyses by the business community



Then it's agreed... this council will urge telling Canadians pay twice as much for their oil and encourage them to save more money.

which inundated the press this month are as "moderately optimistic" as Trudeau - predicting that there will be difficulties ahead, but that a recession is unlikely. In particular, business reacted quite favourably to the Turner budget of November (see CNSP Vol. II, #11). The Institute for Policy Analysis assessed the budget with the help of a giant computer at the University of Toronto and concluded that the budget would provide "a major expansionary stimulus to the Canadian economy". Income tax cuts, reductions in sales taxes for building materials and equipment, and the continuation of tax concessions for capital spending will be factors influencing an expansion of economic

activity in the economy, according to the Institute. However, budget measures such as increased taxes on financial firms and higher taxes for the mining and petroleum industry, will retard some of the expansionary influence from the other incentives.

UNQUOTABLE QUOTE OF THE MONTH:

"Caught in a three-way squeeze between government bureaucracies that are increasingly socialist in fact if not in name, a capitalist labour movement, and a public that calls for government intervention at the slightest provocation, corporate managers will have to find a way to stave off bureaucratic or political totalitarianism."

-John Partridge, reporting for the Financial Post on a two day seminar in Toronto entitled "Issues at the Interface - the interaction between government and business". FP 7/12/74 p3 c1-4.

INDUSTRIAL PRODUCTION DECLINES

The volume of industrial production declined in October 1974 for the fourth consecutive month, according to a Statistics Canada measurement of production in manufacturing, mining and utilities which account for one-third of all domestic production. Manufacturing output fell 9.1%, and sales of durable goods (appliance and furniture markets that are tied to the fortunes of the housing industry) dropped sharply.

WFP 20/12/74, p13 c4 CP; TS 20/12/74 pC7 c4-5 DJ;
OC 18/12/74 p9 c3-5 FTNS.

GILLESPIE EXPRESSES MODERATE OPTIMISM

Following in Trudeau's footsteps in predicting the future for the Canadian economy, Industry, Trade and Commerce Minister Gillespie says that inflation will remain high in 1975, but that Canadians will be better off economically than most during the coming year. He says that the government will put a priority on measures to broaden export trade and knock down international trade barriers. The 1974 Canadian economy grew to 1.7% to over \$140 billion, but most of this was due to inflation with economic growth in real terms reaching only about 4%. Capital investment will remain high in 1975.

WFP 31/12/74 p1 c5 CP.

BUDGET REACTION - JOHN IN BLUNDERLAND

Finance Minister Turner's November budget "was an aim at both recession and inflation and he has missed both", according to the Canadian Labour Congress (CLC). "The tax concessions granted to the average and low income earners (see CNSP Vol.II,#11) have already been completely eroded by inflation and as a result these people will actually receive less than the amount of real income they have lost through inflation." The minimum personal income tax reduction that Mr. Turner announced in his budget is really only an extra \$50 tacked on to the tax cut that had already been passed in the 1973 budget.

HCH 5/12/74 p7 c2-7; Jerry Redmond

FOOD COSTS KEEP CLIMBING

Grocery costs - which rose by a similar figure during 1974 - will increase by another 16% in 1975, predicts the Food Prices Review Board. In its final report for 1974, the Board said that more than 60% of retail food costs are tacked on after products leave farms. But as yet the Review Board has been unable to find an unjustifiable profit-taking in the food industry. The only factor which might moderate rising food prices in 1975 would be a reduction in spending and demands for higher incomes. OC 20/12/74 p5 c4 CP;

also GM 20/12/74 p1 c1-3 CP; HCH 20/12/74, p1 c3-8 CP).

EGGS SURPLUS GROWING

Officials of the Canadian Egg Marketing Board (CEMA) told a special House of Commons committee inquiring into egg marketing that surplus eggs next year could total 90,000,000 eggs. CEMA promised that, should this be the case, they would process the surplus, perhaps for export as international food aid, and not allow them to rot as did 28 million eggs in 1974.

WFP 27/12/74 p1 c1-3 CP.

SELL EGGS CHEAPLY TO THE NEEDY - PARLIAMENTARY COMMITTEE SAYS

The House of Commons committee on egg marketing made 52 recommendations to prevent a recurrence of the situation whereby 28 million eggs rotted last summer while in surplus storage. One recommendation that surplus eggs should be sold cheaply to needy Canadians was made by the Committee. Other recommendations include tighter control of CEMA and stiff penalties imposed on farmers who over-produce eggs. Two dissident minority reports also issued from the Committee: Liberal MP Herb Gray said that the CEMA did not give due regard to the consumer interest; four Progressive Conservative M.P.'s attacked Agriculture Minister Eugene Whelan for failing to assume the responsibility and authority vested in him by the Canadian people. Whelan reacted to the parliamentary report saying he was more worried about under-production next year since many farmers had killed chickens to cut down production. TS 17/12/74, pA1 c1-9 CP; WFP 17/12/74 p1 c7-8.

HOUSING

FIVE FOREIGN COMPANIES TAX EXEMPT

The 20% Ontario land transfer tax imposed to discourage foreign individuals and companies from buying land in Ontario has been waived to encourage industrial development. The five companies accounting for \$171,000 in tax

exemption include : Square D Company Canada Ltd., Rheen Canada Ltd., American Can of Canada Ltd., A. & H. Bolt and Nut Company Ltd., and Discoverer Sales Ltd.

TS 17/12/74 pA5 c1-3.

"Just a wee bit farther, my boy, and I'll build a bridge to meet you."

MORE AID TO HOMEBUYERS

Several days before Christmas Urban Affairs Minister Danson announced a new government program to aid homebuyers. The new program will provide up to \$50. per month in mortgage and rental subsidies, the amount being dependent upon several factors: the homebuyer's income; size of family; cost of land; construction; property taxes, etc. The aim of the program is to reduce monthly carrying costs to about 25% of the buyer's gross income.

This enlarged AHOP (Assisted Home Ownership Program) is being extended to first-time buyers, purchasing new homes. At present, any assistance on mortgage payments has extended only to low-income buyers, obtaining their loans through CMHC. The new program allows low- and middle- income buyers mortgage subsidies, even when these loans are obtained through private businesses: trust, loan and life insurance companies; banks, caisse populaires or credit unions; Mr. Danson said the extension should attract about \$1 billion in private capital in housing. "The government must try to get more private capital into the housing market because public funds alone cannot solve the shortage." WFP 20/12/74 pl c3.



CONSTRUCTION INDUSTRY BRACES FOR NO-GROWTH YEAR

The business outlooks of many people in construction have taken a dramatic change over the past few months. Construction expenditures in 1975 are expected to increase 15%, most accounted for by inflation. In comparison, the most optimistic prediction of the real growth factor is 3%.

Enormous increases in equipment, materials and labour costs are forcing up construction costs. The projected cost of construction of facilities for the Montreal Olympics, for instance, has climbed 46% since 1972. One of the results is the inability of builders to provide firm price quotes on projects completed within two years. The hardest hit area in the business lies in residential construction. The federal reduction of sales tax on building materials, or the subsidy of mortgage money for low- and middle- income home buyers -- is looked upon sceptically by builders. The government programs have not stimulated new demands for homes. In addition, builders proclaim it is more difficult all the time to find banks willing to advance credit. "If the housing prices drop much more, there is going to be a real shakeout in the industry." FP 28/12/74 pl c5-8.

MARGINALIZATION : NATIVE PEOPLESINTRODUCTION:

Harold Cardinal (Indian Association of Alberta) suggests in WFP, 30/11/74, p5, that some resource royalties and revenues which now add to the provincial treasury be directed to help Indian reserves. There is about \$20 million a year in royalties from oil produced on Indian reserves that goes to Ottawa. If the \$20 million was given back to Alberta Indians for job-creating development, the problem would be solved since \$20 m. is less than the total welfare bill paid by the federal government for Alberta Indians.

Cardinal seems to be moving closer to another very central issue; the federal/provincial struggle over resource policy of royalties of raw materials in the ground and public ownership. (See CNSP, Federa-/Provincial Rel. Vol.II#11.

Since resources for energy have become so important, Indian and northern land have also become extremely important. It is thought by some Indians that the government is involving Native People in a long drawn out legal action that will serve to hold out promises and thus keep them quiet in the hope of better things to come.

MANITOBA FLOOD COMMITTEE TO STUDY JAMES BAY AGREEMENT

The 7 communities of Indian Bands most affected by Manitoba Hydro developments in the northern sector of the province takes the position that they are entitled to even greater compensation than their Quebec counterparts since their land, which may be jeopardized by flooding, is deeded to them by treaty.

WFP 7/12/74 p11 c1-3.

JAMES BAY

Caughnawaga Iroquois Chief Andrew Delisle, president of the Indians of Quebec Association (IOQA), representing 30,000 native people accused James O'Reilly, lawyer who represents the Cree people, Denis Chatain, an Oblate missionary with the Indians and John Ciaccia, Quebec's chief negotiator of "conniving to cause a split among the Indians".

He said, "Like our ancestors, the James Bay natives have been duped by these three people who formed a league to convince the Cree to accept the Bourassa proposal which will serve much more the interests of Liberal, federal and provincial patronage."

But O'Reilly said the Cree Council ... "is much closer to the native people than the Association. The Council fought like hell to give up as little as possible.....I am of the opinion that as far as hunting and trapping rights go, it is the best settlement to ever come out anywhere in Canada."

On Nov. 21/74, the Quebec Court of Appeal overturned the Malouf judgement that granted temporary injunction to halt the power project.

MS 30/11/74, pA3 c1-6; by Mark Daly

NATIVE PEOPLE'S CARAVAN

Militant Indians told a press conference that they dissociate themselves from the Communist movement and denied reports that members of the Communist party were behind the Parliament Hill demonstration.

The Caravan leaders, while praising the work of the National Indian Brotherhood (NIB), said little had been accomplished and lay the blame on the Indian Affairs Department. The government now should be ready to listen to the "grass-roots". The leaders renewed their demands for the resignation of Judd Buchanan

(Indian Affairs Minister) saying: "he is insensitive to the plight of the Indian people".
MS 5/12/74 pA15 CP-Ottawa.

COALITION FOR INDIAN JUSTICE VS CALGARY DEPARTMENT OF INDIAN AFFAIRS
Twenty-five members of this newly formed group occupied the Indian Affairs offices in Calgary for 54 hours in protest against treatment given urban Indians. The leader, Ed Burnstick, (Edmonton, AIM of Canada) and Canadian Indians were involved.

Judd Buchanan's reaction : he agrees with the former minister Jean Chretien that treaty Indians lose all rights when they leave the reserve".

Calgary Mayor Rod Syke's reaction: "political insurrection has always been punished and Louis Riel is an example. Takeovers like this cannot be toleratedthe situation between the Arabs and the Israelis and Northern Ireland have shown what happens when you negotiate with terrorists".

TS, WFP, GM, MS, 2/12/74 CP

The Department of Indian Affairs (DIA), Calgary, laid charges against Ed Burnstick and Roy Little Chief (head of Calgary Urban Treaty Alliance, which has been involved in a running battle over the treatment of urban Indians by DIA).

The Canadian Association of Social Workers accused the DIA, Calgary office, of practising racism and violating standards of professional social work in its treatment of native peoples. OC 14/12/74 CP; WFP, TS, HCH, same day.

METIS - RCMP : MARIN INQUIRY COMMISSION

The Marin Inquiry has been set up to look into the handling of citizens' complaints against the RCMP. The Native Council of Canada represents the Metis and non-Status Indians. Gloria George, vice-president, said there is a deep misunderstanding on the part of the RCMP about native people. The RCMP have not been answerable to the local community; Miss George suggests that local police commissions be set up to whom the RCMP would be answerable. OC 6/12/74 p5 c1-3 (John Honderick.

URANIUM DEAL WITH FRANCE PRESSURES JAMES BAY INDIANS

Quebec Premier Robert Bourassa held talks with French president D'Estaing on the possibility of providing uranium to France for electrical plants.

OC 3/12/74 p4 c1-6.

However, France has never signed a nuclear non-proliferation treaty and is a large market for uranium. According to PC Flora MacDonald, the opening of this large market has led to federal plans to build an enriched uranium plant at James Bay. The plan increased the pressure on the Cree and Inuit natives to sign a land settlement. Thus, the government may be committing a double injustice by trampling on the James Bay natives in order to supply France's immoral arms industry. HS 6/12/74 p6 c1=3.

REGIONAL DISPARITY

Stories this month included the plight of east coast fishermen and workers in fish plants; the decentralization of DREE offices; subsidies for western grain farmers and even more generous subsidies to such notables as Malcolm Bricklin and heavy water plants at Glace Bay and Point Tupper.

FISHERMEN'S PLIGHT

Fisheries Minister Sandy Cameron has agreed to go to Ottawa to discuss a serious financial crisis facing the east coast fishing industry. Lawrence Widneff, president of the Canadian Seafood and Allied Workers Union said that basically the problem is money. Fish landings started to drop in August and fish plant workers earnings went down because they were working only one or two days a week but were not entitled to unemployment benefits. The union president is concerned that unless efforts are made at once to resolve this problem many experienced plant workers will disperse to find work elsewhere during the next few months. Dr. Leslie Harris of Memorial University of Newfoundland says the fishing industry needs government short term help if it is to survive and the long term solution would be full Canadian control of fishing on the continental shelf. (HCH 6,12,74 p25 c7-90)

DREE TO SHIFT OPERATIONS

The regional economic expansion department has virtually completed a program to decentralize its operations. Don Jamieson, DREE minister said in the Commons that the goal of shifting 70% of the department's employees to offices outside Ottawa to regional offices has almost been reached. (HCH 30,11,74 p5 c5)

AID TO FARMERS

The proposed Weastern Grain Stabilization Act would set up a fund into which Ottawa would put \$2 for every \$1 contributed by producers to a maximum of \$1500 for farmers whose primary product is wheat, oats, barley, flax, rye, or rapeseed. The plan could cost taxpayers as much as \$100,000 a year. Currently there are approximately 160,000 grain farmers on the prairies. Otto Lang, the minister responsible for the wheat board said that a good number of these farmers are very small operators. Critics oppose the subsidies on grounds that there is still no protection against rising production costs and that the program lumps the prairies altogether and makes no provision to help farmers in specific localities faced with poor crops. For example, farmers in the Peace River district of northwestern Alberta might see their crops fail while other crops in other parts of the prairies flourished. In this case, they would not be eligible for assistance since the subsidy is given only when income figures fall below a five year average over the entire prairies. (OC 5,12,74 p78 c1-4)

AID TO CORPORATIONS:MALCOLM BRICKLIN: MORE MILLIONS AVAILABLE IN 1975?

A decision by the federal court jury in Philadelphia has ordered Bricklin to pay \$2.3 million to a former business associate in a breach of contract suit. Len Stern of Pompano Beach Florida sued Bricklin and two of his firms. Will these law suits affect Bricklin's Saint John based auto operation and his ability to raise the millions more he says are needed to keep the venture going?
(TJ 26,28,12, 74 p1 c1-5)

THE BRICKLIN--HATFIELD'S FOLLY?

The Bricklin \$20 million adventure seems to be having difficulty getting off the ground but Premier Hatfield states he is still confident. New Brunswick, with a 10% unemployment rate welcomed the labor intensive industry. However the two plants, the fibre-glass body plant at Minto and the St. John assembly plant, together only employ 430. Bricklin promised 600 jobs. The company says there will be more jobs as production speeds up. Bricklin Canada hired its original workers at about \$3 an hour. Low priced labor was one of the premises on which Bricklin's optimistic financial forecasts were based. The workers have now been organized by the United Auto Workers and have a contract that will give them \$4.55 an hour by March. The total financial commitment of the province to Bricklin amounts to \$7.5 million. The province controls 67% of the shares. Mr. Hatfield told newsmen that no "upper limit" had been set as to how far the government would invest in the company. He said that a consultant will probe Bricklin's operations but will concentrate on operational rather than financial aspects. (TJ 3,12,74 p1 c3-4; FP 21,12,74 p5)

Liberal opposition leader Robert Higgins has called for full disclosure of facts behind the provincial government's purchase of the T.S. Simms and Co. Ltd building in St. John where the Bricklin plant is located. The province is acquiring the plant for \$1 million and assuming responsibility for a \$540,000 mortgage on the property held by the New Brunswick Development Corp, a provincial crown agency. He said that the one fact that is clear is that the people of New Brunswick have had to ante up another \$1 million to complete the purchase of a plant which will be leased to Bricklin. Mr. Washburn, Liberal for Oromocto, said reports are circulating that the Bricklin plant at Minto, which employs about 130, may soon be closed. (TJ 17,18,12,74 p20 c1-3)

HEAVY WATER PLANT MAY GET \$20 MILLION MORE

The cost of the much-troubled heavy water plant in Glace Bay is expected to reach \$320 million before it opens next year, ten times the original estimate. The province of Nova Scotia spent about \$120 million before the Atomic Energy Company of Canada took over reconstruction in the fall of 1971. Donald MacDonald said before the Commons, that the money for Glace Bay is needed to meet higher costs on construction delays and rising prices for materials. The plant will turn out approximately 400 tons of heavy water annually for use as a coolant and moderator in Canadian designed nuclear reactors.

(HCH 4,12,74 p9 c8-9)

SALE OF POINT TUPPER PLANT IMMINENT

Atomic Energy of Canada Ltd. and the Canadian General Electric Co. Ltd have reached preliminary agreement on a federal takeover of the Point Tupper heavy water plant and formal word of cabinet approval for the deal is imminent. Canadian General Electric has been anxious for some time to sell the plant which has been a major headache for the company since it was commissioned in 1970. The pollution it produces has been a 'headache' for Point Tupper residents as well. 20% wish to move away from the area but cannot get the value of their homes. 24 cases of local residents suffering from serious respiratory ailments have been reported. There has been very little done to speed up the clean up of industrial pollution since pressuring began several months ago by local ratepayers. (HCH 7,12,74 p25; HCH 23,12,74 p1)

Housing

HOUSING LOTTERY

There are 90 times more applicants than home available to buyers in Scarborough, Ontario. The 446 HOME (HOME Ownership Made Easy) units will not be available until June 1975. Only a lottery will decide which of the 40,000 applicants will receive the homes. (TS 31,12,74 pB4 c1-2)

ILLEGAL EVICTIONS ON THE INCREASE IN TORONTO

Increasing numbers of tenants are being illegally evicted from their homes in Metro Toronto, Richard Nellis, executive director of People and Law, a tenants' rights organizations, says even when witnessing the incidents, policemen do not lay charges. Mr. Nellis attributes the increased evictions to the housing shortage in Toronto, and the rise in the percentage of the population who rent accommodation. (WFP 2,1,75 p43 c2-3)

Health

Health minister Frank Miller announced that the provincial government will introduce a contraception and family planning information program next year. Local official health agencies will be made responsible for ensuring the provision of services in their community or area. The program will cost Ontario about \$2 million. Mr. Miller said links between high fertility and poverty can be identified clearly. (WFP 16,12,74 p15 c6-8)

Social Welfare

GUARANTEED INCOME RAISED IN ONTARIO

The Ontario government has raised the guaranteed annual income of elderly, blind and disabled people to \$2,766 for a single person and \$5,532 for couples effective January 1, 1975. Most of the money for those who qualify is from the federal government's old age pensions and supplements. (OC 4,12,74 p42)

A \$50 MILLION PLAN TO PUT THE WELFARE STATE IN ORDER

Between 500,000 and one million Canadians have long-term dependency on either welfare or unemployment insurance for their incomes. To come to grips with this problem, Ottawa and the provinces will announce next month a series of 20 pilot projects, at least one in every province and the Northwest Territories, aimed at finding why present programs don't work and re-juggling them to make them more effective.

20 demographically representative communities are being selected as experimental sites, where federal Manpower programs will be coordinated with municipal, provincial and private efforts to open up job opportunities for the chronically unemployed. The first pilot projects are to be launched in January and February. The accent will be on filling job opportunities that already exist in the private sector, rather than using public funds to create new jobs. As an exercise on paper, the community employment strategy hits all the right notes: local involvement, relying on the private sector, doing careful analysis before rushing in to an open-ended job creation scheme. Employers will be asked to design jobs in a way that recognizes the special problems of the chronically unemployed. In the territories, for example, employers might be encouraged to contract with workers cooperatives for a fixed number of manhours of labor, rather than hiring specific workers to meet a rigid work schedule. Other employers will be asked to do on-site training. Personnel managers who set unduly stringent job quali-

fications when manpower was surplus, might be encouraged to relax them now that labor is scarce. Trade unions will also be asked to eliminate unnecessary job barriers. Manpower's Robert Andras acknowledges that there are concerns "in terms of the accountability of any non-governmental bodies for the use of public funds." Single mothers who account for the vast majority of able-bodied persons on welfare, may require day care facilities to enable them to take jobs. Native peoples in remote communities may need better transportation to get to work. The physically handicapped and mentally retarded may require counselling rehabilitation and special training. (FP 21,12,74 pl c1-4)

CNSP NOTE: This program is an example of the same old story as far as solving the problem of why people are on welfare. The proposed programs continue to place the burden of the problem on the people themselves, calling them chronically unemployed, as though they had some kind of disease. There is also the use of terms like 'experimental' which show once again that it is the poor who are experimented with in this society. Finally there is no attempt to question whether the private sector can in fact supply jobs. Evidence to the contrary appears in this month's Unemployment and Labor general section. The program seems to be an attempt to rationalize existing programs and not to spend more money. Yet if one of the problems facing a large percentage of welfare recipients (single mothers) is lack of day care facilities, will the government be willing to put money out for such facilities?

Economic-Labour

Employment Unemployment

UNEMPLOYMENT INCREASES AGAIN

A drop in employment of women (failing to keep up with new workers as well) is believed the reason for the rise to 5.5% in November. The three provinces with the greatest population (B.C., Quebec and Ontario) accounted for the increase. Others remained level or dropped. (GM 11,12,74 pB5 c2-5)

WHY THE JOBLESS RATE WILL RISE

Unemployment will rise in Canada because industry will slow down or even reverse its employment increases. This because of a need to cut costs and increase productivity. Total production of goods and services was not up at all in the third quarter (in real terms) over the first quarter. And yet 172,000 more Canadians were without work in this third quarter of 1973. Naturally it takes some time for these calculations to be figured into industry's employment plans which explains the delay in the rising rate of unemployment. (FP 21,12,74)

U.S. RATE AT 7.1%

The U.S. unemployment figure of 7.1% is largely accounted for by layoffs in December. 360,000 people lost their jobs bringing total of unemployed to 3.2 million. In August the rate was 5.4%. The blue collar sector suffered the most with a 9.2% unemployment rate. (GM 4,1,75 pB9 c5-8)

EMPLOYMENT PROSPECTS DOWN

Canadian companies surveyed by a private service are less optimistic in their outlook for the first quarter of 1975. Of 1,160 companies, 15.4% anticipate adding to their payroll, compared with 23.2% in the preceeding quarter. The areas looking forward to staff increase the most, are metal and metal work manufactures, retail sales companies and construction. Most companies said their plans were subject to change. (GM 3,1,75 pB2 c6-9)

LABOUR GENERAL

LAYOFFS ACROSS INDUSTRY SPECTRUM

Estimates made by Statistics Canada in early December show about 43,000 workers laid off across Canada and in diverse industries. November showed 28,000. There is no accurate record of layoffs, but word from most industries is clear--they are due to cutbacks in production. At present, the secondary manufacturing sector is the hardest hit. Primary industry (chemicals, steel and aluminum) seem solid. The auto industry is a good example. In the U.S. about 200,000 are now temporarily or indefinitely out of work. Canadian operations are following this trend. Ford Canada laid off 650 of its 18,000 workers, Chrysler 1,740 out of 14,800 and GM 185 out of 35,200. The automotive parts industry forecasts 25,000 of its 55,000 workers could be out of work in the next few months. Other industries selling their products directly to the consumer, television, furniture and textiles, are beginning serious layoffs. Textile producers in Canada see part of the problem in a seasonal turn towards foreign imports and a fear by clothing manufacturers and retailers of a recession. 22,790 hourly workers were employed in the Canadian textile industry in August 1974. This has now fallen to 19,740, a drop of 14.5%. Housing starts in Canada are $\frac{1}{2}$ what they were a year ago. This affect the lumber industry and building supply manufacturers. One fifth of B.C.'s 80,000 forest industry workers are laid off and one half of Quebec's lumber workers.

(WFP 14,12,74 pl c5-8)

GM TO SLOW PRODUCTION

General Motors of Canada announced plans on December 20, 1974. The changes result in one week shutdown of plants in Windsor, St. Catharines, Oshawa and St. Therese plants in the week of January 13th. Beginning January 20th, most plants will slow down production 10-15%. 1,250 additional employees in Canada will be affected by indefinite layoffs, bringing the total layoffs to 3,740 by the end of January. (HCH 21,12,74 p32 c1-5)

DOUGLAS AIRCRAFT LAYOFF

A one week layoff of 3000 employees began on December 23. The company blames the shutdown on a strike at Long Beach, California. Union representative, Mr. Fairchild, says the company is laying off to avoid paying out \$645,000 for six paid holidays that were in the old contract. The contract expired last September and there is nothing the union can do. The workers don't qualify for UIC because they must serve a two week waiting period. Company officials will not be available for comment until December 30th. (TS 23,12,74 pA5 c1-5)

WAGES AND INFLATION

Many Canadians are beating inflation

Many Canadians, quite possibly a majority of those in the work force, are managing to keep their incomes ahead of price inflation.

That much can be deduced from the latest Statistics Canada figures on employment earnings and consumer prices.

Average weekly wages and salaries in October, for all occupations, were \$188.06, which was 13.8 per cent higher than a year earlier. The consumer price index rose 12 per cent in the same 12-month period.

The results for nine broad categories of employment are more revealing:

	Average weekly earnings October 1974	Percentage increase in year
Construction	\$269.47	13.4
Mining	\$251.99	15.7
Forestry	\$242.09	16.2
Utilities (transportation, communications, etc.)	\$213.21	15.7
Manufacturing	\$196.61	13.4
Finance, insurance, real estate	\$175.87	10.5
Trade (retail, wholesale)	\$146.29	14
Services	\$133.43	15.2

Only those in finance, insurance and real estate failed, on the average, to keep their gross incomes

up to the cost of living. It's been a bad year for stockbrokers and most real estate agents.

Averages, of course, conceal almost as much as they reveal. Statistics Canada can tell us nothing about the distribution of income gains within particular industries. Many people in the labor force, unorganized or employed by struggling companies, presumably lost ground to inflation. And retired people have seen the buying power of their private pensions cut by more than 20 per cent over the past two years.

People in the service occupations, which include waiters, waitresses, hotel and laundry workers, gained 15.2 per cent on a low base. But since low-paid people must spend a high proportion of their incomes on food and shelter, the fastest-rising components of the price index, most of them are probably worse off.

At the same time, the averages should induce some scepticism about the claims of powerful organized groups—whether employees, executives or professionals—that they need big pay increases to maintain their living standards.

Certainly the statistics do nothing to rebut the case for a flexible system of income and price guidelines to restrain the greedy and protect the needy. That's apart from the danger of unchecked inflation leading to an economic collapse in which the earned incomes of many Canadians would abruptly drop to zero.

TS 31/12/74 p.4 c1-2

INDUSTRIAL ACCIDENTS ON THE RISE

Workmen's Compensation Board figures show accidents increased 11% over 1973, while the population increased only 4.6%. Almost three times as many man-days were lost due to on the job injuries as in strikes and lock-outs. By the end of 1974, more than 450,000 workers in Ontario alone will be on the injury at work rolls. Injuries will lose Canada \$2 billion this year, about 2% of the GNP.

Unions and companies accuse one another of unsafe conditions, carelessness, etc. It is well known that safety has been an uphill battle for unions to fight for in most industries. Companies often make a guess about the consequences of a condition and try to balance it against the cost of safety improvements, according to Rothmans Company's loss control coordinator. Many experts agree that poor management is behind 2/3 of all accidents. Other causes for an increase lie in the more complex technology of work. Each year there are more than 5000 new chemicals and substances on the market for use in industry. Most are not tested for their long term effects on man. New diseases from deafness to cancer and more efficient reporting techniques are also there. Once injured, a worker must fight the Workmen's Compensation Board to convince them he is not a fraud. (TS 14,12,74 pl cl-8)

HEALTH RISKS IN THE ASBESTOS INDUSTRY

The eastern townships is heavily dependent on the asbestos industry for jobs. That area produces 40% of the world's asbestos. For a long, time workers have been aware of the health risks in the industry. As early as 1949 in the bitter Asbestos strike, one of the chief demands of the workers was for more controls on the dust both inside and outside the mines. A recent study by a U.S. doctor of the asbestos industry in the U.S. showed alarming statistics of deaths due to inhalation of asbestos dust:

- one in five workers died from lung cancer;
- one in ten died from stomach or intestinal cancer;
- one in fifteen died from cancer directly caused by asbestos inhalation.

Such statistics have provoked a study currently being undertaken to examine the proportions of health risks in the Quebec region. (LJ 4,1,75 p9 full page)

IMMIGRATION

INTRODUCTION:

In some contrast to last month, the amount of press coverage of immigration issues was down and the editorial and letter or opinion comment was generally more negative against further immigration to Canada. In addition, population objectives and immigration policy are related in some articles. A long article by Sheldon E. Gordon in the Financial Post (Dec 14) draws out some of the contradictions inherent in the Canadian government's treatment of Chilean, Haitian and other refugees. "For Canada, which styles itself as a sanctuary of the politically oppressed, the Haitian melodrama can be viewed as another episode to nag the national conscience...Haitians claiming they would face persecution back home have borne the onus of proof and virtually none has been able to convince the board." "The irony of

their plight is that Ottawa professes eagerness to recruit French-speaking immigrants".

Norman Hartley, (GM 12/12/74 p51 c1) comments on the need for job offers - the key ruling in further immigration - "but without either a job offer or skills to match a specific labour shortage, a 10 point penalty is imposed. That loss could pull more than 30% of all applicants down below the 50-point score necessary for entry to Canada."

And Hartley adds. "As usually happens with Canadian immigration law, what happens in practice will depend more than anything on the complex - and confidential- instruction manual which sets out how the legislation is to be interpreted."

JOB REQUIREMENT - "FUNDAMENTAL PRINCIPLE"

The government's planned new immigration policy is expected to retain stiff entry tests requiring new arrivals to fill job vacancies in Canada, Immigration Minister Robert Andras said Monday. The job requirement is among "fundamental principles" not going to be abandoned through the long public discussion to take place upon publication of the green paper sometime in January 1975.

Andras said the new policy will be based on the prediction that most of the country's future population growth will come from immigration because of a sharply declining national birthrate. WFP 27/11/74 p2 c1-5; M. Lavoie

ALIENS - NO SPECIAL CRACKDOWNS PLANNED

No special crackdown on illegal immigrants is currently planned but a search is on "for better ways to enforce the laws" according to Robert Andras. There are an unofficially estimated 150,000 illegal residents in Canada.

The law in Canada is that everyone here illegally, when discovered, can be deported immediately and has no right of appeal. Deportations from Canada are slowly rising. Last year, there were 5,071 at the border and 2,039 from inland points. In the first 8 months of '74 there have been 7,401 with predictions for about 9,000 for the whole year.

OC 3/12/74 p77 c1-2; Guy Demarino

MULTI - RACE DANGERS CITED BY MINISTER

Unrestricted multi-racial immigration can create "dangerous social tensions", Quebec Immigration Minister Jean Bienvenue said yesterday in a speech to the Quebec City Red Cross society. He said he was proud of Quebec's reaction against the deportation orders for about 800 Haitians now living in the province illegally. "But would they have replied the same way to the question : Is Quebec society ready to accept being transformed into a multi-racial society?" MS 5/12/74 pA16 c1-4 J. Wildgust

CANADA'S POPULATION TOTAL UP

Canada's population was estimated at 22,574,000 on Oct.1,1974, Statistics Canada reported. The estimate was 367,000 more than the estimate for a year earlier. Net migration accounted for about half the increase in the last year. The birth rate has been declining and in previous years natural increase was a more important factor in population growth.

Population Totals By Province as of Oct. 1/74:

Newfoundland	- 545,000	Manitoba	1,013,000
Prince Edward Island	117,000	Saskatchewan	909,000
Nova Scotia	816,000	Alberta	1,732,000
New Brunswick	668,000	British Columbia	2,421,000
Quebec	6,153,000	Northwest Territories	37,000
Ontario	8,143,000	Yukon	20,000

VS 7/12/74 p46 c1-2 CP

NEW PENALTIES ADDED TO IMMIGRATION LAW

The Commons and the Senate gave speedy approval to a bill which provides that deported persons who return to Canada without immigration dept. permission will be liable to a prison term of up to two years. The existing law contained no specific penalties. R. Andras said that regional immigration officers will have authority to grant temporary returns for compassionate reasons.

MS 10/12/74 pB5 c6-7; WFP 12/12/74 p31 c4-8 CP.

CANADA MAY ACCEPT MORE CHILEANS

In response to an appeal from the UN High Commissioner on Refugees, Canada will accept a large number of Chileans refugees. The UN High Commissioner asked Canada and 9 other countries to grant refugee status to about 6,000 Chileans who fled their country following the 1973 right-wing military takeover of the Allende gov't. The U.N. request came in the wake of deteriorating conditions among Chilean refugees in some Latin American countries.

WFP 21/12/74 p16 c6-7 CP

HAITIAN SAGA CONTINUES

Judge J.P. Houle abruptly adjourned the case of Obertz Belfond, a Haitian who is contesting a deportation order and asking the Immigration Appeals Board for political refugee status. Judge Houle said witnesses to support the claim of Belfond should know him personally and be able to demonstrate why he would be liable to persecution if returned to Haiti.

The Belfond case is considered an important one by key members of the Haitian community because he is formally appealing as a refugee. The board had already heard about 200 cases and 27% of the people were granted permanent residence for "humanitarian reasons" but not as refugees. The rest were deported.

MS 3/12/74 pE11 c4-5 Shiela Arnopoulos

LABOUR MOVEMENTS

INTRODUCTION: Press coverage of the labour movement this month focussed attention on two examples of corruption: the charges by Morton Shulman against the Seafarers International Union in English Canada, and violence and corruption in the Quebec construction union movement. In the first story, the contributions of the SIU to the Liberal party received prominent attention. In the second story, Gisele Tremblay (in Le Jour, December 9,) analyses the construction industry and points out that attention has focussed almost entirely on the union, and does not reveal the links between the FTQ and the Quebec government and owners of construction companies. Her analysis attempts to redress the balance. It might be

argued that the same holds true for the SIU. Although the role of the government does receive some attention, the role of the shipping companies is hardly mentioned. Why is this so? In a year when many unions will be more militant in their bargaining for better working conditions, it is perhaps useful for business to remain unscrutinized and for the press to emphasize examples of corruption in the union movement.

It is noteworthy that these unions, the SIU and the FTQ Construction, are international unions, based in the U.S., which have awaged bitter battles to eliminate their Canadian competitors, who are considered more militant and socialist in orientation. We include one article on the history of the SIU which illustrates its connection with government and its activity against the Canadian Seamen's Union and its own membership.

SEAFARERS' UNION HAS TOUGH HISTORY

The U.S. based SIU was invited by the Great Lakes ship owners, with the acquiescence of the Liberal government of Louis St. Laurent, to smash the old Canadian Seamen's Union, called Communist-dominated by the Canada Labor Relations Board, in the late 1940s. The SIU under the leadership of Hal C. Banks crushed the CSU and by 1963 boasted a membership of 15,000. Great Lakes shipping was in as bad shape as it had been under the CSU with ship bombings, strikes, beatings and disruptions. A federal inquiry found Banks "ruthless, lawless, cruel, dishonest, a power-hungry tyrant". The Canadian Labor Congress expelled the SIU in 1960. In 1964, Banks, who had brought a criminal record to Canada, was convicted to conspiracy in a 1957 waterfront assault and jumped bail to the U.S. There, he quit the SIU to set up a cruise-boat operation in California. Now 64, he is still there.

Warren Allmand, Solicitor General, Labor Minister John Munro, Health Minister Marc Lalonde and two PC members of parliament from Halifax are among those who received funds from the SIU during the federal election campaign last summer. Mr. Munro returned his donation in September. The others kept theirs. Mr. Allmand explained that he felt it was alright because there had been no suggestions of wrong doing by union officials in recent years. But the 1972 election came just six months after two union members swore in affidavits that they were beaten and kicked at the SIU Montreal headquarters while other members simply stood around. In 1971 a candidate for vice president of the union, Francois de la Chevrotiere alleged that he was attacked by 12 or 14 men, including present SIU president Roman Galewicz. Mr. Chevrotiere wrote to then-labor minister Martin O'Connell complaining of the attack and asking the labour department to investigate the union. The request was turned down. Dr. Shulman has said Mr. Galewicz told police officers that he had a senior federal cabinet minister "in his pocket".

In 1971, elections were held in the union and Leonard McLaughlin, Banks' former executive vice president won by 37 votes. The campaign was punctuated by violence and Dr. Shulman says the election was actually won by William Glasgow, Mr. McLaughlin's opponent. Mr. Glasgow was with Mr. Chevrotiere when he was beaten. The SIU negotiated a new contract last spring with the Canadian Lake Carriers' Association after Mr. Munro personally intervened in the dispute. But the agreement, termed by Mr. Galewicz the best ever, for the union, was opposed by a substantial minority of SIU members. Dr. Shulman charges that some of the dissidents became targets of attacks by the union executive.

(WFP

p22, c1-3)



FARMERS' MOVEMENTSINTRODUCTION:

The ongoing scandals in the agricultural sector: destruction of millions of eggs, the killing of calves and the protests by farmers that they are not getting enough for their products to assure a decent standard of living, indicate the need for change in this sector. The Toronto Star carried two articles offering remedies to this situation. In one, Gordon Hill, president of the Ontario Federation of Agriculture, says that marketing boards are the only solution. In another, Ralph Travis, challenges much of Hill's position and presents a guaranteed income as a better solution.

Resolutions passed at the National Farmers Union convention such as a public ownership of land tenure program and the nationalization of facilities used in developing energy resources, also suggest ways of ordering the present chaotic situation in agriculture.

GUARANTEED FARM INCOME

According to Ralph Travis, subsidies are the most counter-productive method of helping the small farmer. They encourage production of the very items glutting the market. They help the big producer, who needs help least, while providing trivial help for the little man. They discourage farmers from getting out of inefficient but subsidized production. Marketing boards require a group of civil servants to make complicated long term forecasts and plans, which almost invariably turn out to be wrong. Moreover, they are a political embarrassment, especially when federal and provincial agencies overlap. Quotas seldom work either. They perpetuate inefficiency, since they prevent new, more efficient producers from getting into business. They create bargaining counters in themselves, making an additional expense item. They become a source of controversy between farmers. A better way to assist farmers would be to guarantee their income by \$1,300 a year after all expenses. This would concentrate government aid on the farmers who need it most, while keeping such money out of the pocket of rich conglomerates who reap an inordinate amount of subsidy funds now. Surplus products, placed on the market, would still depress prices, but there would no longer be any danger of ruining farmers and the consumer would profit from the low prices. As it is now, consumers are in a triple bind. They pay the subsidies, the higher prices for food and the cost of administering the programs that increase the cost of their food. (TS 2,12,74 pC3 cl-7)

NATIONAL FARMERS UNION LAND USE POLICY

At the NFU convention, a policy was adopted which said the NFU should take the lead in introducing new concepts of land tenure including a revaluation of the principle of private land ownership compared to public ownership with tenure secured by leasing arrangements. The presidents of three NFU locals in Ontario resigned over the policy because people in their locals are from Eastern Europe where they had seen the government control everything. Mr. Atkinson argued that the resources of this country, including capital are being concentrated in the lands of fewer individuals and giant companies internationally owned and controlled. (WFP 7,12,74 pl c4-5)

OTHER NFU RESOLUTIONS

The union called for the wheat board to be expanded into a Canadian grains board with complete jurisdiction over grain and oil seed marketing in Canada and for export. It wants the board placed under the federal agriculture department.

On energy, the union wants to protect against the exploitation of our energy resources by multinational operations and other private interests. Canada should nationalize all facilities employed in the development, extraction, processing and distribution of all energy resources within Canadian jurisdiction. Petroleum products should be researched for possible recycling possibilities. The livestock policy called for the establishment of a national meat authority for the marketing of livestock and its products, and price stabilization programs should be introduced.

On sugar, the union supported the idea of creating a national sugar authority to purchase Canada's needs from developing countries at prices fair to them and to regulate prices to Canadian consumers.

On women's rights, the NFU adopted a policy that all assets and property accumulated by either spouse during a marriage be owned equally by each party. All liabilities incurred should also be equally shared.

The union decided to maintain and expand the boycott of Kraft Foods Ltd products as a means of showing the public the monopolistic position this international giant is assuming in the control of the cheese industry and other dairy products.

(WFP 7,12,74 pl c4-5; OC same day)

QUEBEC LABOURINTRODUCTION:

In order to understand the significance of the current investigations of the construction industry, it is important first to see its relation to the overall economy of Quebec. It plays a very important role in creating jobs and masking the structural weakness of Quebec industry.

In 1972 the Confederation of National Trade Unions (CNTU) published a comparison of industrial production in both Quebec and Ontario:

THE PRODUCTION VALUE OF DIFFERENT MANUFACTURING INDUSTRIES		
	QUEBEC	ONTARIO
industry related to natural resources (wood, paper, primary metals, minerals)	24%	20%
light industry (food, drink, textiles, leather, clothing)	45%	28%
heavy industry (chemical products, petroleum derivatives, transportation implements, electric tools, machinery)	31%	52%

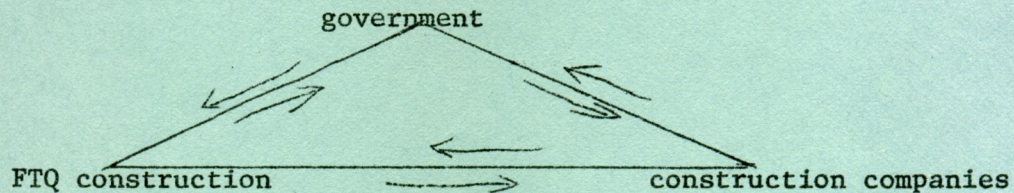
Resource extractive industries are capital-intensive and do not create many jobs. The pulp and paper industry is in serious difficulty and vulnerable to international market conditions.

Light industry is notoriously non-competitive internationally and both the federal and Quebec government have had to subsidize it substantially to even keep it afloat.

The weakness of the heavy industry sector is a critical one for Quebec. It is heavy industry that pays the best wages and has the greatest ability to create jobs in allied industries. Confronted with this structural weakness in the Quebec manufacturing sector, the Quebec government has not acted to correct it. It has instead subsidized light industry and resource extractive industries like the James Bay project. For job creation, it has relied heavily on the construction industry--the James Bay site, the Olympic Games, the new Mirabel airport, to name only a few. Naturally it wants to stabilize that industry and the chaos which has been growing over the past few years. That is why it established the Cliche commission to enquire into violence in the industry.

An analysis by Gisele Tremblay in Le Jour, December 9, 1974, describes some of the limitations of the inquiry and the collusion between the American based FTQ union, the construction owners and the Quebec government.

THE CONSTRUCTION TRIANGLE



So far, reporter Gisele Tremblay notes, the Cliche commission has concentrated its attention on only one part of this triangle, the FTQ and its relations with companies. The companies, with one or two exceptions have been presented as victims of union extortion and their behaviour a reaction to union corruption. In fact, the construction industry is a game played by three, where each party stands to gain. What about the relation between the government and the union? and the relation between the government and the construction owners?

In the first case, the Quebec government has favoured the FTQ over the other major union in the construction field, the CNTU, on the James Bay site and in promoting construction contracts near Montreal where FTQ strength is greatest. In return, recent evidence has shown, the FTQ were active in campaigning for the Liberals in the last provincial election, and not above threatening voters if they did not vote Liberal.

In the second case, companies have been known to contribute substantially to the Liberal party, in return for guarantees of union cooperation on major

construction sites. The most spectacular case is in the James Bay arrangement where top Bourassa aides, the FTQ and representatives of the construction company, Bechtel, discussed a proposed deal by which the union would have a monopoly at James Bay for 10 years in return for a commitment that there would be no strikes during the same period on the site. The American multinational company naturally favors an international union, which is primarily a business union. It distrusts the CNTU which is nationalist and increasingly socialist.

In this triangle then, the FTQ gains by becoming a near monopoly in the construction industry; the government gains by attracting construction contracts and thereby jobs, and contributions to the Liberal party coffers; and the companies gain by having to negotiate with a union that is not militant and a sympathetic government. Each sector gets a piece of the pie.

However, the FTQ decided last spring that its piece of pie was not large enough and it reneged on its promise not to strike for 10 years at the James Bay site. The corporation did not care if the FTQ used strong arm tactics on its union members to keep them in line, or against members of the CNTU. It was horrified however, when such tactics were used against it. The destruction of LG-2 was just such a tactic and it led to the Cliche enquiry.

The Cliche commission recessed over Christmas. The most important recommendation during December was the placing of the FTQ under trusteeship. Daoust, the director general of the FTQ has been ordered to clean out criminal elements in his organization. However, one FTQ unionist, Henri Gagnon, argues that trusteeship under a top FTQ union executive will not solve the root problem facing the FTQ. Only grass roots members regaining control over their union leadership will eliminate such corruption. Neither the government nor the Cliche commission, nor construction companies, have responded to this suggestion.

(LJ 9,12,74 p3)

UNITED AIRCRAFT

857 striking workers voted in favor of continuing their 11 month strike against United Aircraft yesterday. (GM 16,12,74 p10 c1)

When the strike began there were 2,600 production workers. At least 310 have resigned since, and about half the remaining 2,290 have returned to work. The company has hired more than 800 other workers and now has nearly 2000 production workers on the job. Yesterday's vote was asked for the by minister following a company statement that the union bargaining committee did not represent the wishes of the strikers. (MS 16,12,74 pl c1-5)

LE BARRAGE BOURASSA
sur le riviere la Grande Corruption



Political

Federal

INTRODUCTION:

In the midst of lay-offs, continuing stagflation and scandals, the House of Commons proposed to give itself a Christmas present. While the rest of the country made do with slim festivities, Parliamentarians suggested they needed a 50% raise. The immediate furor eventually penetrated the sacred halls with the aid of the NDP. As a consequence and with an eye towards future elections, the honorable members decided that 33.3% was acceptable. By a sleight of hand the compromise increase could end up greater than the original increase.

MPS TO GET 50% PAY HIKE

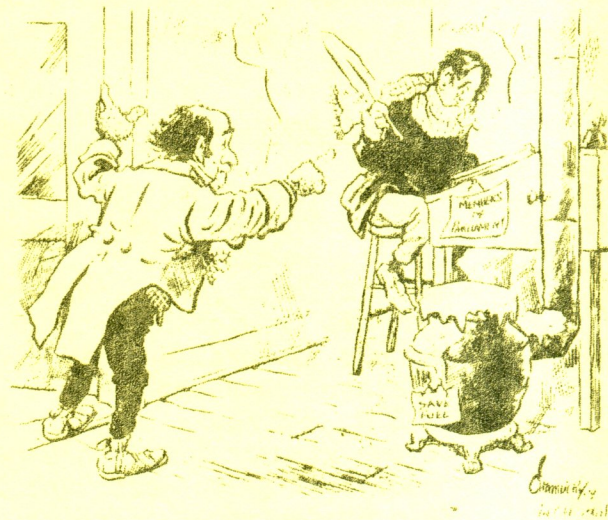
Bill C-44 proposed the first salary hike for MPs since 1971. The legislation would raise an MP's salary to \$39,000 with \$12,000 tax free; a Cabinet minister would get \$52,000 and the Prime Minister \$72,000, excluding expenses. The increase was justified theoretically by spreading it over 8 years, for an annual increase of 6%.
(TS 14,12,74 pA1 c7-9)

Although Stanfield finds it a humiliating experience to push his own salary increase, the PC party supports the 50% pay raise. Ed Broadbent of the NDP called the increase unjustified and noted that with this raise, MPs would enter the top 1% of Canadian salary earners. He suggested that MPs salaries be adjusted in line with the Canadian Price Index increases. (TS 17,12,74 pA1)

The hopes of the government for a quick, before Christmas passage of Bill C-44 were dashed by the NDP who have fought the bill. (OC 18,12,74 p1)

Public reaction to Bill C-44 was swift and vehement. The salary increase was called "outrageous", "revolting" and "unreasonable". Adding to the clamour was the recently formed grouping of Metro Toronto PC riding associations.
)HCH 28,12,74 p1 c1-4)

"Merry Christmas, Bob Cratchit. Vote yourself a 50 per cent pay increase before you do another."



Bowing to the public outcry, the government has lowered its proposed salary increase to 33.3%, retroactive to July. Future hikes will be tied to the average industrial wage. The NDP opposed this compromise since it could leave the MPs with higher salaries than the earlier suggestion, if the average wage rises.
(TS 20,12,74 pA1 c7-9)

CNSP NOTE: The average industrial wage has tended to run ahead of the Canadian Price Index to which old age pensions, and negotiated cost-of-living increases are tied.

HOUSE ENLARGED

The federal government has increased the number of seats in the House of Commons by 18. Ontario has gained 7 seats, Quebec 1, B.C. 5 Alberta 2, Saskatchewan and Manitoba each 1.
(TS 17,12,74 pA18 c8-9)

POLITICAL PARTIES

Speculation about possibilities for the Progressive-Conservative leadership was carried in the Toronto Star and Winnipeg Free Press as Robert Stanfield prepares to step down. He is acclaimed as a leader of high principle. His admissions of regret in supporting the War Measures Act in 1970, and failure to win the confidence of Quebec voters in three general elections casts a light on the character of this politician. "For this kind of man, that matters more than winning elections." (TS, WFP 2,12,74; also TS 31,12,74 edit)

Premier William Davis dropped a broad hint that he might be a candidate for the federal Progressive Conservative leadership. (WFP 30,11,74 p8 c4-5)

Dalton Camp, former national PC president, said the party is going to have to accept the possibility that somebody can come out of obscurity, to lead it because there are few leaders. "Mr Crombie is a super politician... he would be accepted by youth, but right-wing Conservatives would view him as a disaster." (WFP 10,12,74 p50 c6-7)

TORY PROPOSAL FOR A QUEBEC PARTY

Robert Stanfield voiced concern over possible divisions among PC Quebec supporters that the formation of a new PC party might cause. Promoters feel the party could offer a "credible federalist alternative" to the Bourassa Liberal government at a time when its popularity is faltering and nearly half of Quebecers question the integrity of their elected representatives. A recent public opinion poll indicated the Parti Quebecois is neck and neck with the Liberals in popularity. (TS 10,12,74 pA1 c2-5)

FEDERAL-PROVINCIAL RELATIONSINTRODUCTION:

The resource issue again dominated federal provincial relations. Alberta capitulated to the federal strong arm tactics while NDP Saskatchewan and B.C. held firm. Support for the provincial position was forthcoming from all provinces except Nova Scotia, leading to speculation that the oil and gas explorations off the Nova Scotian coast have not been successful. In other moves the federal government plans to test the constitutionality of B.C. and Saskatchewan resource policies in the courts, lending credence to the view that Ottawa's resource taxation policy was aimed at the two "socialist" provinces with Alberta being an unfortunate bystander caught in a predominately ideological dispute.

MINISTERS FAIL TO REACH ACCORD ON RESOURCE TAXATION

Federal and provincial ministers of mines reviewed the problems of resource taxation at their semi-annual joint meeting. The federal budget proposals came in for strong criticism from all provinces except Nova Scotia. The Nova Scotian minister, Leonard Pace, denied that Nova Scotia had been bought off by the federal government in return for assistance with a steel mill. The ministers did agree to a cost-shared uranium exploration program.

(MS, 7,12,74 pA14; HCH same day)

At the end of two days of bitter debate, the finance ministers were unable to reach an agreement on resource taxation. Although all agreed a solution

exists, both the federal and provincial ministers insisted other must make concessions. The only possible compromise seen is to raise the price of oil and gas. The issue will be broached next at the premiers conference. (OC 11,12,74 p49 c1-6)

MINISTERS BOOED IN CALGARY

Federal Ministers Otto Lang, Judd Buchanan and Marc Lalonde faced a hostile audience of oil men in Calgary to defend the November budget. Lang called for reason in the tax dispute and again warned that the provinces could not avoid taxation through public ownership of natural resources. All ministers were jeered and booed by the hostile audience.

(MS 2,12,74 pC8 c6-8; TS same day)



FEDERAL GOVERNMENT STEPS UP CAMPAIGN AGAINST SOCIALIST PROVINCES

Canadian Industrial Gas and Oil Ltd. (CIGOL) lost its case in provincial court. CIGOL claimed that the recently passed mineral income tax and oil royalty surcharge were indirect taxation and therefore constitutionally within federal jurisdiction. Otto Lang, minister of justice, announced that the justice department and CIGOL would file a joint appeal of the decision. (OC 3,12,74 p5 c4-6)

A little publicized addendum to the November federal budget suggests that the Federal government tax natural gas producers on its assessment of fair market value. At present B.C. gas producers receive below export price for gas from B.C. Petroleum Corp, which has kept the price of natural gas well below that in other provinces and has raised the export price to \$1 per 1000 cubic feet. In essence Lang will be taxing a public corporation for if he taxes producers on a higher price than they receive currently, the domestic price of gas must rise. The federal revenue will rise and the provincial profit will almost disappear. (OC 13,12,74 p51 c1-2)

OIL FIRMS REDUCE SPENDING

Energy Minister Donald MacDonald accused the oil companies of economic blackmail as Home Oil, Pan Canadian, Dome Petroleum, Pacific Petroleum, Chevron Standard and Gulf announced substantial cutbacks in exploration and development activities. The federal provincial government tax dispute has caused drilling companies to abandon plans for 172 exploratory wells. (WFP 29,11,74 p1 c7-8; WFP 10,12,74 p16 c)

ALBERTA TO AID OIL FIRMS

Alberta announced a six-point program aimed at assisting the oil industry. The program includes reduced royalty rates, refund of the provincial share of federal taxation on royalties and incentives for exploration. Turner called the program 'responsible and responsive'. (OC 13,12,74 p1 c5-6)

SASKATCHEWAN CLAIMS TRUDEAU "OUT TO GET US"

In a speech to the Saskatchewan Liberal Party, Trudeau accused Blakeney of attempting to divert attention away from provincial problems by attacking the federal government, a tactic he likened to that of Mussolini. Roy Romanow replied that Trudeau was out to upset the Saskatchewan NDP government and declared that resources would be a major issue in the upcoming election. (WFP 12,12,74 p10 c1-8; OC 7,12,74 p5)

PROVINCIAL GOVERNMENT

The Manitoba government is moving towards a complete takeover of the province's dairy industry by proposing a milk processing plant at Selkirk. Critics charged that the government is out "to get" Modern Dairies Ltd, recently taken over by Beatrice Foods, a large multinational corporation based in the U.S. (WFP 18,12,74 p39 c7-8)

POLITICAL: JURIDICALMILITARY

MORE FUNDS SET FOR MILITARY

The Federal government is going to increase defence spending 11.2% or about \$280 million to a military that has fewer personnel than ever before. Defence minister James Richardson said the increase will bring the defence budget to \$2.78 billion compared with the original estimate of \$2.36 billion for this year. With regard to scaling down operations:

- the cabinet decided to allow the Canadian contribution to the two Middle-East peacekeeping forces to remain at about 1100 men for another six months;
- Richardson announced there will be no cuts in NATO commitments;
- the Cyprus UN contribution has been cut from 950 to 750 men;
- Trudeau has indicated that the NORAD agreement will be renewed although he has given no indications of the levels of the Canadian contribution;
- Richardson announced that the next fiscal year, about \$350 million will be spent on capital equipment. That is 30% more than this year. It represents 12.5% of the total defence budget, far from the minister's oft announced aim of 20% of the budget for capital spending. Some of the new capital will probably go to the new long-range patrol aircraft. (OC 18,12,74 p84; WFP same day)

CANADA AGAINST NATO NUCLEAR WEAPONS CUT

Canada lined up with a majority of NATO members against a suggestion that the alliance reduce its force of tactical nuclear weapons in Europe. Richardson said Canada continues to believe in the NATO theory that European defence against the Soviets rests on a balanced combination of conventional forces, tactical nuclear weapons and strategic nuclear bombs that can be launched across continents and oceans. (WFP 12,12,74 pl c8; OC same day)

POLICE

ABUSE OF WIRETAPS

The leaking of police wire-tap activity as the basis of a political and anti-union smear campaign is the most disturbing aspect of the row going on over the SIU contributions to Liberal cabinet ministers. The Toronto police conducted a wire tap against at least one SIU officer. It can be assumed that if this had produced evidence of a crime, a prosecution would have followed. No prosecution was undertaken. Less than a year ago, Harold Adamson, the Toronto police chief, was in Ottawa doing his utmost to get the protection of privacy legislation watered down. He argued then that the dangers of abuse were exaggerated and that the public interest was served by a minimum of controls on police activity. (MS 9,12,74 pA7 c1-4)

IDEOLOGICAL: CULTURAL

THE CANADIAN PUBLISHING INDUSTRY

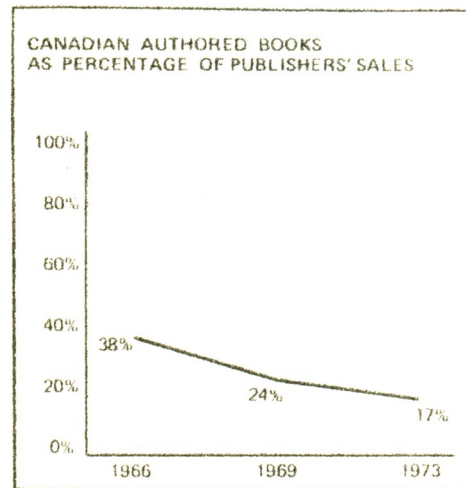
State Secretary Hugh Faulkner announced phase two of his new publishing policy to augment the phase one system of grants and subsidies. The plan includes measures to improve the market and legislation against foreign acquisition. Only 16% of English book publishing is Canadian-owned and Canadian authors account for only 17% of Canadian sales. Domestic costs are 20% higher than in the U.S. In addition, Canadian authors are lured to U.S. publishers by higher royalties. (WFP 19,12,74 p27; FP 21,12,74 p23 c1-9)

CNSP NOTE: We recommend to our readers the Newsletter of the Independent Publishers Association, December 1974. It gives excellent statistics on the state of Canadian book publishing.

NEWSPAPER COVERAGE CRITICIZED

Ross Munro, publisher of the Edmonton Journal, criticized newspapers in a Toronto speech. He pointed to the 'real lack of expertise' newspapers have in many fields, and their bland coverage of establishment orthodoxy--the kind of complacent coverage that puts a community newspaper only an AP franchise ahead of a well-printed shoppers' guide." He did feel that some larger papers are showing a greater determination to dig into stories.

(HS 5,12,74 p16 c5-8; VS 6,12,74 p32 c1-6)

RELIGION

A Latin American conference attended by bishops from North and South America and a Canadian evangelical churchman have something in common to say about good and evil.

The Inter-American Religious conference held in Bogota spelled out hope for organized religion once the fundamental nature of sin and justice in human society is realized. The urgency of the Latin American situation became the chief topic of discussion and concern. Latin American participants pointed out how, in addition to personal sin there is structural sin. Institutions have built-in systems of sin and injustice. In empathy, North American participants indicated how Christians in the U.S. and Canada are refusing to take for granted all that their culture has produced, becoming more responsive to the demands of the Gospel that the more affluent share with the less fortunate.

(HCH 28,12,74 p13 c1-5)

GENERAL MOTORS IMMORAL

Gerald Vandezande, director of a Toronto based Christian civil rights movement, criticized General Motors as one example of "unfettered free enterprise". Free enterprise has created a system that does not deal with "what man really needs, or care about the fact that the creation suffers". GM spokesman Boyd Chesney in a counter attack pointed out how many Canadians employed by GM are now able to enjoy the good life.

(TS 7,12,74 pA16 c2-7)

Latin American Newsfile

Bolivia

BOLIVIAN ECONOMY ABSORBED BY GIANT BRAZIL

With the Bolivian military coup which overthrew General Juan Jose Torres in 1971, Brazilian strategists achieved a double objective: eliminate a progressive government in a strategically important country and set up an unconditional ally in power: President Hugo Banzer. The Brazilian bourgeoisie, encouraged by the submissive policies of the Bolivian government, have begun to invest in almost all sectors of the economy while large landowners and Brazilian colonialists have tried to consolidate their territorial dominance by buying up land. Already the "live border" of Brazil exceeds the geographic border by 100 kilometres, particularly in the provinces of Santa Cruz and the region of Acre. Economic integration reached a peak May 22 when President Geisel and President Banzer signed treaties which handed over to Brazil practically all Bolivian reserves of gas, oil and iron. The Banco de Brazil and its branches in La Paz and Santa Cruz de la Sierre have become the principal centres of financial power in Bolivia. The two Andean railway systems, (Corumba-Santa Cruz and Cochabamba-Arica) will be tied together with the construction of a new route. This concretizes the most ambitious plans of the Senior School of Warfare: the Brazilian presence in the Pacific. With access to both oceans, like the U.S. Brazil will be able to appear as a world power. Bolivia's future free access to Brazilian ports such as Santos and Corumba means the Bolivian economy will be fundamentally channelled to Brazil. Moreover, Brazil signed an agreement on last Oct 24 to make three loans to Bolivia worth \$72 million. In a period when Brazil is facing economic crisis (its trade deficit reached nearly \$4 billion in September), the size of the loans is evidence of the enormous importance the Brazilian government accords "Operation Bolivia".

Bolivia is a key country in the Latin American revolutionary process. It has enormous natural resources, is in a central and decisive geographic position, and has the least stable government in Latin America at this time. (LJ 12,12,74 p7 c7-9
by P. R. Schilling PL)

Chile

CHILEAN JUNTA GIVES \$264 MILLION IN COMPENSATION

Four U.S. based multinational corporations will receive more than \$264 million in compensation for their property expropriated under the Popular Unity government. They are: International Telephone and Telegraph, Cerro Corporation, Kennecott Copper Corporation and Anaconda Copper. ITT will benefit most, receiving \$125 million, \$21 million immediately and the rest between 1975 and 2001. Meanwhile according to a study recently released by the University of Chile Department of economics, the inflation level in Chile is 367.6%, and unemployment at 10.3%. Chilean Chief of State Pinochet has asked citizens to tighten their belts, and not to spend excessively for their holiday festivities. (LJ 30,12,74 p7 c1-4 PL)

WORLD BANK REPORT: CHILE WORSE NOW THAN UNDER ALLENDE

A secret World Bank report shows that Chile is in some economic respects worse off than it was under President Allende. Inflation could reach 600% this year, higher than at any time under Allende. The report criticizes the military for wasting money on excessive military spending, and predicts a major financial crisis. Earlier this year there were 1.5 million Chileans without work, and in the absence of unemployment insurance, they were destitute. The bank adds that even for wage earners the hardship was great.

(TS 16,12,74 pA10 c4-5)

The Chilean government banned natural Christmas trees, in an effort to prevent unnecessary spending.

(HCH 16,12,74 p2 c1-4)

VIOLATION OF HUMAN RIGHTS IN CHILE

A commission on Human Rights related to the OAS has reported "extremely serious violations" of 10 fundamental human rights in Chile. It cites physical and mental torture, retroactive imposition of unconstitutional punishments and total deprivation of political rights. Chile submitted a rebuttal of the report. The OAS report was based on a 12 day visit in July and August 1974, by respected jurists. The rights concerned are life, personal safety, liberty, habeus corpus, due process, expression and information, assembly association, opinion and equality before law, and political participation. The commission found reports of torture in five torture centres, but was not permitted to visit those centres.

(WFP 16,12,74 p6 c1-8)

In a letter to the New York Times, Niall MacDermot, Secretary General of the International Commission of Jurists, an independent body based in Geneva, replied to Chilean denials of his testimony that the junta plans to send children of Allende supporters to rehabilitation camps. He also made public a circular issued by the Chilean army to directors of all Santiago schools directing officers in the schools to supervise discipline and teaching and prevent all speech about politics. (NYT 15,12,74)

NEW MIR LEADER

Andres Pascal Allende, nephew of former president Salvador Allende, has become leader of the Movement of the Revolutionary Left (MIR), replacing the former secretary general, Miguel Enriquez who was killed three months ago in a confrontation with Chilean security forces. In another communique the MIR called for the formation of a revolutionary party of the Chilean proletariat which would mainly consist of the parties which made up the UP government before the coup in September 1973. (LJ 27,12,74 p7 c4-6 Reuter)

SAILORS TRIALS

Secret trials are now taking place in the Chilean navy, for which several death penalties have been announced. The accused are more than 50 sailors and sub-officers of the Navy who had been arrested and tortured before the coup in Sept. 1973 by naval officers, because they had given leftist leaders names, dates and places of the preparation for the coup which did in fact take place. (LJ 20,12,74 p7 c6-8)

CHILE AND CANADA:

THE REFUGEE QUESTION

During the fall of 1974 the Chilean junta made several announcements regarding the release of political prisoners. (GM 24,9,74) reported that the junta had promised the release of up to 2000 political prisoners. This was based on a statement of Samuel Nalegach, executive secretary of the inter-church National Refugee Commission. Some junta statements appeared to be more for propaganda purposes than concrete proposals. Mr. Nalegach said that Britain and Scandinavian countries were interested in assisting people. It was not until early December that a few prisoners were freed (OC 7,12,74 p 40 c5-7) with 16 from a list of 100 being expelled from Chile.

On December 20, Immigration Minister Robert Andras stated that Canada will

accept up to another 2000 Chilean refugees in response to a UN request. The government is prepared to waive the points system, provided that the Chileans pass checks of their medical and personal background. The UN High Commissioner for refugees asked Canada and nine other countries to grant refugee status to about 6000 Chileans who fled their country following the 1973 coup. Background checks disqualify persons with criminal records or "people who have been engaged in terrorist activities." The refugees can qualify for travel grants if poor, and for language training if they speak neither English nor French. (OC 21,12,74 p37 cl-6; WFP and TS same day)

CANADA-CHILE AID CRITICIZED

Arnold Peters, NDP member for Temiskaming, said he is convinced the government's EDC assisted in the overthrow of the Allende government in Chile, that the effect of loans was "the same as if we had sent the soldiers in". His charges were denied by Vincent Chapin, EDC vice-president, who stated that the EDC had helped Allende's Chile, by refinancing the debt along with other members of the Paris club. (OC 21,12,74 p37 cl-6; WFP 23,12,74 p16 cl-7)

U.S. BANS MILITARY AID TO CHILE

In the U.S. a joint Senate House of Representatives committee voted to ban all U.S. military aid to Chile and to limit all economic aid to Chile to \$25 million, rejecting an Administration request for \$21 million in military aid before June 30, 1975. (WFP 18,12,74 p 47 cl)

CUBA

CUBA AND THE OAS

Two analytical articles appeared this month, commenting on the stand off between Cuba and the anti-Cuban minority in the OAS regarding reconciliation between Cuba and that organization. Lionel Martin, in the Globe, (GM 4,1,75 p9 cl-3) points out that Cuba is patient. Its trade with non-socialist countries is growing in spite of the blockade. A British trade delegation visited Cuba recently; the Canadian EDC has floated a \$24 million loan for three merchant ships from Marine Industries Ltd. of Sorel Quebec; 30 Japanese banks and industries have formed a special organization to stimulate trade and last year Japan bought 20% of Cuba's sugar production; a Mexican delegation of 92 government and industrial officials visited Cuba and made contracts for \$40 million worth of sales, and Mexico will hold a trade fair in Havana in March. Spain has recently agreed to finance up to \$900 million in Cuban purchases and some of the 35,000 autos purchased through a \$1.2 billion loan from Argentina are arriving in Havana. The price of crude sugar is rising, and Cuba's credit rating is growing with it. Socialist help has been instrumental in bringing Cuba to this position, with intense Soviet technical and economic assistance, including two nuclear power plants expected to be operational in the early 1980s. Long dependent on Russia for petroleum, Cuba finds both Venezuela and Mexico interested in selling her oil. Harvey Levenstein (TS 5,12,74 pB3 cl-2) pointed out that the minority blocked the ending of economic sanctions against Cuba in the OAS had done more harm to the OAS than to Cuba. It may also have discouraged Canada from seeking full membership instead of her present observer status. U.S. bribery stood behind the minority obstruction at the Quito OAS meeting.

"For the most part, the OAS has exuded the same old smell" comments Levenstein, a McMaster university professor; "its main function has been to reward faithful servants of various governments with free trips to the U.S., Brazil and various other watering places, to provide cushy jobs in Washington for deserving supporters of U.S. policy in Latin America and to subsidize the whole range of barely concealed payoffs to the right people in the hemisphere, under the guise of study trips, conferences, scholarships and the like". It is likely that if the OAS sinks, nothing will replace it, and that may be just as well.

NICARAGUA

For the first time in Nicaraguan history, seven opposition parties and the two principal confederations of workers have signed an agreement for the immediate end to the ruling regime. More than 2000 delegates meeting in the southern Nicaraguan city of Masaya, representing Socialist, Independent Liberal, Social Christian, Conservative, National Action, Liberal Constitutional, National Safety and National Mobilization parties have formed, by this agreement, the Democratic Union for Liberation. Nicaragua has been ruled for the last 40 years by one family: Somoza. In the last elections, Sept 1972, 60% of the voters abstained. (LJ 20,12,74 p7 c6-8 PL by Pedro Garcia)

The Nicaraguan government has agreed to meet the demands of 8 guerillas holding about 12 people hostage in a suburban residence. Among the hostages were Foreign Minister Alejandro Montrel Arguello; the Nicaraguan ambassador to the U.S; the Chilean ambassador to Nicaragua and the mayor of Managua. The 8 guerillas accepted the government's response to their demand to release and fly out 26 political prisoners--all members of the Sandinista National Liberation Front, to Cuba as well as \$5 million dollars in ransom and the broadcasting of the National Liberation Front's communique.

(OC 30,12,74 pl cl AP)

NOTE: The British weekly, Latin America gave this comment on the guerilla action in Nicaragua:

The guerillas' success does not exactly presage the end of the Somoza dynasty. But it does open a new and altogether different chapter for the opposition to it. With a skilfully chosen target and a well executed action, the hitherto ineffectual National Liberation Front has now demonstrated that successful opposition is possible. It has also demonstrated that the Somozas are more vulnerable than originally thought and particularly since their effective recovery from the earthquake. Indeed, the guerillas have drawn not merely Nicaraguan but international attention to the way in which the Somozas and their entourage have profited by corruption and exploitation of aid and reconstruction funds. (Latin America, 3,1,75 Vol 9, no 1)

CANADA-THIRD WORLDTHE CANADIAN INTERNATIONAL DEVELOPMENT AGENCY (CIDA)INTRODUCTION:

In a series of four articles, (one on CIDA president Paul Gerin-Lajoie, and three on the agency itself) Patrick Best of the Ottawa Citizen analyzed current public controversies over the fast growing government agency.

CIDA'S BUDGET AND STAFF

CIDA's 1974-75 budget: \$733 million.

- \$322 million in grants, including \$51.3 million to multilateral programs in the UN and its agencies;
- \$217.3 million in loans;
- \$17.6 million in administration.

CIDA's staff is 930, including 46 development officers attached to Canadian missions abroad. An estimated 50% of its foreign aid budget is used to buy equipment and services in Canada.

CRITICISMS OF CIDA

CIDA is an immense body, with a budget higher than several government departments which command a minister and departmental authority. Opposition members thus complain that they have little or no control over its activities. PC critic, Donald Munro, a former diplomat, says that when he asks the External Affairs department minister something (to whom CIDA presidents report), the Minister refers him to CIDA's president; when he asks the CIDA president, he refers him back to the Minister. At present CIDA is governed by the Canadian International Development Board, composed of representatives of various government branches, ranging from External Affairs to the Bank of Canada, under the chairmanship of the CIDA president. In Britain there is a minister of Overseas Development and in Sweden there is a minister without portfolio exclusively responsible for the Swedish International Development Agency. Mr. Munro criticises the lack of a minister in Canada. Mr. Gerin Lajoie defends the relationship, and Mr. Brewin of the NDP is somewhat sympathetic to Mr. Gerin-Lajoie's point of view.

CIDA has a higher staff turnover than most departments, with nearly 300 of its staff having left in the past two years. The position of executive vice president was vacant for two years (recently filled by Bruce Williams, a former diplomat in India), the director of CIDA staff briefing centre has resigned, the administrative vice president post is vacant, and the position of francophone-Africa director is vacant, as well as seven program manager posts. CIDA is spending about \$125,000 in 1973-4 for management improvement services.

MPs who accompanied Mr. Gerin Lajoie on a tour of francophone aid recipient countries in Africa last year, criticized CIDA for inefficiently run projects and for racist staff in some positions.

Among the most heavily criticized aspects of CIDA is its dependence on outside consultants. CIDA even hires "specialized head hunters" in its quest for executive staff (Management Selection Ltd, of Toronto and Montreal).

During 1973-4, CIDA spent \$161 million on consultants fees. These mostly go to engineering and architectural firms, with more than 7500 contracts placed over the past three years. Between 1968 and 1974 Shawinigan Engineering Company Ltd. of Montreal received the most business, with almost \$16 million in contracts, including a large \$7 million contract for the Great Ruaha power project in Tanzania, and \$3.5 million for the Temengor hydro scheme in Malasia. Canadian International Comstock Co. Ltd. of Toronto got \$12.6 million including a \$11 million contract for a power project in Botswana. Lamrre Valois International Ltd of Montreal gained \$11.1 million including one of \$11 million to build "Route de l'Unite" in Niger. Others gaining were Ron Engineering of Ottawa (for primary schools on 'various islands'), and Spartan Air Services of Ottawa for aerial mapping of Tranzania and mapping of Jamaica. Various small amounts have been given to groups and individuals for training and management studies, and almost half a million is spent on CIDA's own staff briefing centre. In response to criticism about staff orientation, CIDA has spent a great deal on training briefings; the Institut de Formation par le Groupe of Montreal got \$14,000 for a three week program for francophone teachers, wives and children at Cap Rouge in 1974. Peat, Marwick and Partners of Toronto received \$18,000 for a two week training course at Carleton University for English speaking volunteers going overseas.

GROWTH

CIDA is growing in both staff and budget. Between March 1971 and November 1974, staff increased by 300, while budget is growing at 15% per year. Within this growing empire, CIDA president Gerin-Lajoie promised to attempt to reduce Ottawa staff frustration by decentralizing more activities, appointing oversea development officers up to the number of 150 to 200 by 1980, and thus offering more opportunity abroad. At the moment it is the Ottawa staff which is increasing and spilling over from CIDA's Jackson building headquarters to other government offices.

Much of the criticism and frustration in CIDA revolves around president Gerin Lajoie, who is sometimes cited as the reason for its troubles. Gerin Lajoie, who was a Rhodes scholar and president of the Canadian Bar Association in the early 1950s later became a prominent member of the Lesage government in Quebec; he then moved on to be vice chairman of the federal prices and incomes division before gaining the CIDA deputy minister status job of President of CIDA.

(OC 19,12,74 p39 full page;

OC 20,12,74 p 29 c3-6;

OC 21,12,74 p 39 cl-6)

CIDA spending came under Commons and press criticism in December, regarding the granting of aid to oil producing, less-developed countries. The countries involved were Nigeria (recipient of \$51 million for energy, telecommunications, transport and education programs, including a central telephone exchange and \$20 million loan for the purchase of Canadian locomotives), Indonesia (\$18 million including civil aviation help), Algeria (\$15 million for agricultural machinery purchases). A CIDA mission was taking off for the rich middle-east countries to investigate getting their money to combine

with Canadian expertise in joint foreign-aid programs to poorer countries. While Gerin Lajoie of CIDA was admitting to a critical Commons committee that the funds to Nigeria, Algeria and Indonesia should be reviewed and cut back, former External Affairs Minister Sharp was stating that they should be continued, in the House. Toronto Star correspondent, Dan Turner, pointed out (TS 7,12,74 pC5 c5-6) that Nigeria, Algeria and Indonesia were not directly comparable to the Middle East sheikdoms. They were 7th, 14th, and 12th producers in the world, (the latter two out-ranked by Canada) and were still very poor countries; further their reserves were not necessarily long-lived.

The Ottawa Citizen in an editorial (21,12,74 p6 c1) backed a cut-down of aid to the three countries, along with Iran, specializing in offering technical expertise but cutting off financial assistance. Turner in the Toronto Star (TS 10,12,74 pA3 c4-7) indicated that negotiations between Prime Minister Trudeau and the head of Iran, would attempt to get more Iranian purchases, and/or investment in Canada to offset Canada's purchases of Iranian oil (160,000 barrels a day, at almost \$12 a 35 gallon barrel). Canadian imports for the first nine months of 1974 were \$467.9 million compared with only \$70.9 million in 1972. Canadian exports to Iran for the first nine months were only \$34.5 million, much of it stimulated by a \$82.5 million loan made through the EDC in 1973 to finance Canadian built equipment for pulp and paper production in northern Iran. Iran will look at the Canadian Candu reactor for possible purchase.

CNSP NOTE: It looks like Algeria and the other two oil producers have been somewhat scape-goated, in covering for the more sizeable and questionable Canadian Iranian transfers, in which the government is not only giving sizeable trade incentives to Iran, but losing money regularly due to the lack of a Canadian national oil policy.

Agriculture minister Eugene Whelan announced that the government has set a support price on low grade beef. At the same time he announced plans to buy up to \$10 million worth of canned beef for use by CIDA in food aid programs. (MS 14,12,74 pF1 c3-6; OC same day)

THE INTER-AMERICAN DEVELOPMENT BANK (IADB)

Canada's edge is threatened in bidding on aid projects funded by the IADB. About half bank-funded projects come from a Special Operations funds upon which only member countries can bid. Until January 1975, the only real competitor to Canada was the U.S. With the signing of the Declaration of Madrid, 12 new countries are becoming bank members: Austria, Belgium, Denmark, Germany, Israel, Italy, Japan, the Netherlands, Spain, Switzerland, Britain and Yugoslavia and should be actively participating in bank affairs by early 1976. Total bank loans in Latin America will exceed \$1 billion. Since it began in 1960, the Bank has loaned \$7 billion, backing projects worth more than \$20 billion. The twelve new countries have offered to contribute a total of \$745 million. (FP 4,1,75 p19 c1-3)

THE ATLANTIC COMMUNITY DEVELOPMENT GROUP FOR LATIN AMERICA (ADELA)

ADELA celebrates its tenth birthday next month. It is a unique multinational which finances business in Latin America, taking a minority interest, then selling out when the firm is off the ground. ADELA is modelled on IBEC the International Basic Economy Corporation, begun by the Rockefellers to develop basic businesses and industries in Latin America. It is also sometimes confused with Deltec, which is "simply a merchant banking organization" according to ADELA's president Ernst Keller. ADELA's headquarters is Luxembourg, for tax and other 'technical' reasons, but its operational base is Lima, Peru. Its president is Ernst Keller, a 55 year old Swiss born former investment banker, who formerly worked for the W.R. Grace Co. in Peru. Keller set conditions that the investment of ADELA in a corporation would be between 10 and 35%, and that no stockholder would use influence to insinuate itself into the business that was being developed.

ADELA was developed in the atmosphere of nationalism and revolution fostered by the Cuban revolution. The idea was fielded by Senator Jacob Javits a New York republican in 1962, to demonstrate that free enterprise "can work for the betterment of the less developed lands." It was a business counterpart to the Alliance for Progress. Javits met with Elilio Collado, an executive vice president of Exxon, Giovanni Agnelli of Fiat, and others with interests in Latin America, 10 years ago in Paris. Keller described the role of ADELA as follows: "it seeks out qualified entrepreneurs already in business or industry who are being held back by the lack of capital and know-how, which we are capable of supplying." In January of 1965, 50 top banks and industries put up \$16 million. Today there are more than 250, plus shareholders and \$2.5 billion capital. Among them are the Bank of America, Burroughs, Exxon, Firestone, IBM, International Harvester, Phelps Dodge, Irving Trust and White, Weld. Foreign participation includes the Bank of Tokyo, Hitachi, Commerzbank, Dresdner Bank, Fiat and Pirelli. They have invested in concerns ranging from a steel rod producer in Ecuador to Colombian cheese. They attempt to have a cushion of \$60 million in liquidity at all times. Mr. Keller sees ADELA now moving to set up national investment vehicles to serve as catalysts for development, with major banks and industries in Mexico, Brazil, Benezuela and other countries to set up ADELAs of their own, to help their small entrepreneurs to become big ones and thus preserve free enterprise. ADELA's emphasis is on export-oriented ventures, aimed at developing countries. Some shareholders fear that ADELA has not stemmed the dangerous tide of nationalism which gave it birth ten years ago.

(NYT 15,12,74; MS 17,12,74 pB5 cl-2;
HCH 19,12,74 pl6 cl-4)

Earle McLaughlin, chairman and president of the Royal Bank of Canada, succeeded Frederick Philips of Philips Gloeilampenfabrieken, as chairman of ADELA. (Latin America, Nov. 8, 1974)

COMMONWEALTH INVESTMENT BANK (CIB)

A Commonwealth Investment Bank has been proposed to the Commonwealth Secretariat, in a paper which will be examined by the Commonwealth heads of government next April in Kingston Jamaica. The proposed CIB would raise funds for projects on which a commercial return is expected. It would concentrate on public sector and public-private joint ventures, in such fields as mining, petroleum and manufacturing, including the processing of agricultural products. The proposal includes significant participation in capital and votes by the less developed Commonwealth countries, but the bank would have only a small capital base. It would assist in mobilizing funds from other private and public sources.

(HCH 16,12,74 p5 c2-8)

POPULATIONINTRODUCTION:

There were several articles in Canadian newspapers this month reviewing Canadian population growth rates, and warning that more control may be necessary in curbing world population growth and on immigration into Canada. We have selected two articles on this issue, plus a comment from the New Internationalist on the question.

ZERO POPULATION

1974 was the UN's world population year. In the first part of a lengthy report by the UN economic and social council on the world situation, researchers discovered that natural growth of population in Canada and the U.S. appears to be close to zero. In Canada, the decrease in fertility has brought average family size to a replacement level of 2.1 children per couple.

(MS 4,12,74 pE20 c4-7; OC same day)

LOOKING AT ZERO GROWTH

In an address to the Institute for International Affairs, Mary F. Bishop called for a Canadian population policy. Such a policy is necessary to decide on immigration and fertility controls, and to decide whether zero population is desirable. She maintained that if women were given the knowledge and means of controlling their own fertility, there would be very little of the population problem left in the world.

(VS 5,12,74 p36 c1-3)

All the pills and loops in the world are little more than an unavailing insult to that half of the world whose poverty makes large families both desirable and necessary. The world's economic system functions on the basis of producing short term profits for a few nations in ever escalating proportions. Efforts to change reproductive behaviour with no reference to social and economic determinants will hardly change family size.

(New Internationalist, May 1974)