

**canadian**

**MARCH  
1975**

**VOLUME III  
NUMBER 3**

**\$1.00**

**news**

**synthesis**

**project**





# canadian newssynthesis project

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.

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Ottawa Citizen	OC
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Vancouver Sun	VS
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# HIGHLIGHTS - MARCH

The Mackenzie Valley Pipeline, the Berger Inquiry set up by the federal government to look into the consequences and ramifications of such a pipeline for the Native Peoples in the north and for the environment, and the response and demands of the Native Peoples to the proposal are highlighted this month in Resources (pp.5-6) and Native Peoples(pp.12-14). As pointed out in this coverage, the project, if completed, will have several significant negative effects for the people of Canada as a whole..... including an increased dependence on the U.S. for capital. Although geographically far from the lives of most Canadians, it is important to give these events our intelligent concern at this time

The conditions of workers in the asbestos mines of Quebec are focused around the present strike at Thetford Mines (see Labour, p23) where the workers are fighting for significantly better health conditions and wages. There is much local support as evidenced by the mobilization of about 1,000 women organized into a variety of committees to aid in the strike and the decision of smaller food stores to sell food at cost to the striking workers.

In Political, Federal, a summary of the dredging scandal appears with an analysis of the way in which the press covered the events.

Canada's growing economic interest in Latin America is much in the news these days as is the increasingly repressive side of many Latin American countries. See pp. 36-43.

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CORRECTION: CNSP, FEBRUARY 1975,  
Vol.III, No.2,  
PAGE 11 - \$10,000 millions

VOL.III, No.3.



of Canada Ltd., (ALCAN) and the International Nickel Co. of Canada Ltd. (INCO) from foreign to Canadian control.

According to Statistics Canada, a corporation is considered to be Canadian-controlled if more than 50% of the voting shares are Canadian owned. As this article points out, however, a company still can be controlled by foreign interests with 95% of its shares in Canadian hands if the Canadian owners are split up and the foreign owners are concentrated.

Foreign investment by sector of the economy:

-mining and petroleum industry: 61% of the firms were foreign controlled in 1972, down from 69% in 1971, primarily due to the shift in control of INCO.

-manufacturing industries: decline in foreign control from 59% in 1971 to 56% in 1972; the shift in control of Alcan was a major factor.

-agriculture, forestry, fishing: 10% in 1972; down from 13% in 1971.

-construction industry: down to 15% from 18%.

-utilities: stayed even at 10%.

-retail trade: remained at 22%.

-wholesale trade: foreign control up to 14% from 13% in 1971.

-service industries: increased from 23% to 24% in 1972.

No figures are available for banks, insurance, trust and loan companies, radio and television stations, transportation companies and telephone and telegraph companies since they do not have to file such information with Statistics Canada under the Corporations and Labour Unions Returns Act.

By province, the highest concentration of foreign ownership was in Alberta in 1972 with 55.8%, with Ontario next with 52.3%. The lowest concentration was in P.E.I. with 27%.

In 1972, as in 1971, the U.S. accounted for more than 70% of foreign ownership in Canada.

The report also noted that while Canadian-controlled companies tended to rely on their own profits for investment capital, foreign-controlled companies tended to borrow money from banks and other outside institutions for expansion.

(TS, 19/3/75, pA3, c3-9)

*CNSP NOTE: As regards the last point, foreign-controlled companies "tend" to borrow from Canadian banks to buy out Canadian companies, i.e. to expand.*

*Secondly, many Canadian businesses, especially smaller ones, "must" use their own profits for investment since they do not have the assets to put up as collateral for loans as do the foreign multinationals. In fact, an EJ article (15/3/75 p5 c1-6) states that favoured-rate loans are not available to most Canadian companies as they are to the large MNC's.*

*In short, foreign-controlled companies are considered more credit worthy, and their long-term borrowings here deprive Canadian companies of needed financing.*



THE CANADIAN DEVELOPMENT CORPORATION (CDC) - UPHOLDER OF DEMOCRACY  
 The chairman of the CDC, John Ellis, has assured British businessmen that the creation of the CDC does not mean that Canada is going socialist. In fact, he stated, the CDC is "an anti-socialist fiscal movement and I wish there were more of it around today". (GM, 28/3/75, pB2 c6-7)

GOD BLESS FOREIGN INVESTMENT -.....IF IT IS OF "SIGNIFICANT BENEFIT"  
 External Affairs Minister Allan MacEachen continued "a hectic foreign policy sales mission in the U.S." with top bankers and businessmen. He assured them that "foreign investment is still welcome in Canada", and that Ottawa's investment controls will not significantly limit American investment opportunities in Canada. (WFP, 20/3/75, p1 c1-2)

Armun Grunewold, a West German deputy government spokesman, has warned that the Canadian legislation regarding foreign investment could adversely affect any Canadian bid for European Economic Community links. "Free investment", he said, "is the philosophy of our industry".

(GM, 5/3/75, p3 c5-9)

#### TRADE

*Trade is one of the key factors in the strength or weakness of the Canadian economy. Trade (merchandise) accounts for more than 25% of Canada's GNP. If Canadians are to understand what is happening in their economy in order to be able to control it, they must understand what is happening in the trade sector. The presentation of statistical information on trade by the Canadian press does little however to help Canadians understand the basic dynamics of Canada's trade situation. Canadians who try to make sense of published trade statistics meet 4 major problems:*

- 1. inconsistent and/or confusing problems*
- 2. incomplete statistical information*
- 3. confusing terminology*
- 4. unsupported conclusions and explanations.*

*An example illustrates each problem:*

- 1. Although trade involves the exchange of merchandise, services and capital, most trade figures represent only merchandise trade. Since this element records a surplus and the services and capital areas record a huge deficit Canadians get an unclear picture. Between February and March the figure for the merchandise trade surplus for 1974 rose unaccountably from \$472 million to \$1.02 billion. The over-all deficit was \$1.88 billion.*

- 2. There are 5 categories for merchandise trade - live animals, food, inedible crude products, (e.g. oil, pulp and paper), fabricated products (e.g. steel), and end products (e.g. autos). Typical reports tell of drops in volume of 26% and 4% for food and end products respectively. Since the relative importance of each category (in dollar and job terms) is not reported, it is impossible to judge if the export drops are equally serious or minor.*



3. In one paragraph the following terms were used but unexplained in a MS report (18/3/75, pB3 c3-8):

- "net disbursements of export credits;
- "foreign direct investment";
- "purchase of outstanding Canadian equities";

Furthermore, the statistics attached to each of the above were part of the explanation of "capital movements having a reverse effect on the long term inflows of capital resulting from sales of new Canadian issues and retirement of Canadian securities". Thus information is made "public" but its meaning is accessible to very few Canadians.

4. With a growing over-all trade deficit of \$188 billion and a declining merchandise surplus of \$1.02 billion, Canada's trade situation is obviously getting worse. Ignoring completely the factors producing the non-merchandise deficit of \$2.9 billion (offset by the merchandise surplus of \$1.02 billion) newspapers isolated only those factors that affect merchandise trade. Highlighted as causes of the worsening trade situation were "major labour disputes" and "demands for higher wages" together with "a smaller demand for Canada's exports abroad" and "rising costs of imported goods".

CNSP NOTE: The demands of working class people are being blamed as the key factor in the worsening trade situation - see also the Labour section this month -.

Excess profit-taking is ignored as is industry reluctance to abide by justified wage demands as factors in increased costs of Canadian goods for export.

Omitted from consideration are the following factors, most having to do with capital movements, i.e. non-merchandise trade -

1. the effect of branch plants of multinational companies importing capital goods for production;
2. the effect of direct and indirect foreign investment on Canada's balance of payments;
3. the effect of excessive dependency on the U.S. as a trade partner.
4. the effect of imports of capital goods (machinery for agriculture and industry.

#### CONCLUSIONS:

Through a process of learning ourselves and research using other sources, the CNSP will try to provide its readers with the information and clarification needed to analyze the trade sector of the Canadian economy. Predictions are that Canada's trade situation in 1975 will be worse than in 1974 and as we have already shown, labour is already being blamed as the key reason along with that anonymous, (i.e. uncontrollable) factor of decline in economic activity abroad.





## Resources

### INTRODUCTION:

The most important story this month concerns the Berger Inquiry into the ramifications of the proposed MacKenzie Valley Pipeline. Additional coverage is analyzed in the Native Peoples section (see p. ).

It is significant to see that many of the same criticisms made of the Syncrude project can be levelled at this proposal as well. Canada is trying to cut exports to the U.S. because of uncertainty of supply, but increased exports will be needed to make the project viable. The estimated cost is between \$7 and \$10 billion, so outside loans will have to be floated. The costs involved will inflate the Canadian dollar, thus damaging the balance of trade. Also, American construction and supply companies will build the pipeline, so these profits will also go to the U.S. The environment of the North will be severely threatened, and the life style - perhaps the very long term existence - of the native peoples of the area will be destroyed.

In summary, the Canadian economy will be impaired and the way of life of the north will be destroyed to construct a project of little value to the Canadian people. It will benefit the business elites of the U.S. and Canada.

### BERGER COMMISSION

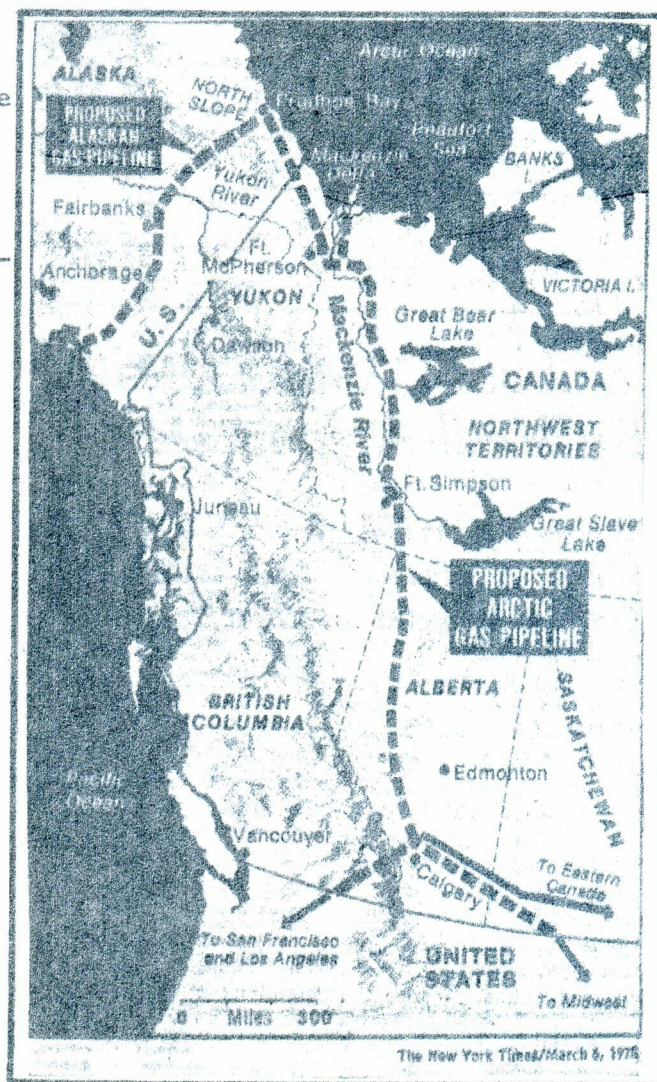
On March 3, 1975, Justice Thomas Berger began his inquiry into "the social, environmental and economic impact" of the proposed MacKenzie Valley pipeline. The inquiry is taking place in the following context. A pipeline from the Arctic is being demanded by American industry and Congress as necessary to alleviate problems of the energy shortage and the stagnation in the job market. A consortium of Canadian and American companies called Arctic Gas has asked for quick permission to build the MacKenzie Valley line to offset a bid by the El Paso Co. of Texas to build an all-American effort combining a pipeline across Alaska and supertankers operating off the west coast. (EJ, 15/3/75, p7, c1-4)

### DOUBT ABOUT OTTAWA'S SINCERITY REGARDING THE INQUIRY.

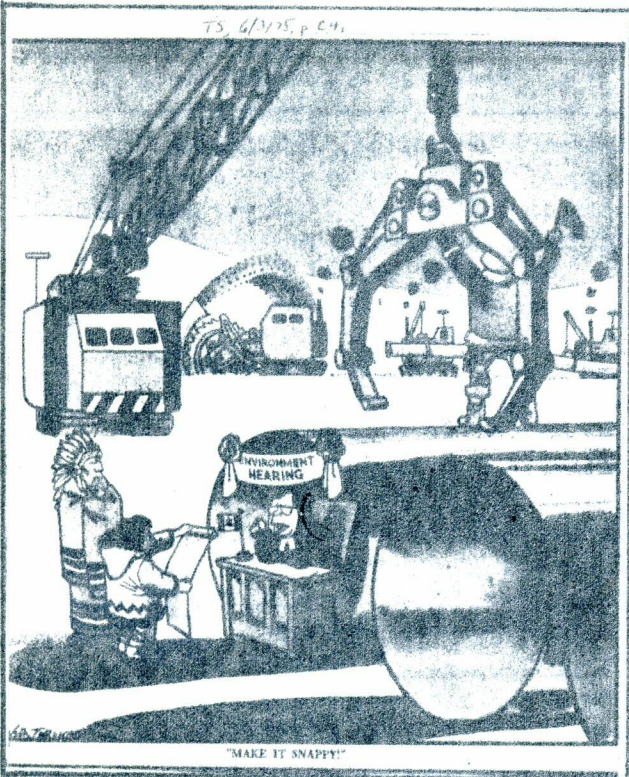
The federal government assured the Berger commission that it will offer to provide any expert witnesses called upon. The Indian Affairs Ministry and the Environment Ministry will help in providing information.

(MS, 5/3/75, pA18, c1-2)

These statements came in reply to statements by Russell Anthony of the Canadian Arctic Resources Committee, a public interest and environmentalist group, that the government is obstructing efforts by opposition groups to gain access to important information about the project. Anthony says that government







actions cause suspicion that "the decision to proceed with the pipeline has already been made and that the government is not interested in co-operating with a full public inquiry". Anthony claims that the Arctic Gas Consortium "is in fact experimenting with the North .....using a host of untried technology with undefined environmental consequences. (OC, 3/3/75, p36, c2-4)

**FEDERAL ENVIRONMENTAL SCIENTISTS OPPOSED TO PROJECT**  
 Federal scientists wanted Environment Canada to oppose the project, saying that the department of Indian Affairs had not taken a hard enough line on environmental issues, including the threat of arsenic pollution of the water in the Yellowknife area. However, the department took no official action in order to avoid conflict with the Indian Affairs Department. (WFP, 1/3/75, p4 c1-3)

**OTTAWA MIGHT NOT WAIT FOR BERGER REPORT**

Mitchell Sharp, Acting Prime Minister at the time, announced on the opening day of the hearings that the government will not necessarily wait for the Berger report before approving the project. The announcement brought widespread criticism of the government's integrity. (TS, 4/3/75, pA3, c1-2)

**ENVIRONMENTAL DAMAGE**

A 2-man study reported that the project will endanger 20 species of northern birds. It also reported that the removal from the lakes of large amounts of gravel needed as bedding for the pipeline would endanger the survival of several species which require the gravel for spawning. These fish are an important food source for Eskimos of the area and their dogs. (MS, 6/3/75, p8 c6-8)

**RESOURCES (EXCLUDING GAS AND OIL)**

*Two items received extensive press coverage in March: the Law of the Sea Conference in Geneva, and the self-styled "plight" of the mining industry in Canada.*

*The second session of this third Law of the Sea Conference sponsored by the United Nations will likely become a battle between the major industrialized powers and the smaller, developing countries of the Third World. A major issue is the proposed 200-mile economic zone off the coastal shores. Many countries see this area as a possible source of great mineral wealth. But the smaller, less developed and land-locked states argue that these resources belong to the entire world and should be shared. The major powers, however, are prepared to take unilateral action if their demands are not met.*

*The Canadian mining industry is taking its case to the people. The large number of articles appearing in the papers suggest that the industry is trying to change its image, pointing out what wonderful things they've done for the country, especially for the average Canadian. There also seems to be a major campaign afoot in which the industry is attempting to explain "the importance of corporate profitability", not for the industry, but for "you and I", for "we all have a stake in a healthy and growing 'resource sector'."*



## THE LAW OF THE SEA CONFERENCE

The Present Situation: The current Law of the Sea Conference is the third U.N. attempt to give the world its first complete set of rules governing the oceans and seas and the wealth they contain. Previous meetings in 1958 and 1960 failed to produce any general agreement. The current conference began with a ten week session last summer in Caracas, Venezuela.

According to H.S. Ameriasinghe of Sri Lanka, president of the Conference, the main issues facing the 150-nation, 2,000-delegate conference are the establishment of an international regime to supervise exploitation of the seas, the size of the territorial seas, the share of the land-locked nations in sea resources, and control of scientific research and pollution.

At the last session, general agreement was nearly reached to limit territorial waters, over which coastal states exercise sovereignty, to 12 nautical miles, and to limit economic zones, over which coastal states have some control, to 200 miles. This is basically the position Canada has adopted, along with the U.S. and the U.S.S.R.

Canada, and the other industrialized nations have stated that if the meeting in Geneva fails to produce any tangible results, they will consider unilateral action. The U.S. has taken a similar position. Washington is under growing pressure from Congress and from fishing and offshore oil and mining firms to act to "protect" their interests in the absence of any definable international code of law on the sea. There are already two bills before Congress, one calling for the assertion of full fisheries production in a 200-mile economic zone off the coasts of the U.S., and another pressing for the issuance of licences to firms wishing to mine from the deep-sea floor.

The danger of unilateral action in this regard became clearly apparent last month when a U.S. firm, Deepsea Ventures Inc., placed an ad in the Times of London announcing it was claiming mineral rights to 20,000 square miles of the ocean floor between Hawaii and California. Many U.S. mining companies may follow suit in the absence of any law preventing them. Such actions may prove very lucrative to these companies, in that a square mile of ocean floor in the right place can be covered by up to 75,000 tons of manganese nodules worth up to \$75.00 a ton.

But land-locked third-world nations argue that these resources belong to the entire world and should be shared.

The third world countries in general want the seabed authority to be run on a one-state, one vote principle. This would give them an effective veto in all situations. The industrialized west, Canada included, are opposed. They have proposed that an authority be set up and constituted in such a way as to prevent any one group having an automatic majority. This authority would have an assembly with all countries represented and each with a vote to set general guidelines, leaving a smaller executive to deal directly with companies.

The Conference began March 18th and is expected to run 8 weeks.

(HCH, 15/3/75, p1 c6-9; UPI; 17/3/75, p1 c7-9, CP;

TS, 18/3/75, pA8 c7-8, Reuter-CP;

HCH, 18/3/75, p1 c1-6, CP; LD, 20/3/75, p12 c1 CP

& AFP; TS, 21/3/75, pA13, c4-6, UPI CP;

LD, 22/3/75, p4, c1-4, editorial)



## CANADA'S POSITION CRITICIZED

Dr. John Logue, director of the World Order Research Institute of Villanova University, Philadelphia, described Canada's push for a 200-mile coastal control limit as a "moral monstrosity".

Through "brilliant diplomacy" at Caracas, he said, Canada became "the most influential force" for a selfish nationalism in international affairs that shattered the belief that mineral wealth below the ocean bed should belong to all countries.

If Canada's position is adopted, it will deprive most developing nations of the benefits they must have from the ocean resources. The only way to offset this is to obtain commitments from Canada and the other wealthy maritime nations to pay a portion of revenue from exploitation of ocean mineral wealth to the developing nations, on the basis of per capita income in the contributing country. (WFP, 14/3/75, p10, c3 CP)

## U.S. SEA PLANS ATTACKED

Chilean delegate, Alonso da Soto, on behalf of the developing countries, attacked the U.S. for planning a natural licensing system for exploitation of the deep ocean floor.

De Soto said that such a system would violate the 1969 resolution of the U.N. General Assembly declaring a moratorium on exploitation of the seabed. (HCH, p14, c4-5 UPI)

## MINING

## WHAT'S WRONG WITH PROFIT

Alfred Powis, president of Noranda Mines Ltd., and president of the Mining Association of Canada, says corporate profitability plays a key role in Canada's social structure, and the public's lack of awareness of this fact is alarming. High school students, he notes, know little of how our economic system works. As a result, the public seems willing to believe politicians' claims of super-profits, rip-offs, and exploitation of people and the environment by the mining industry.

He added that a key role for the Mining Association is to convince Canadians of their personal stake in the industry's profitability.

(MS, 8/3/75, pC10, c5-7; Lawrence Welsh; GM, 7/3/75, pB1 )

\*CNCP NOTE: Eric Kierans, for example, is not a high school student.

## HEAVY TAXES, POLITICAL RELIGION OF SOCIALISM

Arthur Brant, chief of geophysical exploration and research of Newmount Mining Corporation of New York, says government taxation of the mining industry is "destroying our resources in the ground". He blamed "the rise of political religions of inviolate theory permitting no recognition of mistakes and having no flexibility to adjust" for the heavy tax load. He also hinted that "creeping socialism" is a factor resulting in high taxes, low profits, declining exploration, scarcity and growing unemployment. These he adds, are typical of "socialized economies". He suggested that increased taxation was "socialist and repressive".

(WFP, 15/3/75, p37, c4-5 CP; GM, 13/3/75, p82, c6-9 Welsh)



THOU SHALT NOT HAVE STRANGE GODS.....ETC.

J. Peter Gordon, president of Steel Co. of Canada, emphasized that companies are in business to make a profit. "In my view, the most unethical thing you can do in the business world is not make a profit."

(GM, 7/3/75, pB5 c3-7)

Terry Flanagan, a geologist and founder of the Natural Resource People of Canada Inc. (NRPC), says the mining industry must gain the support of the voting public in its battle against the government over what it considers "repressive taxation".

Its objective is to inform a large number of people of the benefits of the mining industry and the "detrimental" effects of present tax measures. To date, the NRPC has 480 members and \$14,000 in its coffers.

(TS, 21/3/75, pC7, c3-6)

*CNSP NOTE: NRPC has put out a brochure soliciting monetary support (\$10.00 for personal membership; \$100. for corporate, non-voting membership). It explains in the vaguest terms imaginable that our prosperity depends on mining, that thousands of ordinary, average Canadians - even housewives - share in the profits of the resource industries.*

*It points out that:*

*"....some governments are even going into mining and forestry industries for themselves. The new mines will be run by civil servants ....by the same people who run the post office. How long do you think the industry will stay profitable and efficient when that happens?"*

*We are then asked to send donations to the NRPC. And it can be mailed "if the post office is working that week".*

#### BANKING

*Banking news this month is very quiet. However, as a follow-up to last month's item on the business suggestion to eliminate the use of the word "profit" (see State of the Economy, CNSP, Vol.III, No.2,), it should be noted that the Canadian banks have long since abolished the use of the word. Instead of "operating profit", the banks use the term "balance of revenue".*

**BANK RATES SAME AS LAST MONTH (SEE CNSP, Vol.III, #2)**

All ten Canadian chartered banks now have prime lending rates of 9% for loans to their most credit-worthy customers. The prime lending rate in Canada has fallen from last november's high of 11% as the banks and government have reacted to changes in lending rates in the U.S., and attempted to stimulate more borrowing during the present recessionary period.

(WFP, 5/3/75, p69, c1 CP)

**BANK OF CANADA LACKING POLICY?**

For the past two months the financial community has been expecting the Bank of Canada to lower its rate for lending money to the major chartered banks, signalling a general lowering of interest rates in the country,



But so far the Bank of Canada has not moved, leading some to speculate that higher interest rates in Canada compared with the U.S. is desired by the federal regulatory body: higher interest rates in Canada would attract foreign investors (and Canadians may tend to increase borrowing in American markets) which in turn would offset this year's expected large deficit in merchandise trade. The banks have kept their interest rates up because loan demand has not fallen as much as in the U.S. (OC, 18/3/75, p9, c3-4; FTNS; EJ, 22/3/75, p72, c1-8)

#### LOWER RATES FOR LOANS TO THE POOR

Speaking to a seminar of the National Anti-Poverty Organization in Ottawa, Consumer and Corporate Affairs Minister Andre Oullet says that Ottawa is asking the banks to lend money at reduced rates to low-income Canadians. Oullet would not comment on the amount of money involved or the rate of interest to be considered "low".

(TS, 19/3/75, pA3, c7-8 CP)

#### INTERNATIONAL EARNINGS UP FOR BANKS

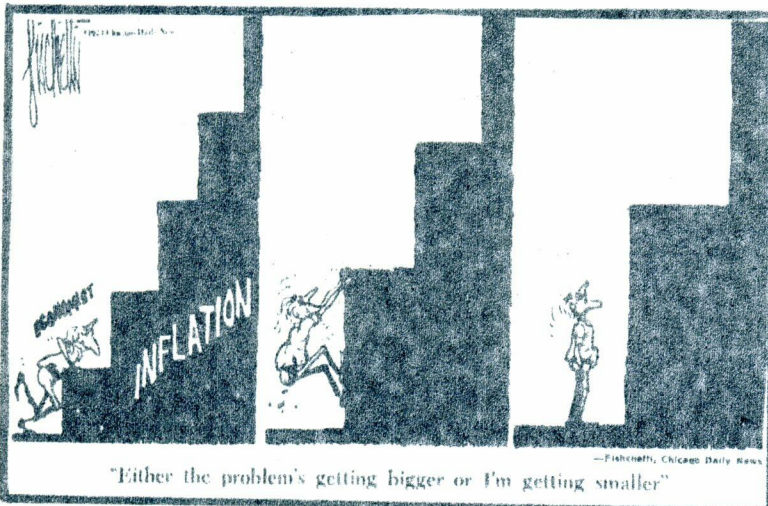
Canadian banks with strong international operations - Royal Bank of Canada, Bank of Nova Scotia, and the Toronto Dominion Bank - are recording better profits compared with other banks which are more domestically oriented. The Bank of Nova Scotia's profits in the first quarter were up by 45% over the previous year "almost entirely due to foreign currency operations". Eurocurrency loans have been particularly rewarding for Canadian banks since the difference between the cost of money (borrowing rate) and the price of money (lending rate) is greater in European markets than presently in Canada. (GM, 8/3/75, pB2 c1-3)

## State of the Economy

### ECONOMIC INDICATORS

Consumer prices, as measured by the Consumer Price Index (CPI), rose 0.8% in February with higher insurance rates and costlier food the main cause, Statistics Canada reported. (TS, 12/3/75, pA4 c6-7; EJ, 12/3/75, p5 c1 CP)

Canada's Gross National Product (GNP) - the dollar value value of all goods and services - in real terms (discounting inflation) increased by 3.7% in 1974. However, the fourth quarter of the year registered a real decrease of 1.3% confirming a no-growth trend in the economy. (GM, 5/3/75, pB2, c5-9)



The Conference Board of Canada predicts that the present unemployment rate of 6.8% will rise to 8.5% by the end of 1975. The Progressive Conservative party is calling for tax cuts in the upcoming federal budget as a way to stimulate the economy. (TS, 26/3/75, p.A1, c6-9)

Activity in Canadian manufacturing and processing industries - as measured by



new orders, production levels, employment and inventories - declined for the fourth consecutive month (November - February) according to the Purchasing Management Association of Canada. (GM, 25/3/75 pB2 c6-8)

*CNSP NOTE: In's recent item stands in contradiction to the recent clamour from the business community about high federal taxation of corporations. U.S. Treasury Secretary William Simon, in Ottawa for discussions with Finance Minister Turner, says that favourable corporate tax rates in Canada have kept this country from having as severe an economic slump as the U.S.*

*Simon asserted that the real long-term danger is not recession or unemployment but inflation. "It was inflation", he said, "that caused the recession in the United States".*

(TS, 13/3/75, pA2, c5-7; EJ, 12/3/75, p96, c1-5;  
OC, 12/3/75, p4 c3 CP)

#### MARRIAGE OF THE MIGHTY?

Montreal-based Power Corporation, the largest investor-owned management and holding company in Canada, has made \$150 million bid to purchase control of Toronto-based Argus Corporation, the second largest investor-owned industrial holding company. Power Corp., the offspring of industrialist Paul Demarias, operates Canada Steamship Lines, Ltd., and controls Investors Group, Imperial Life Assurance Co. of Canada, Great Western Life Assurance Co., Laurentide Financial Corp. Ltd., and Montreal Trust; as well as having major interests in Consolidated-Bathurst Ltd. (forestry products), Dominion Glass, and La Presse.

Argus Corp., founded by Canadian millionaire E.P. Taylor, has controlling interests in Dominion Stores, Dentar, Massey-Ferguson, Standard Broadcasting, and Hollinger Mines. Hollinger, in turn, is the largest shareholder in Noranda Mines.

The bid is being investigated under anti-trust laws.

(GM, 26/3/75, pB1 c2-7; TS, 26/3/75, pC8 c1-7)

*CNSP NOTE: A more complete analysis of these financial moves will be provided in next month's CNSP.*

#### THE FOOD FRONT DISCLOSURE DENIED

*The price of nitrogen and phosphate fertilizers has more than doubled in the last two years. But the Canadian Fertilizer Institute says it will not issue a detailed report justifying the rapid price escalation as requested by Agriculture Minister Eugene Whelan. (WFP, 15/3/75, p22 c5-6, CP)*

#### BEEF GLUT

*The Canadian cattle population has increased 7-times faster than the human population in the last five years. According to the Cattlemen's Association the resultant glut in the market has caused a drop in the retail price of beef since last November of 11%. (WFP, 3/3/75, p10, c1-2 CP)*

#### DECEPTIVE PACKAGING

*Mrs. Plumptre of the Food Prices Review Board says in a recent report that Canadian families are paying too much for food that does not adequately nourish them. The problem is that people are trying to obtain better nutritional value for their grocery money and frustrated by deceptive and confusing packaging and advertising. (HCH, 21/3/75, p6 c1-2 editorial)*



Marginalization — Native Peoples

MacKenzie Valley Gas Pipeline

THE BERGER INQUIRY HEADED BY JUSTICE THOMAS BERGER OF THE SUPREME COURT OF BRITISH COLUMBIA IN YELLOWKNIFE.

INTERVENORS

Environmentalists.....  
 "Canadian Arctic Resources Committee demands that Government studies and experts be made available or the Inquiry be adjourned."

Native Peoples Organizations

- Innuit Tapirisat of Canada (ITC)
  - Indian Brotherhood
  - Committee for Original Peoples Entitlement (COPE)
  - Metis Association
- "Demand a land settlement - an Aboriginal Title which clearly recognizes the ownership of traditional lands by native peoples ..... before any major development"
- "Demand the right to control development so that when it does take place, it creates benefits rather than costs for native people."

(GM, 29/3/75, p7)

PROTAGONISTS

Canadian Arctic Gas Ltd. - a consortium. Their case - "North America faces an imminent and serious shortage of energy ..... and needs to get the gas from the Arctic. There is controversy about that shortage but Arctic Gas expects the National Energy Board(NEB) will shortly issue a conclusion which will support them..."

... "the pipeline will provide the economic base for wage employment in the North."

Pierre Genest-General of the Legal Team employed by Canadian Arctic Gas (formerly federal appointee on Council of the Northwest Territories) will be handling simultaneously pipeline applications before the NEB in Ottawa and the Federal Power Commission in Washington.

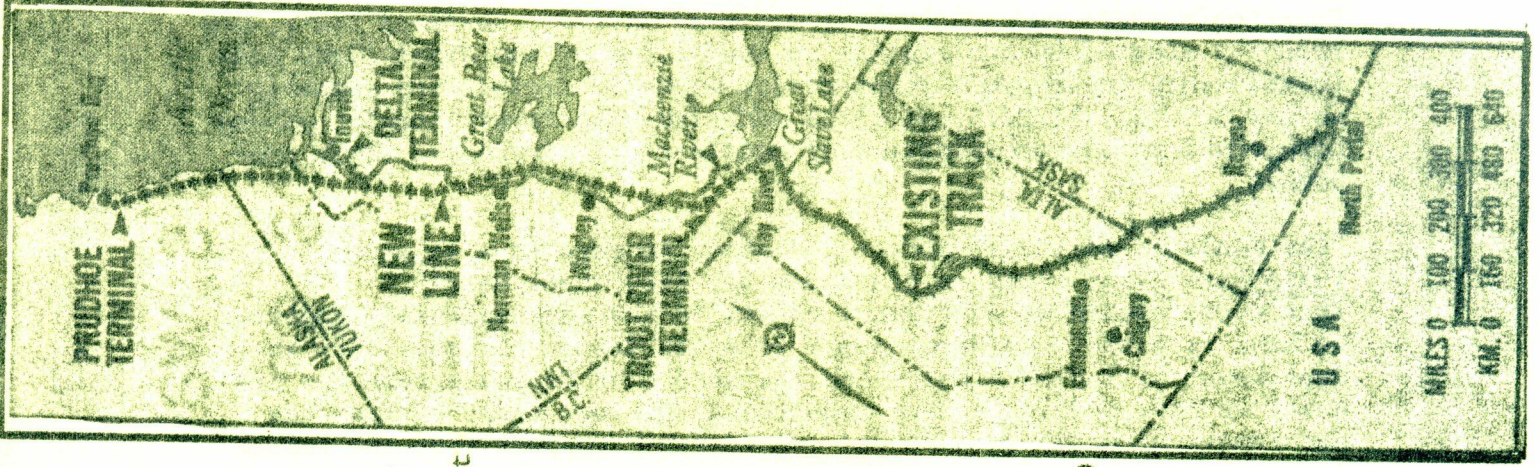
(FP, 15/3/75, p6, c3-6)

For Further Information on the above development write:

Information Officer,  
 Energy Probe,  
 University of Toronto,  
 43 Queen's Park Cres. East, Toronto, Ontario.

"Canadian Arctic Development Package" - \$1.00

AN ALTERNATIVE:  
 ARCTIC RAILWAY



Environmentalists.....

INTERVENORS

"Canadian Arctic Resources Committee demands that Government studies and experts be made available or the Inquiry be adjourned."

Native Peoples Organizations

- Innuit Tapirisat of Canada (ITC)
  - Indian Brotherhood
  - Committee for Original Peoples Entitlement (COPE)
  - Metis Association
- "Demand a land settlement - an Aboriginal Title which clearly recognizes the ownership of traditional lands by native peoples ..... before any major development"
- "Demand the right to control development so that when it does take place, it creates benefits rather than costs for native people."

(GM, 29/3/75, p7)

PROTAGONISTS

Canadian Arctic Gas Ltd. - a consortium. Their case - "North America faces an imminent and serious shortage of energy ..... and needs to get the gas from the Arctic. There is controversy about that shortage but Arctic Gas expects the National Energy Board(NEB) will shortly issue a conclusion which will support them..."

... "the pipeline will provide the economic base for wage employment in the North."

Pierre Genest-General of the Legal Team employed by Canadian Arctic Gas (formerly federal appointee on Council of the Northwest Territories) will be handling simultaneously pipeline applications before the NEB in Ottawa and the Federal Power Commission in Washington.

(FP, 15/3/75, p6, c3-6)

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AN ALTERNATIVE:  
 ARCTIC RAILWAY



*INTRODUCTION:*

*James J. WahShee, President of the Indian Brotherhood of the Northwest Territories (NWT) and of the Federation of Natives, North of Sixty, and recently elected by acclamation as Councillor of the Great Slave Lake Constituency in Canada's first-native-majority legislative assembly in the NWT (EJ, 11/3/75, p1 c3-8) addressed the Berger Inquiry giving background to the mobilization of people of the North and their proposals.*

"The Minister of Indian Affairs is about to suggest a solution to the Yukon Land Claim based on the James Bay Settlement Model". This model abolishes aboriginal rights in the same colonial tradition we have rejected. We have sought to enter into a dialogue with the Department of Indian Affairs and the people of Canada around the proposal we have made. We have received no serious response from the department although we have had considerable support from the public. Any attempt to impose a settlement which ignores the deeply felt conviction of our people will have serious and negative ramifications for years to come". (MS, 4/3/75, pA6, c1-2)

"A new land settlement model can become the instrument by which we can create an economy that serves our material needs and by which we can sustain our identity. A research staff has been calculating the amount of economic surplus or economic rent being taken out of the region to see how those rents could be retained within the region to benefit the people.

In the MacKenzie District, giant companies are making enormous profits in the mining sector from lead and zinc from Pine Point Mine, ultimately owned by Canadian Pacific, and gold in the Yellowknife area. Canadian Pacific is reaping profits or economic rents after a fair return on capital, in the order of \$30 million a year".

The Department of Indian and Northern Affairs (D.I.A.) is responsible to protect native peoples but it also represents the interests of the Northern Developers. When there is a conflict of interest between the people and the companies, ultimately the latter win out. A dramatic example of this is the recent report released by CBC's As It Happens on arsenic poisoning in the air and water by the gold mining companies in the Yellowknife area. It is difficult to trust a government that allowed this to happen in the first place and then suppresses the report on the situation for 9 years". (MS, 14/1/75, 10/2/75)

"The signing of Treaties 8 and 11 which cover much of the traditionally occupied areas of the N.W.T. was clearly initiated by a federal government seeking to extinguish Indian claims in the light of the significant resource development potential on Indian lands.

Treaty 8 was signed in 1899, 3 years after the discovery of gold in the Yukon. Treaty 11, further north, was signed in 1921, one year after oil was discovered at Norman Wells."

James Wah-shee told the Inquiry in Yellowknife on March 7, 1975; "that the 1969 White Paper on Indian Affairs sought to abolish the constitutional responsibility of the Federal Government to Indian People and remove the special status of the treaties which the crown gave to the Indian nations. Because of opposition to the White Paper the government withdrew it in the south but continued to implement it in the NWT arguing that all residents were simply Northerners.



In 1963, the DIA withdrew from the NWT leaving the Indians to deal with a territorial government. In 1972, the Federation of Natives North of Sixty succeeded in re-opening the Indian Affairs office in Yellowknife giving the bands in the north right to the same programs under the Indian Act..

On September 6, 1973, Justice Morrow ruled that the chiefs of the MacKenzie district had a right to file the Caveat which meant that the Indian people of the NWT had aboriginal rights to the 400,000 square miles caveat area and the Federal Government had a constitutional obligation to protect those rights."

#### INUITS OF JAMES BAY SWEET-TALKED INTO AGREEMENT

Representatives of 750 Inuit of Povungnituk located about 1,000 miles north of Montreal on Hudson Bay are withdrawing power of attorney for the town from the Northern Quebec Inuit Association. The Association signed the agreement in principle awarding James Bay native people \$150 million and fishing and trapping rights on November 15, 1974. The Povungnituk community was the first settlement to receive a translated copy of the agreement. They were unhappy with the stipulation granting government rights to the subsurface and minerals.

(MS, 21/3/75, pA3 c4-6; also TS,OC.,GM)

#### NATIVE MAJORITY IN NWT ASSEMBLY

The election of 6 Eskimos, 2 Indians and 1 Metis to the 15 member territorial Council marked the first fully elected Council in the Territories where two-thirds of the 40,000 people are Native.

James Wah-Shee, 29, won by acclamation in the Great Slave Lake Constituency.

(E.J. 11/3/75, p1 c3-8; G. Sinclair)

#### SOCIAL WELFARE

##### Introduction:

*Although billions of dollars are spent each year on new improved family allowances, cost of living indexed old age pensions, unemployment insurance and social assistance, the gap between rich-poor remains. The poorest 20% of Canadian families shared 6% of the national income in 1951 and the same percentage in 1973. The top 20% of Canadian income earners have shared 40% of the national income consistently since 1951.* (GM, 17/3/75, p6 c5-6).

*Much support is being given to the idea of a guaranteed annual income, although crucial questions still remain. Will the support level be sufficient given the increasing cost of living? Will a guaranteed annual income essentially change the plight of the poor if basic economic structures which continue to serve the interests of the wealthy few are not radically changed?*

##### National Council Of Welfare Report Entitled "Poor Kids".

A quarter of Canada's children 16 years and under are poor. Almost 1/2 of the children in Newfoundland are living in poverty. Although Ontario had the lowest percentage of children in poverty, 17.1%, of all provinces it has the second highest total, surpassed only by Quebec. Together,



the two provinces have 60% of all of Canada's poor children - 929,533.

The definition of poverty used by Statistics Canada and the Council is the following: the family of four that spends more than 62% of its income on the necessities of life - food, shelter, clothing - or that earns less than \$7,870 per year.

An Ontario survey pointed out that 2/3 of upper class children with high mental ability went to university, while only 1/3 of the high mental ability students from the working class did.

The Council called for a guaranteed income system based on a level above or on the poverty line. The estimated cost of introducing a guaranteed annual income to Canada is about \$3 billion - "roughly the amount of recent tax cuts" made by the Finance Minister John Turner, all of which helped richer citizens, according to the report.

(GM, 6/3/75, p6 c2-6; OC, 8/3/75, p6 c1 editorial)

The Canadian Council of Social Development, a non-profit research organization based in Ottawa, has published a "Fact Book On Poverty" which updated poverty facts.

As of January 1975, a family of four earning less than \$7,870 a year was below the poverty line. A person working for the minimum wage in Canada earns about \$4,580. If that person supports just one other person, the family is living in poverty. The poverty line for a family of two is \$5,620.

(OC, 10/3/75, p9 c1-4)

## HOUSING

*Housing this month focuses again on the Canadian Mortgage and Housing Corporation (CMHC). Token measures are being taken by the federal government to meet the need of low income earners. A \$3.6 million rent subsidy program for low-income earners will be extended to include non-profit and cooperative projects. (WFP, 4/3/75, p7 c1 CP Ottawa). Meanwhile, William Teron, President of CMHC, sees hope in the new fiscal year's housing market, with every indication that the housing market will stabilize once again under the pressure of competitive forces". For their part, the media adopt verbatim government-issued CP stories laden with statistical catch-all phrases about low housing starts, rental subsidy programs, assisted home ownership programs and shortage of mortgage money, leaving the public with little real comprehension of why there is a housing problem.*

## PUBLIC HOUSING CRITICIZED

CMHC public housing units were criticized for their poor-quality construction at a consumer training seminar for poor people Wednesday. Delegates complained of nails coming through walls, pasteboard visible under poor paintwork, and improper insulation in government-financed housing. At another meeting, Marjorie Hartling, executive-director of the National Anti-Poverty Organization, said established consumer groups and government programs are not geared toward helping lower income groups. She said the Consumers' Association of Canada and the federal consumer and



and corporate affairs department pay more attention to middle-income consumers: "Nothing meets the needs of minorities in the country."  
(WFP, 20/3/75, p5 c3 CP Ottawa)

#### THE DARK CORNERS OF THE CMHC

Patronage continues to exist in a few dark corners of the CMHC. Whenever the corporation lends money for a HOUSING PROJECT, SOME lawyer has to draw up the papers. The normal procedure when a lawyer is needed for a CMHC deal, is to ask the local Liberal MP to recommend one. If he fails to do this, the selection is made from a list of lawyers in the constituency, most of whom are liberals. In addition, the fees are paid by the borrower not the corporation. OHC selects lawyers for transactions on a non-political basis- Conservatives, Liberals and NDPers. Tom Cossit, Conservative MP for Leeds, proposed that when lawyers are needed to draw up mortgages and other documents the local bar association be asked to recommend qualified men, without regard to political affiliation.  
(TS, 13/3/75, p2 c1-2 editorial)

#### REGIONAL DISPARITY

##### \$425 MILLION COMMITTED FOR NEW DEVELOPMENT

The federal government has committed about \$425 million to the provinces for industrial development incentive grants for 2,630 projects under the Department of Regional Economic Expansion (DREE) program between 1969 and March 31, 1975. Total capital investment in projects is more than \$2 billion; an estimated 106,023 direct jobs have been created.  
(HCH, 12/3/75 p12, c1-3)

##### MANITOBA AND OTTAWA AGREE ON NORTHERN SPENDING PLAN

The federal and Manitoba governments have agreed to spend a total of \$24.7 million for specific development projects in northern Manitoba during the 1975-1976 fiscal year, designed to upgrade community services and especially transportation facilities.  
DREE is to pay 60% of costs and the provincial Department of Northern Affairs pays the remaining 40%. (FP, 15/3/75, p16 c1-2)

##### DREE INCREASES FUNDS FOR P.E.I. CABLE

The federal government has increased to \$27 million its share in funding Prince Edward Island's projected submarine power cable to the mainland. The estimated total cost is \$36 million. (FP, 15/3/75 p16, c5-8)

##### EXPLANATION ON SPENDING OF \$73 MILLION MAJOR CONCERN:

A standing legislative committee is investigating the operation of the Sydney Steel Corporation (SYSCO), including the lack of formal approval for the expenditure of \$73 million in capital projects for the modernization of the publicly owned steel plant.  
Testifying before the committee, former Sysco president, R.B. Cameron, board chairman Derek Hayson, and president Ernest Alderton, claimed that board and government approval was obtained for all modernization plans, although such authorization was not always formally recorded in board minutes.  
(HCH, 18/3/75, p1 c6-8; 12/3/75, p1 c5-9)



#### COAL-FIRED POWER PLANT MAY AID CAPE BRETON MINES

Nova Scotia is expected to build a coal-fired power generating plant that should mean a good domestic market for Cape Breton's reviving mines.

Tom Kent, president of the Cape Breton Development Corporation (DEVCO) told the Commons regional development committee that Nova Scotia must soon make a decision between a nuclear plant to meet power needs. Mr. Kent was optimistic that coal would be chosen.

Cape Breton's known coal reserves are estimated at 200 million tons - a 40 year supply at projected mining rates.

(OC, 26/3/75, p13 c1-7)

#### TRANSPORTATION

The House of Commons has granted final approval March 21st to a bill forcing Canadian National Railways (CNR) and CP Rail to give detailed financial information to the federal and provincial governments. The railway disclosure bill\*\* was recommended at the Western Economic Opportunities Conference nearly two years ago in Calgary.

(HCH, 22/3/75, p30 c3-4; EJ, 22/3/75, p6 c1-4, CP)

*\*\*CNSP NOTE: The bill would not require the railways to make information available to the public, merely to give it to Ottawa and the provinces on a confidential basis. The railways do not want to reveal all the details of their operations because of competition from other transport systems.*

#### WOMEN

*In the latest wave of abortion controversy, following Justice Minister Lang's intervention in funds for the Saskatoon Women's Center, the media has devoted many articles to the myriad of viewpoints on the issue. The issue has split not only the public, but also the federal cabinet. In addition, to Otto Lang, Environment Minister Jeanne Sauve has expressed great misgivings about any easing of abortion laws. She stressed the moral parallel between permissive abortion laws and euthanasia - a view advocated by Canada's ardent and highly organized Right to Life Association. (MS, 6/3/75, pA3 c2-4). Health Minister Lalonde, and also minister responsible for the status of women, issued a statement urging more hospitals to establish abortion committees, "to answer the needs of a particular public....." Finance Minister John Turner said he favoured removal of abortion from the criminal code on the basis that "When there is no consensus, criminal law should be withdrawn and it should be a personal matter". (TS, 6/3/75, pA3, c2-4).*

*It is becoming increasingly obvious to the Canadian Medical Association, the public, the provincial and federal governments, that the only solution to this abortion controversy lies in prevention, and the creation of widely acceptable contraceptives and family planning programmes.*

#### FEDERAL GOVERNMENT CHOOSES PASSIVE STANCE ON ABORTION

In response to the Canadian Medical Association's demand for clarification of the present abortion laws, Prime Minister Trudeau replied: "I feel it would be premature to reopen the law to further amendment, pending



further experience with the provisions of the current law". Lack of action by both the federal and provincial health departments and government leaders, regarding abortion indicates that the government is opting for a delay. The Prime Minister argues that governments are only marginally influential in selecting social directions, and it is the people themselves who determine values.

One of the largest subjects of controversy in abortion regards the definition of "health". At the time when John Turner was Minister of Justice, the ministry promoted a definition of health which conformed to the broad definition used by the World Health Organization: Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity." With Otto Lang's occupancy of the position of Justice Minister, the definition has been dramatically narrowed. Hospitals in the NWT and the Yukon were strictly informed: "that social and economic considerations were not to be taken into account in determining whether a pregnancy lawfully could be terminated."

Prime Minister Trudeau argues that it is beneficial not to define health in a strict sense, leaving more freedom of interpretation by local hospital boards. However, only 1/5 of Canada's hospitals have established abortion committees, making the alternatives in definition of health very hypothetical. Doctors argue that the government has a responsibility to define "health", and that to not do so, is in itself a statement of government policy.

(MS, 26/2/75, pA9 c1-4; EDITORIAL - W.A.Wilson)

#### POVERTY FOR MANY WOMEN HEADS OF FAMILY

Women heads of family are almost five times more likely to be living below the poverty line than are their male counterparts. The report released by the Canada Council on Social Development gives a male family head 9.3 chances out of 100 of being poor, and a woman 40.1 chances out of 100 for being in the same situation. The report shows that 28.7% of families living in poverty were headed by women in 1973; by comparison, 13.2% lived in poverty in 1961. The study further shows that more than 30% of the total single family population is on or below the poverty line, and more than 2/3 of all women under 25 have annual incomes of less than \$5,000.

(WFP, 6/3/75, p21, c1-3 CP)

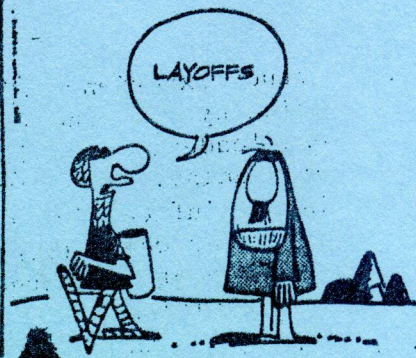
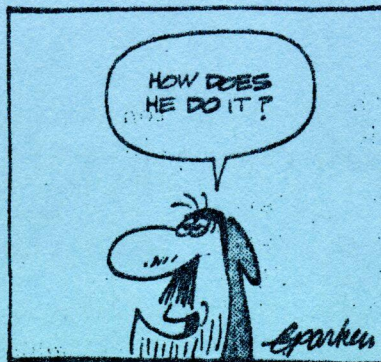
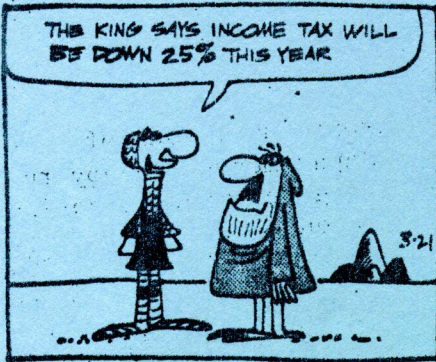
#### TOKEN WOMEN

At least 20 Ontario Government ministries and agencies have each hired a woman at high salary in the past six months. Their jobs are to suggest ways in which more women can reach the top posts in the provincial civil service. NDP Leader Stephen Lewis told reporters that the women are being paid \$20,000 a year or more, but at least three ministers he asked didn't know who the special women in their ministries were. Mr. Lewis told reporters, "If I wanted to be cynical about it, I could argue that these women were only hired at top salaries to help close the gap between male and female employees at the top salary positions. He speculated that the government had made the appointments "to reduce the hitting powers of Laura Sabia".(Chairperson of the Ontario Status of Women Council).

(GM, 18/3/75, p1 c1-4 Thomas Coleman)



## WIZARD OF ID



## Employment Unemployment

## Economic-Labour

### CHANGE IN CHARACTER OF UNEMPLOYMENT:

According to a Senate report, the prospect for the future is more people unemployed for long periods unless trained. Seasonal enemployment is becoming a less important factor.

The Manpower Department set up a new program in 1972 - Local Employment Assistance Program (LEAP) - aimed at long-term job creation for people who are unable to work because they lack skills or training or live in remote areas. Money being spent on other occupational training programs has been declining since 1971. About \$12 million was set aside for LEAP in the current year. Spending for LIP, OFY & LEAP programs in the new fiscal year is projected at about \$140 million.

(HCH 7/3/75 p2 c1-3 CP)(GM p2 c4-6 CP)

### NEW EMPHASIS ON CREATING LONG-TERM JOBS:

The Manpower department released its first in a series of studies aimed at finding out which jobs will be most in demand in the next six years. Another Manpower report says that the emphasis of special job-creating programs now is on creating long-term jobs instead of filling seasonal gaps.

A Statistics Canada study shows that one in every 13 workers participated in an employer-sponsored training program in 1973 (9% of all men were given training courses; 6% of all women). Young men in white collar jobs had the best training opportunities and the proportion of workers given training was higher in government and financial institutions and lowest in construction. (of government workers, 20% of the men received training, 13% of the women).

The Western provinces had a higher proportion of workers in employer-sponsored training programs: Alberta the highest with 11.5% and Quebec the lowest with 6.3%.

(OC 10/3/75 p8 c1-4 CP)

### SURVEY OF OCCUPATIONAL DEMAND:

Clerical jobs will be the fastest growing in the 6 years until 1980.

The ten fastest growing occupations:  
secretary, sales clerk, janitor, book-keeper, truck driver, teller, general office clerk, sales supervisor, waiter, and typist.

The worst occupation prospects:  
farming  
railway  
textile mills

### OTTAWA REJECTS PLEA FOR STRONG TEXTILE PROTECTION:

The federal government has rejected appeals by the textile industry for strong protection measures against competing imports. Instead it has called for more efficiency and innovation. Alastair Gijlespie, Minister of Trade and Commerce,



said the government will try to renew and extend agreements with supplying countries to control exports. The government will also watch for violations of restraint agreements. The textile industry, located mainly in the eastern townships of Quebec and southeastern Ontario, appealed for help late in 1974. When operating at capacity the Quebec and Ontario plants employ about 200,000. But unemployment at such places as Granby, Que. and Cornwall, Ont. is running as high as 25%. (TS 7/3/75 pB11 c8-9 CP)

#### JOBLESS RATE HIGHER:

Statistics Canada reported the national unemployment rate up only slightly in February to 6.8% from January's rate of 6.7%. But the rates are getting worse in those areas with already high rates of unemployment:

Newfoundland - 17.6% (up 1.5%)	British Columbia - 8.6%
New Brunswick:- 11.7% (up 0.8%)	Manitoba - 4.1% (up 0.6%)
Quebec - 8.6% (up 0.5%)	Alberta - 3.4% (up 0.2%)

Ontario (5.6%), Nova Scotia (7.2%) and Saskatchewan (2.6%) remained relatively level with January unemployment rates. (WFP 11/3/75 pl c1 CP)

#### LABOUR - GENERAL

##### STRIKES TOO COSTLY SAYS LANG:

"The strike is simply too costly a weapon for us to continue to put up with it", Justice Minister Otto Lang said in a speech to a farm conference in Regina. He referred to the current strike of some civil servants that has stopped certain prairie grain movements. The minister suggested that an arbitration procedure could replace strikes but stressed that first labour groups must be convinced that the arbitration procedure would be fair.

(WFP 5/3/75 p19 c3 CP)

##### SETTLE STRIKES, GRAINMEN URGE:

The advisory committee to the Canadian Wheat Board called Tuesday for immediate settlement - with Parliamentary intervention if necessary - of current disputes which have halted commercial and food-aid grain shipments from the prairies. The statement referred to the dispute between the federal Treasury Board and the Public Service Alliance which has halted all grain shipments to Thunder Bay and the west coast, and to another strike involving west coast longshoremen which started at the end of January.

The eleven-member advisory committee, currently appointed by the federal government, includes representatives from the Manitoba Pool Elevators, United Grain Growers Ltd., Saskatchewan Wheat Pool, and the Palliser Wheat Growers Association. Grain producers will vote in April to elect an advisory committee from among farmers themselves.

(WFP 5/3/75 p11 c1-2)

##### GOVERNMENT SEEKS MORE MONEY FOR WAGE SETTLEMENTS:

Treasury Board President Jean Chretien appeared before the Commons Miscellaneous Estimates Committee to explain the \$1.65 billion in supplementary estimates tabled by the government for the fiscal year ending March 31/75. The estimates include an increase of \$10 million in a treasury contingency fund for unforeseen wage settlements, disasters and other emergency spending. Chretien explained that the extra money was needed because the government underestimated the cost of wage settlements when the main 1974-75 estimates were originally presented. The government planned on wage settlements of 6-7 per cent for the year but many have reached 11-14 per cent because of inflation.

Chretien said that some groups in the federal bureaucracy are overpaid



as a result of succeeding through binding arbitration to win more than they deserve. He said that the government is considering ways of consolidating the 80 collective bargaining units dealing with the government into a smaller number to reduce the number of strikes. He also said that the government uses only 14% of its budget for salaries and can afford to pay substantially more. However, doing so would make the government the pace setter for pay demands in private industry and frustrate attempts to encourage spending restraint.

(WFP 8/3/75 p8 c1-3)

#### CANADA A LOST TIME LEADER:

According to a study by the International Labour Organization (ILO) Canada is second only to Italy among 18 major industrialized countries studied

for loss of work-days due to labour disputes:	1972	1973	1974
Work days lost in Labour Disputes	7.7 M	5.7M	9.2 Million
Man days lost per 10,000 worked	43	30	46
Number of strikes	532	724	1,216

#### ERODING BUYING POWER OF WORKERS:

Shirley Carr, executive vice-president of the Canadian Labour Congress says the concern over labour unrest in Canada should be directed at the reasons for strikes and not at the strikes themselves. She pointed out that in the last 25 years, time lost due to strikes has never exceeded .05% of the amount of time worked. The rising militancy of workers is due to the erosion of their purchasing power by the 12% rate of inflation and by the 6.7% unemployment rate. The purchasing power of the dollar has diminished since 1961 in real terms so that it is presently only worth 57¢. As a result, a worker who retired in 1971 has already lost 22.8% of the purchasing power of his pension; the worker who retired in 1968 has lost 30.7% of his purchasing power.

(EJ 17/3/75 p25 c2-4)

#### LABOUR CONGRESS MEETS CABINET:

At the annual submission of the Canadian Labour Congress to the Cabinet, Prime Minister Trudeau pressed the question of developing new mechanisms for bargaining between labour unions and employers so that the country would not face a whole series of strikes but perhaps only one big one occasionally. The P.M. also pressed the question of developing a consensus between government, business and labour. To this point CLC president Morris stressed that labour has no intention of accepting an income policy or wage restraint. He added that there must be a clear commitment from the government and business to redress the balance in the distribution of our national income.

(GN 25/3/75 p1 c1-9)

#### CANADIAN WORKERS AHEAD OF THOSE IN U.S.:

According to Canada Labour Views Report, workers in Canadian manufacturing averaged 9¢ an hour more last December than their counterparts in the U.S. The business community is concerned that this relatively higher wage rate will make Canadian goods more expensive and thus more difficult to export.

(TS 7/3/75 pA1 c5-6)

#### FISHERMEN LAMENT ATLANTIC FISHING SHUTDOWN:

For the first time in memory the 400 fishermen who occupy Cape Sable Island off the southwest shore of Nova Scotia, have nowhere to fish. Their traditional fishing grounds were shut down last January to allow the severely depleted stocks of cod, herring and haddock to replenish themselves. About 1,000



independent fishermen have been affected by the closure.

The huge international trawler fleets have fished the area bare, and suddenly it is against the law for local fishermen to go out in their traditional area. The Sable Island fishermen want the federal government to extend Canada's territorial waters from 12 miles to 200 miles and to take over control and management of the huge fishing fleets that operate off the east coast. The government is in favour of the 200-mile territorial limit and is taking that position in discussions seeking agreement from other nations at the United Nations Law of the Sea Conference. (see Resources)  
(TS 15/3/75 pG4 c1-5)

#### LABOUR - MOVEMENTS

*The Public Service Alliance of Canada and the federal Treasury Board reached an agreement after a month and a half dispute, and this month's CNSP coverage gives some attention to the government and business viewpoints in opposition to strikes in the public sector. On the west coast, grain shipments have been halted since February 17 when PSAC grain weighers went out on strike. A strike of the west coast longshoremen continued to keep the ports closed, and under mounting pressure from farming groups, manufacturers and the business community, Parliament legislated an end to the strike late in the month.*

#### PUBLIC SERVICE ALLIANCE STRIKE:

Striking PSAC members at armed forces bases have been concerned that military personnel were used to fulfill functions normally handled by federal employees. Acting beyond their rights military personnel have moved pickets and searched PSAC members on military bases. (HCH 6/3/75 p1 c6-8)

The federal government is under pressure from the Manitoba Conservative Party, the Ontario Agriculture Minister, the Alberta Wheat Pool and the Canadian Federation of Agriculture to enact emergency legislation to end strikes that have paralyzed grain shipments. (WFP 7/3/75 p1 c4-5)

Acting Prime Minister Mitchell Sharp and Treasury Board President Jean Chretien said that back-to-work legislation might be enacted if bargaining failed. Chretien also reiterated his plan to prosecute all workers who have been on strike illegally. (GM 11/3/75 p1 c4-8)

The Canadian Manufacturers Association says that if the government is not ready to take action against unions which disrupt public services, then the public is ready for a law giving private citizens the power to sue unions.  
(MS 12/3/75 pC1 c6)

The PSAC membership gave a narrow 50% support to the treasury board contract offer of a 29.5% increase over 26 months. Alliance members in Toronto, some Prairie regions and Atlantic areas rejected the proposal for not giving parity with private industry rates and for not considering the factor of regional disparity in wages. Union officials emphasized that all locals would abide by the national voting results.  
(TS 24/3/75 pA1 c1-2)

*CNSP NOTE: Last month's coverage of the PSAC strike reported that the union was seeking a 39% increase over present wages, or 90% parity with workers performing the same jobs in the private sector.*

#### B.C. DOCKERS STRIKE:

About 4,000 longshoremen in British Columbia went on strike March 1 halting shipping traffic from B.C. ports. The International Longshoremen's and Warehousemen's Union says that the issues are wages and the handling of container cargo that, if resolved in management's favour would mean fewer jobs.  
(OC, TS, & HCH 3/3/75 pages 1-3)



The International Longshoremen's and Warehousemen's Union has reached agreement with the B.C. Maritime Employers' Association through the mediation of federal deputy labour minister William Kelly. Wage gains will be \$1.85 an hour over the two-year agreement; the job security issue seems to have been won by the union although a full study of container traffic is pending.

(GM, WFP 17/3/75 page 1)

Voting 55% against the recommendation of their executive, members of the longshoremen's union rejected the tentative agreement in the west coast strike. Fringe benefits and job security are at issue. (WFP 24/3/75 pl c4-5 CP)

In a five hour session, Parliament enacted emergency legislation to end the three-week old west coast strike of longshoremen that had halted all shipping traffic. The legislation is the fourth in the last three years to end major strikes stopping grain shipments. The union is expected to obey the legislated ending of the strike.

(TS 25/3/75 pA4 c1-3 CP)

(GM 25/3/75 pl c7-8 CP)

#### FARMERS' BILL DOESN'T HELP CONSUMER:

The Agricultural Stabilization Act which has been introduced in Parliament has come under criticism from Liberal MP Herb Gray who claims that while the bill establishes a floor price for agricultural products in order to protect farmers, there is no protection given to the consumer by the setting of ceiling prices.

(TS 18/3/75 pC4 c1-2 ed.)

#### P.E.I. POTATO FARMERS BEING FORCED OUT:

Overabundant potato crops in the Maitimes and the United States have glutted markets. As a result Prince Edward Island potato farmers are \$40 million behind in sales this year over last. The P.E.I. Potato Marketing Board says that potatoes are selling at between 1.5 - 2.4¢ per pound while it costs 3¢ per pound to grow potatoes; as a result, one in four growers may be forced out of business. The P.E.I. government, lacking in funds to stabilize markets and subsidize farmers, is looking to the federal government. However, there are reservations about the Agricultural Stabilization Act since the floor price it sets will not keep up with rapidly rising costs of farm production.

(FP 29/3/75 pC8 c5-9)

#### QUEBEC LABOUR:

##### THETFORD MINES ASBESTOS STRIKE:

*The first major asbestos industry strike since 1949 is now on at Thetford Mines in Quebec. The strike combines demands for better working conditions and higher wages. Asbestos workers in Quebec are "cheap labour" exploited by a handful of multinationals, chiefly American, who reap large profits and are among the least regulated mining companies in the world. Much of the following information is from a series of documents published by the Confederation of National Trade Unions (CNTU/CSN), and Claude Lemelin article in Le Devoir (19/3/75 p1 )*

##### FACTS ABOUT THE QUEBEC ASBESTOS INDUSTRY:

A 1971 study by the Quebec Ministry of Natural Resources reported that:

- no new jobs had been created in the industry since World War II.
- between 1961-66, the six companies operating in Quebec made \$250 million in profits from asbestos operations. Of this amount, 38% was returned to shareholders (the mining industry average is 29%), and only 31% was accumulated for future investments (the mining industry average is 48%)
- 82% of Canadian asbestos mining is done in Quebec.
- Quebec produces 33% of the world's asbestos.



**PRESENT WAGE RATES**

In 1948 salaries accounted for 35% of total sales.  
In 1971 the percentage had dropped to 31%.

An asbestox worker in B.C. receives 75¢ an hour more than his Quebec counterpart. The base rate for a Quebec asbestos worker is \$3.73 an hour, compared with a pulp and paper worker's \$4.54; a primary metal workers' \$4.34 and a construction worker's \$5.39.

**WAGE DEMANDS**

During the current strike the wage demands, supported by both the CSN affiliated workers and the FTQ affiliated workers are for a cost of living increase plus \$120 an hour from the first of January 1975 and a further \$1.00 the following year.

**HEALTH CONDITIONS**

It has been the CSN which has spearheaded investigation of health conditions in the asbestos industry. Their demands follow from the results of recent studies undertaken by the Mount Sinai Medical School. The study found that 61% of the 1200 workers examined, with 20 years experience in the mines or more, had developed lung abnormalities; 52% have asbestosis.

**HEALTH DEMANDS**

- that the government institute regulations allowing only the 5 fibre per cc. level now, and that the level be reduced to 2 fibres by July 1976;
- that the asbestos companies free one full time worker chosen by the union to test fibre levels in the air;
- that the employees be able to stop work when concentrations of asbestos fibres go above the government levels, and that they don't lose any of their wage for such a stoppage;
- that the companies install equipment necessary to reduce the fibre level to the government norm;
- that workers who have to go for medical examinations at the company's request don't lose any of their salary;
- that any worker afflicted with a disease caused by working in asbestos and who is incapable of returning to his former job be given a full salary or if he is placed in another job his salary will not diminish;
- that workers afflicted with an asbestos caused disease be recognized as such by the Workman's Compensation Board; that if the company cannot offer them a safer job, the Board be abliged to pay a full salary to them.

**IMMIGRATION**

*Immigration coverage during March continued to concentrate on reactions to the "green paper" as well as fairly negative opinions on the mechanisms for public response to the paper.*

*Sheila Arnopoulos covers reactions in small cities and towns in Quebec and demonstrates that people in such centers are far more favourable to immigrants, refugees and continued immigration than official government positions would indicate.*

*Several articles include mention of a growing fear that Canada will use more cheap migrant labour of a temporary nature as it increasingly closes the doors to new immigrants.*



### IMMIGRATION POLICY DEBATE OPENS

Immigration Minister Robert Andras opened parliamentary debate on future immigration policies in the House of Commons, warning against any "extreme reactions." A joint Senate-Commons committee was constituted to hold nationwide hearings on the green paper. These hearings will be "the paramount vehicle" for soliciting public views on the paper, said Andras.

Jake Epp (PC--Provencher) the party's immigration critic, supported the motion to refer the paper to committee but objected to the 6-month deadline. The committee must report its findings by July 31st. Because of the time limit imposed on the committee's study, there might not be time to hear from rural areas or smaller cities, Mr. Epp said.

Arnold Peters (NDP--Timiskaming) said the committee study would be an exercise in futility. "The officials of the minister's department have already made up their minds and pretty well established their criteria." "The travel of this committee...will do absolutely nothing to change their minds."

(OC, 3/3/75, p.20, c.1-8, Ginny Galt)

(OC, 4/3/75, p.13, c.4-8, Stewart MacLeod)

(HCH, 4/3/75, p.3, c.1-3, CP)

(TS, 4/3/75, p.A9, c.1)

### MIGRANT WORKERS PROMISED GUARANTEED WAGE

Migrant Farm Workers from the Caribbean and Mexico will be guaranteed a minimum of \$2.40 an hour after May 1st--an increase from the \$2 per hour paid last year.

Manpower officials said about 6,000 migrant workers from Mexico and the Caribbean will be recruited for periods ranging from 6 weeks to 8 months helping Ontario farmers with canning of the 1975 crops. They will live in government-inspected housing and pay a maximum of \$2.40 a day for meal costs.

(GM, 6/3/75, p.B4, c.1)

### THREE-PART SERIES--NORMAN HARTLEY

#### IMMIGRATION PAPER: COWARDLY OR RACIST??

Two basic and opposing views of the Government's Green Paper have emerged in the month since it was published. One sees it as racist, subtly preparing the ground for reduced immigration. The other sees it as cowardly--ducking all the tough issues on immigration that it was supposed to bring out into the open.

The first view is held by various ethnic and community organizations--with Toronto's black community being the most vocal publicly. These groups say that the green paper projects a negative image of immigrants and tries, indirectly, to make them scapegoats for national problems such as inflation, housing shortages and unemployment.

The other view--that the paper is a cop-out--is held privately by many immigration officers and private citizens. They say it is woolly and abstract and misrepresents the situation by putting incomplete perspectives on key issues. One fundamental problem with the green paper is that the language is too vague and convoluted--"almost in code."

Those arguing "cop-out" believe that the four thorny issues that have bedevilled immigration policy-making in Canada have not been explained to the public. The four issues:

--Should Canada use immigration as a source of cheap labour to sustain its economy?

--How honest are Canadians in their stated desire to create a multi-racial society?

--Is Canada fooling itself with its belief that it can shift its immigration policy on to a basis of selective immigrants on a basis of national self-interest?



--Is the present system satisfactory with immigration patterns shaped as much by regulations decided by cabinet as by legislation enacted by Parliament?

Those groups that see the paper as racist maintain that the government is well on the way to making up its mind that it wants cheap labour, but on its own terms, and that it wants to place a definite curb on the multi-racial growth of Canada. The aim of the paper as they see it is to get an Immigration Act that speaks in terms of lofty principles while "doing the dirty work" of arranging country-by-country quotas, through regulations and administrative decisions. (GM, 8/3/75, p.4,c.4-7 Norman Hartley)

#### LAWYERS AND COMMUNITY LEADERS ANGERED WHEN IMMIGRATION PRINCIPLES NOT PRACTICED

One of the most controversial issues of the national debate on immigration is the treatment of regulation as opposed to legislation. Lawyers, community leaders and irate citizens have been pointing out over and over again that the Immigration Act tells only a small part of the real immigration story. It has been shown, for example, that:

--Immigration flows from any given country are decided largely by whether you put an immigration office there, how you staff it and what operating instructions you give to the staff.

--The manual sitting at the elbow of the immigration officer at Toronto International Airport, giving him guidelines on exercising discretion, does more to decide who enters Canada than almost any other factor.

--There isn't a single word in the present Immigration Act condoning racism and discrimination and all serious grievances on those grounds relate to the conduct of officers and to administrative decisions.

(GM, 10/3/75, p5 c5-8 N. Hartley)

#### DEPORTATION OF HAITIANS

Behind the legal technicalities is a gigantic perception gap: a Canadian view of world migration and a Third World view that is so different that the arguments don't even touch in reality.

The nub of the controversy is whether Canada can continue with its present trend toward an immigration policy stressing its sovereign right to let in whom it likes, in its own self-interest.

For most Canadians, such a right is simply not questioned. But the Haitians, like many citizens of the Third World, think the right is self-righteous and complacent. Third World Immigrants are thinking less and less in terms of asking Canada to be generous and humanitarian. Instead, they are blaming Canada, partly for its own economic policies, and partly through its association with the North American economic block for contributing to the underdevelopment of their countries. (GM, 11/3/75, p10, c1-9 Hartley)

#### IMMIGRANTS WELCOME

Dislike of foreigners is often presented as a common trait of Quebecers. However true this sentiment may be for Montreal, where nationalist sentiments are strong and where assimilation of immigrants to the anglophone community has become a thorny issue - it is certainly not evident in small towns and cities of the province. In places such as Quebec City, Sherbrooke, Sept-Iles, Trois-Rivieres and Louiseville, Quebecers attending meetings to discuss the "green paper" on immigration showed they welcomed immigrants.



In smaller towns and cities, where immigrants are more fully integrated into community life, people seem more sensitive to the problems of newcomers. At immigration meetings in such centers, Quebecers told officials that immigrants were not being treated with sufficient respect. The principal points raised were:

- immigrants are looked upon as commodities by the green paper.
- in this connection, many attacked Canada's present "work-permit" system which was seen as insensitive to the needs of foreign workers.
- a number worried that "foreign workers" were being used as "cheap labour" brought in for low-paying or unpleasant jobs that Canadians refuse".
- Canada's attitude towards refugees also came under attack. Quebecers felt that some people claiming refugee status aren't getting a fair hearing and that the process is too lengthy. Participants at these meetings wanted Canada's refugee policy clarified in any future immigration act and carefully regulated to prevent arbitrary decisions by immigration officers. (MS, 12/3/75, pA1 c6; 15/3/75, pB4 c5-6, S. Arnopoulos)

IMMIGRATION UP 18.6% in 1974.

A total of 218,465 immigrants arrived last year. The total figure represents a considerable drop in the high rate for the first 6 months of 1974 when new arrivals were 47% higher than in the corresponding 1973 period.

Top 10 source countries - 65.7% of all immigration:

Britain - 17.6%	Hong Kong - 5.8%
United States - 12.1%	Jamaica, Philippines, Greece,
Portugal - 7.5%	Italy, Haiti.
India - 5.9%	

.....  
Provincial breakdown:

Ontario - 120,115 (over 50%)
British Columbia - 34,481
Quebec - 33,458
Alberta - 14,289
Manitoba - 7,423

.....  
Labour Force:

Professionals - 20.4% (21,599)
Fabrication, assembly and repair workers - 14.6% (15,466)
Clerical Workers -14.8% (15,660)
Service Workers -10% (10,604)

(OC, 18/3/75, p14 c1-6, CP; MS, 18/3/75,p10 c3-5;  
same day in WFP, GM, HCH, Ts)



# Political

## Federal

### INTRODUCTION:

The stories carried by the press in March seem to indicate a growing disenchantment between the press, public and the government. Governmental distrust of the electorate and the press rang clearly through the stories on government openness. A recent poll indicated growing electorate disapproval of government policies. The reasons for the breaks in trust are not difficult to find. Inflation seems uncontrolled and the government, while placing stress upon inflationary wage settlements, has increased spending by 85% over the last two fiscal years.

### GOVERNMENT SECRECY RAPPED

A group of Parliamentarians, academics, Cabinet Ministers and top bureaucrats, studying government secrecy has concluded that the federal government is much too secretive. The group claims that security provisions are misused for the internal convenience of the government. The 16 provisos the Cabinet made to fulfill its promise for "open government" have served to reinforce the status quo.

One member of the study group claims the government has confused the "security of the Government" with the "security of the state". One former security officer estimated that only 2% of material kept secret actually dealt with real security matters. "Open government" flounders on the resistance of the top bureaucrats who would be inconvenienced or embarrassed by disclosure, and on the tradition that advice given to the government by civil servants is automatically confidential.

(GM, 25/3/75, p1 c1-6; 26/3/75, p9 c2-8; 27/3/75, p10 c1-6)

*CNSP NOTE: The government information issue reveals how truly awesome is the lack of effective power we have over our democratic state. There is no way the electorate can influence government decisions if information is not available or if we have no idea of the various options the government could have taken. One must consider whether this distrust of the electorate stems from the fact that government operates for the benefit of capital and the rich and powerful rather than for the bulk of the population.*

### INFLATION

Trudeau expressed "cautious optimism" that an anti-inflation consensus could be reached. He echoed Turner's concern over rising costs and labour settlements. The opposition did not share his optimism. (WFP, 20/3/75, p16 c1-2)

The government brought in supplementary 1974-1975 estimates of \$1.9 billion making total '74-'75 spending \$28 billion. Estimated spending for 1975-1976 is \$37 billion. This represents an increase of 40% between 73-74 and 74-75 and a further increase of 32% for 1975-'76.... a whopping non-inflationary increase in government spending of 85%. (WFP, 4/3/75, p1 c1)

### GOVERNMENT ROLE SOUGHT

A conference devoted to discussion of the proper role of government came to a (not surprising) consensus that government should restrain its activities and promote private enterprise. Ian MacDonald, former deputy treasurer of Ontario, and president of York University, stated: "I do not believe it is necessary nor does it serve any useful purpose, for government to diminish in any way private initiative or enterprise". He also noted that "the opportunities for the private



sector and the advantages to it will be greater if we have a well-planned, orderly and stable society". Norman Macrae, associate editor of the Economist, suggested that public services be handed over to the private sector on a performance-contract basis, Sinclair Stevens (PC-Mp), suggested "government activity should be confined mainly to the traditional role of surveillance, protection and regulation. It has a limited but desirable role to play in the transfer of income-category - but it should avoid like the plague extended participation in the third category - commercial activity".  
(FP, 29/3/75, p6 c3-6)

*CNSP NOTE: the consensus is not surprising. No representatives of labour unions, the poor, etc. attended the conference.*

#### ELECTORATE DISAPPROVES

A recent poll indicates that 43% of those surveyed disapprove of the federal government's record. This is up from 28% in 1973. Greatest dissatisfaction is expressed in the Maritimes. (WFP, 15/3/75, p1 c4)

#### MacEACHEN IN U.S.

External Affairs Minister MacEachen made an 8 city visit to the U.S. where he met with political, financial and corporate leaders. He reassured Americans that Canada's overtures to Europe represent a supplementing not supplanting of Canadian-U.S. relations. He was grilled about Canada's approach to foreign investment and expropriation. Apparently he reassured his questioners.  
(FP, 29/3/75, p3 c1-7)

#### CANADA EXPANDED

The federal government has decided that the Gulf of St. Lawrence is within Canadian territorial waters..The U.S. does not recognize Canada's claims.  
(TS, 5/3/75, pA2 c1-3)

#### DREDGING SCANDAL - MASSIVE FRAUD AGAINST PUBLIC PURSE

##### *Introduction:*

*The dredging scandal has 3 basic parts: the Irving Whale incident; the Hamilton Harbour scandal; and the price fixing deal. The outlines of the story are quite simple. For an unknown number of years, the major dredging and salvage companies have been arranging among themselves the cost of the federal government contracts. One company will submit the lowest (but still higher than competitive price) bid, other contractors will bid high and receive an agreed upon kickback. Thrown in around the edges of the deal appears to be some low-level political patronage.*

*Newspaper coverage of the scandal has been voluminous. Reporters have been dazzled by our very own "Harbourgate". The coverage has reflected almost entirely upon the possibility of a government scandal and minimized the enormity of the business scandal. This seems to indicate not only the media's longing for a "watergate" but also the tremendously strong free enterprise bias which permeates the press.*

*The outcome of the criminal charges has been to eliminate almost all dredging companies from the field, leaving the federal government with no contractors for this summer's work..This has elicited the rather unique PC position(Claude Wagner) that the dredging firms be nationalized. Jean Marchand*



has indicated he is considering such a step. This suggestion brought forth one of the few editorials. The WFP dealt not with business morality, but with the inefficiencies of crown corporations and assured the reader that "the danger of bid-rigging in present circumstances must be considered remote". (WFP, 17/3/75, p15 c1-3)

The dredging scandal has a two-pronged significance:

- it confirmed the greediness of private capital. However, the press has treated the business scandal with such restraint and lack of moral indignation that one is left with the impression that price-rigging, fraud and bribery are normal business practices.

-it indicates the weakness of the capitalist state, in its dealings with the private sector. The only protection of public money is in the tendering process, which is based on the competition ideology. An organized swindle, bypassing the only vehicle for public protection, could and probably did go on for decades. Again the press let out not one anguished howl on behalf of the taxpayer milked of at least \$4 million.

#### Recent Events:

March 1975 - Charges were laid against 13 companies and 14 individuals in connection with the dredging scandal. Those charged were: Marine Industry Ltd., J.P. Porter Co., Richelieu Dredging Corp., Pitts Engineering Construction Ltd., McNamara Corp., Dillingham Corp. of Canada Ltd., Marvill Dredging Ltd., Canadian Dredge and Dock Co., Sceptre Dredging Ltd., Aebemont Ltd., Peter Kiewit and Sons of Canada Ltd., Construction Aggregates Corp., and Jason Hydraulics Pumping Ltd.

Executives charged with conspiracy to defraud are: Jean Simard, Louis Rochette, Harold MacNamara, Gerard Fillion, Bruno Desjardins, S.C. Cooper, James Jarrell, Hugh A. Martin, Frank Hamata, Albert G. Gill, Ezra Sansibar, Albert Goldfarb, John McDonald and John E. Baken. Individuals charged face up to 10 years in prison. The companies and individuals are charged with conspiracy to defraud the government of:

\$862,000 in the Beaufort Flats contract, 1968.

\$1.2 million in the Toronto Harbour contract, 1973.

\$360,000 in the Hamilton Harbour contract, 1971.

\$680,000 in the Cap de la Roche contract, 1972.

\$800,000 in the Ile d'Orleans contract, 1971.

\$150,000 in the South Baymouth ferry terminal contract, 1972.

The investigation is continuing.

#### FEDERAL/PROVINCIAL RELATIONS

The issue this month is once again oil - whether the provinces or federal government has the right to set policy in this lucrative field. Provinces like Alberta, and more recently Newfoundland, argue that resources are a provincial responsibility and that they need the revenue from such resources to develop their economies. The issue will be discussed at the upcoming federal/provincial meeting in early April.

#### NEWFOUNDLAND FIGHTS FOR OIL RIGHTS THAT COULD MAKE HER RICH

The issue is offshore oil rights and who owns them. Newfoundland plans to challenge the federal government in the Supreme Court of Canada, if necessary.



Some experts hold that the Labrador shelf may have as much as 70 trillion cubic feet of gas and 15 billion barrels of oil, which would make it even richer than Alaska's Prudoe Bay fields. Newfoundland lawyer Cabot Martin who has been researching the provincial legal position with respect to offshore rights, concludes: "This is a have-not province. Offshore mineral wealth would give us a chance to become one of Canada's have provinces. We believe that the whole issue of offshore rights is the most important political issue this province has faced since Confederation.

(TS, 4/3/75, pB3 c1-7, Chris Dennett)

PREMIERS, PM, TO TALK ENERGY ON APRIL 9, 10th.

The conference will run two days and items scheduled are "the oil and gas problem, pricing and so on, and the economy." The price of Canadian oil sold in the country has been frozen at \$6.50 a barrel since April 1975. That agreement expires at the end of June and it is expected oil prices will rise.

(HCH, 21/3/75, p.3, c.1-3)

## POLITICAL/PROVINCIAL

### ALBERTA

TORIES IN ALBERTA CAPTURE 69 SEATS TO OPPOSITION'S c  
Lougheed's Tories held 49 seats prior to the election. The Social Credit party lost 20, holding on to 3 in their traditional stronghold in the rural south. Calgary and Edmonton went solidly Tory. Grant Notley, sole member of the NDP retained his seat by a narrow margin.

(GM, 27/3/75, p.1, c.6-8)

### ALBERTA NDP GAIN IN POPULAR VOTE

The NDP climbed to 13% of the popular vote from 11%. The party jumped into second place in 24 ridings. In the previous election the NDP ran second in only one riding.

(GM, 28/3/75, p.3, c.1-3)

## POLITICAL -- PARTIES

### QUEBEC

"The Liberal 'quiet revolution' of the early 1960s had been succeeded by the Liberal 'quiet dissolution' of the early 1970s --claims Rene Levesque of the Parti Quebecois (PQ).

(MS, 11/3/75, p.A12, c.1-6)

The inquiry by Judge Robert Cliche into the Quebec construction industry has produced evidence of corruption, with three former government officials now charged with influence peddling. The James Bay project, originally estimated to cost less than \$4 billion, has ballooned to \$12 billion.... Finally, Premier Bourassa's family links with Marine Industries Ltd., one of the companies indicted in connection with dredging contracts in Hamilton harbour and St. Lawrence raises a conflict-of-interest issue.

Having made a shamble of his language policy (Bill 22) under attack from all sides -- Bourassa's administration has been a failure.

(OC, 19/3/75, p.6, c.1 editorial)

The Parti Quebecois (PQ) as the official opposition has put aside, for now anyway, the radicalism of its first days, in favour of more realistic, less ideological pre-occupations. The new stress is Electoral Politics, with social democratic policies. De-emphasizing a rapid rupture with the rest of Canada and broadening of its policy stance to attract support from a wider spectrum of Quebec public. (FP, 15/3/75, p.C3, c.1-4)



## QUEBEC -- continued

There continues the Ottawa-Quebec tension over a political difference over Premier Bourassa's proposals to investigate development of an enriched uranium fuel plant in co-operation with France and Prime Minister Trudeau's contention that it would conflict with Canada's long-run energy development interests. (MS, 27/2/75, p.A6, and A7)

## SOCIAL CREDIT IN ALBERTA

The Socred did nothing but win from 1935 to 1971. However, the party has virtually collapsed in Alberta as a viable force in politics, as Werner Schmidt was declared a loser in what was considered the safest Social Credit seat in the province. (GM, 27/3/75, p.2, c.1-4)

## ONTARIO BUDGET HOLDS FOR TORIES?

A provincial election is expected later this year, you can look for Premier Davis and his team to:

- argue Ontario's corporate and personal pocket books are in relatively good shape because Tory economic management is responsible and responsive;
  - continue courting socially conservative sentiment with more talk about law and order;
  - keep their political cannon pointed at the federal government.
- (OC, 31/3/75, p.7, c.1-6)

## NEW DEMOCRATIC PARTY

"The NDP's Socialist Dream of a Society Based on Friendship and Co-operation May Have Philosophically Exhausted Itself" says Max Saltsman (NDP MP for Waterloo-Cambridge). "Socialism needs a new understanding of the Canada we live in and a re-statement of its relevance to that society...a society that desperately needs that feeling of being part of something bigger than the atomizing individualism of the perfect liberal world cannot provide."

"In a society that has become calm, there are new forms of protest, more local, more particular, with no political loyalties--need to balance policy and claims. To specify this option would mean more government intervention into economy, public development of all energy and public ownership of financial institutions to carry out national planning and an Incomes Policy consisting of all the instruments of income distribution--taxes, wages, prices and profits--to narrow the distance between the poor and the rich based on their claim as human beings."

The real debate of the future is, "Who benefits from an Income Policy... and What criteria should be used to make judgements about the amount individuals should be paid." -- Here the NDP should be prepared.

MS, 1/3/75, p.B3, Max Saltsman)

POLITICAL -- JURIDICAL

## MILITARY

## RICHARDSON SUGGESTS NORAD BE EXTENDED WITHOUT LIMIT

The North American Air Defence Agreement (NORAD) was first signed in 1958 and permits the US and Canada to co-ordinate defence against manned bombers through joint air defence headquarters in Colorado Springs, Colorado.

(....cont'd)



Defence Minister James Richardson gave five reasons for extending the agreement:

1. threat of Soviet Union long-range bombers;
2. peacetime surveillance and control is the principal North American defence need. Both countries are developing civilian-military airspace compatible with each other;
3. a defence partnership providing discussion of US plans and activities can only enhance protection of Canadian sovereignty;
4. US cost-sharing provides savings for Canada;
5. the US attaches considerable importance to continued Canadian co-operation in North American defence. Canadian renewal of NORAD "would therefore have a positive impact on Canadian-US relations at a time when a number of difficult issues have to be settled between the two countries."

(CC, 28/2/75, p.29, c.1-3)

(HCH, 28/2/75, p.3, c.6-8)

#### SUSTAINED MILITARY PRESENCE PLANNED FOR CANADIAN NORTH

A year or so ago Ottawa cut back the number of surveillance flights by Canadian Forces aircraft into the Arctic regions. Canadian authority has been sorely tried by some American ventures into the area, for example, the experimental trips of the Humble Oil tanker, Manhattan. Canada's Arctic policy appears to leave a great deal to be desired.

(HCH, 11/3/75, p.6, c.1-2, editorial)

Canada's chief of defence staff, Jacques Desjardis, unveiled preliminary plans for expanding and changing the direction of Arctic sovereignty patrols. So far they have consisted of three-times monthly over-flights by Argus anti-submarine aircraft stationed in the Maritimes.

The new plans call for a more balanced approach. About 200 troops would be used on a daily, year-round basis in the Arctic islands. The other important consideration is the strategic positioning of a new high Arctic military base. There have been predictions that American supertankers carrying Alaskan oil will sail through the Northwest Passage by 1989, escorted by armed US Coast Guard icebreakers. The Canadian armed forces have no icebreakers and while the Ministry of Transport has about a half dozen ships with icebreaking capability, none can operate year-round in the Arctic.

(CC, 26/3/75, p.83, c.1-2)

#### POLICE

##### HANGING LAW STAYS UNREEL 1977

John Reynolds, a Vancouver P.C. member of Parliament, made an attempt in the House of Commons to revive debate on capital punishment, but it was ruled out of order.

Solicitor-General Warren Allmand said the current legislation expires at the end of 1977 and the commons would not deal with it before that date. Allmand, to date, is opposed to capital punishment.

Reynolds said he had more than 110,000 signatures from across Canada on a petition urging the government to stop automatically commuting the death penalty.

In 1967, an experimental five year law made the death penalty applicable only for killers of policemen and prison guards. This law has been extended to 1978. Since the law was passed, all ten death sentences have been commuted to life imprisonment.

(TS, 21/3/75, p.A1, A.2)

(TS, 22/3/75, p.A7, c.2-3)

(TS, 7/3/75, p.A4, c.8-9)



## MAIL IS MONITORED BY RCMP

The US postal service has been monitoring mail for the RCMP, a congressional investigation disclosed. The surveillance lasted an average of 30 days. Inspector Harry Brandes of the RCMP attached to the Canadian Embassy in Washington refused to comment on the specific cases.

(MS, 19/3/75, p. c.3-8)

## RCMP INTERROGATION TECHNIQUES

The Commons was told that the RCMP has an interrogation manual that advises policemen that brainwashing techniques may be used to get information from suspects or witnesses. The booklet does not elaborate much on techniques but it stereotypes certain kinds of people and plays on human dignity and emotions. For example (from the booklet): "He feels completely forsaken and forgotten when interrogated at all hours and kept in isolation and when his clothing is removed and he is given a sloppy pair of coveralls and shoes without laces." When questioning women, the manual advises officers to use the "emotions of love, jealousy and fear."

(CM, 26/3/75, p.9, c.4-7)

## VIOLENCE UPSWING NEEDS STUDY

From 1970 to 1974, Metro Toronto's population rose by 6.7% while the number of all violent crimes increased by 14.5%, fairly steadily each year. Violent crime can be a symptom of frustration with an oppressive lifestyle, possibly due to rapid urbanisation, immigration and city planning. It may be that a royal commission report will reveal ways in which social change can improve the quality of life as well as the crime rate.

(TS, 13/3/75, p.c.4, editorial)

## IDEOLOGICAL -- CULTURAL

## COMMUNICATIONS

The House of Commons has approved a bill to change the Canadian Radio-Television Commission (CRTC) into an expanded Telecommunications commission. (CRTEC) New responsibilities will include regulating duties formerly done by the Transport Commission such as monitoring telephone rates. (HCH, 5/3/75, p.3, c.3). The new agency can regulate and integrate everything from the CBC to computer data transmission and is responsible for:

- the augmentation of Canadian cultural resources and creative capacity;
- the development of efficient communications systems to serve the needs and interests of all Canadians, and
- the assurance of an effective degree of Canadian ownership.

(Proposals for a Canadian Communications Policy for Canada, p.36, Information Canada, 1973.)

Whether these concerns are mutually compatible is another question. The growing cable-television industry repeatedly finds itself restrained by legislation to protect broadcasting. Cable television studios and staff afford community groups "neighbourhood network: access to the public at large as well as increasing program availability. (HCH, 26/3/75, p.29, c.1-2; EJ, 24/3/75, p.22, c.6). The CBC has won delays in Canadian content. Details are not given--other than the cost involved. (WFP, 5/3/75, p.54, c.4-5) The press reported that parliamentarians condemned CBC's Canadian content as "smut and violence" disregarding all codes of decency. (MS, 15/3/75, p.A7, c.1-6) Suggestions were made that the Film Development Corporation have an advisory committee representing the establishment and the general public.

(EJ, 24/3/75, p.50, c.1-2)



### IDEOLOGY

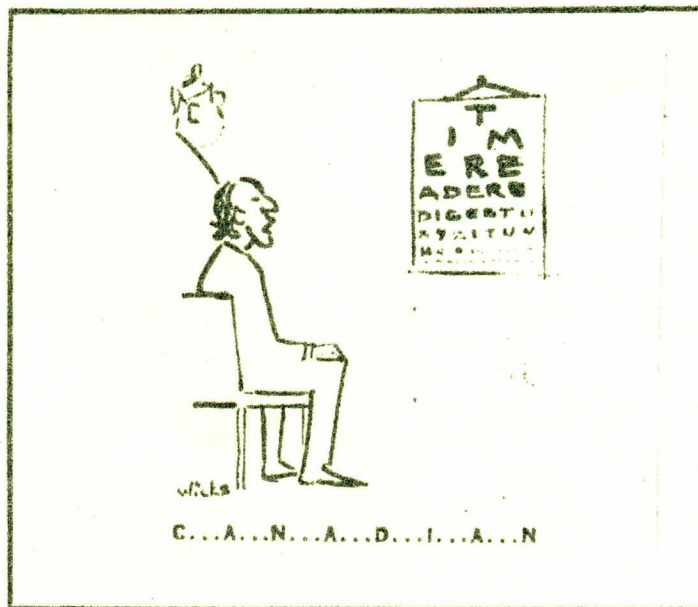
Trudeau's tour has sparked considerable interest among European journalists, perhaps due to his status as an intellectual ruler. The Edmonton Journal reported one interview given while on tour. Trudeau discussed the demand for justice voiced by the third world as requiring a new set of values far removed from power centred commerce. The cold war over, the enemy is no longer the external aggressor, but violence. Asked about the Quebec situation in Canada, he replied that there has been an erosion of values along with the decline of church authority, requiring a new set of uniting values there too. These are to be values of progress--meaning cultural enrichment more than material riches.

(EJ, 12/3/75, p.5, c.1-6)

### EDUCATION

While students across Canada flunked Mel Hurtig's literacy test, two speakers leveled criticism at the school systems. Norman Henschley, a McGill professor believes the Quebec school system is suffering from society's unreasonable expectations and out-dated curricula at odds with a changing world. (MS, 8/3/75, p.A3, c.1.)

US anthropologist Ashley Montagu told students in a lecture that the educational success formula brings dehumanization, mental disorder and self-destruction. While Henschley proposed positive character development, Montagu argues for humanization and love. (MS, 27/3/75, p.B6, c.6-8). In Toronto, students are dropping out at the rate of 24% each year. Only 40% finish grade 12. (OC, 15/3/75, p.24, c.1)



BEN WICKS

GM, 29/1/75, p.B1



## Latin American Newsfile

### Argentina

#### "CORDOBA THE CENTRE OF GUERRILLA ACTIVITY"

While the army attempts to snatch control of the province of Tucuman from the People's revolutionary army (ERP) (See CNSP Feb./75), Cordoba has become, according to the Minister of the Interior, "the centre of guerrilla activity in Argentina." This statement is the first public contradiction of the statement made two months before by retired General Paul La Cabanne that thanks to the "raking" of the security forces, "the guerrillas have been completely decapitated."

The weekly El Caudillo, which is purported to state the views of the Minister of Social Welfare, Jose Lopez Rega, has assured its readers that there is now a "unified command" of the ERP and the Montoneros and that the guerrilla forces have divided the country into two zones: the cities and greater Buenos Aires where the Montoneros will conduct their campaign, and the countryside where ERP will pursue its operations.

There has been a sharp increase in violence in the large urban centres, and it appears clear that Argentina is now being sucked into a disguised civil war.

(LD, 3/3/75, p.8, c.1-4, AFP)

(LJ, 3/3/75, p.7, c.3-5, AFP)

### Bolivia

Many Bolivians are turning down food and medicines donated by the U.S. for fear that they contain contraceptives, government officials said last week. Extensive rumours circulate. The Bolivian bishops called the U.S. AID plan for family planning in Bolivia "an international aggression with all the characteristics of a modern sort of genocide." Such programs "conceal selfish aims of international domination, with a view to preserving the well-being of the developed countries, keeping whole areas of the world as raw material reserves" the bishops said. With only about two inhabitants per square mile, Bolivia considers itself underpopulated.

(WFP, 17/3/75, p.16, c.7-8)

Bolivia has been ruled for four years by Hugo Banzer Suarez, a military dictator who has survived from three to ten coup attempts. In late 1974 following a coup attempt, Banzer and his cabinet of 14, clamped down further outlawing all political parties, postponing elections until 1980, and abolishing business, labour and professional organizations. Yet in January 7,000 tin workers struck for 14 days protesting the closure of four radio stations. In response Banzer has initiated a price-reducing consumer-oriented programme to gain more middle-class support. Gasoline prices are subsidized at 22¢ a gallon, amounting to a subsidy of \$45 million a year. Inflation is near zero as compared to nearly 20% last year. Per capita income remains second lowest at "about" 18%. As soon as a leader develops among the poor and the Indians, he is exiled.

New exports have been developed in Bolivia giving an expected balance of payment surplus of \$100 million in 1975. Important are traditional antimony, zinc, tin, oil, as well as new crops of cotton and sugar. Fourteen foreign groups are exploring for oil, but Bolivia retains a controlling interest in any finds. Bolivia's foreign debt is just over \$1.6 billion. Work is proceeding on a \$1.2 billion natural gas and iron ore deal with Brazil.

(MS, 19/3/75, p.F8,c.1-9)



## BRAZIL

Repression renewed--the list of vanished political prisoners continues to grow and arbitrary arrests are on the increase. Justice Minister Armando Falcao has cited Communist Party support of Brazilian Democratic Movement (MDB) candidates (the official opposition party) in the November congressional elections as reason for suspicion. Alberto Goldman, MDB leader of the opposition majority in the Sao Paulo state assembly, has been accused of being elected through support of the Jewish sector of the Communist Party. The military government's attacks on the MDB and on a variety of illegal opposition groups go back to the remarkable victory of the MDB in the November elections. Also under attack are the Partido Comunista de Brazil (a maoist group) and the Aliance Libertadora Nacional.

Trials of 39 alleged PC members got under way in mid-March, with all prisoners claiming to have been tortured by the military police. Their detailed explicit and shocking testimony of torture was ruled out of order by the military tribunal. One of those on trial had been accused of working with a guerrilla base or foco in the Amazon region. There is growing evidence that a group of activists from the south, resident for some years in the Amazon area, have established a small but durable guerrilla group, benefitting from the struggle currently going on between small squatter peasants and large beef ranch operators.

There are constant reports in the Brazilian press of peasants being killed by jeuncoes or professional killers hired by the companies owning the ranches. There is virtually no coverage of this war in the north or the political trials in the Brazilian press due to censorship and fear by journalists of arrest. In this atmosphere, the Church is increasingly reluctant to accept the military Government's request that it forget the past and the human rights issue.

(MS, 6/3/75, p.A10,c.6, NYT; MS, 21/3/75, p.A7,c.1-3; WFP, 24/3/75, p.14,c.5; Latin America, 21 March, 1975, p.95).

Warriors of the Waimiri-Atroari, an Amazon Indian tribe, shot arrows at a plane carrying the president of the Brazilian Indian foundation, General Ismarth de Araujo, and attacked tractors being used on a highway construction project, in the territory of Roraima. The tribe has killed 14 government Indian agents in the last six months. (WFP, 24/3/75,p.14)

## CHILE

## THE ECONOMY

The Chilean escudo was devalued three times in March. In each case the devaluation was about 8-10%. The devaluations, which run ahead of domestic inflation rates at the moment, reflect the extremely difficult balance of payments situation in the country. The rate for the dollar was raised to 3,700 escudos from 3,400 in the latest devaluation.

(LA, 21 March, 1975, p.91; HCH, 21/3/75, p.33,c.1; TS, 21/3/75,p.7,c.4-5)

Warm summer days have not distracted most Chileans from increasingly harsh economic reality, writes the NYT correspondent in Santiago. In the shantytowns around Santiago, monthly wages start at about \$22, while cooking oil is more than a dollar a quart, with all money going for food. There is concern that many shantytown dwellers who occupied the land under Allende may be forcibly resettled elsewhere, as occurred in the Ho Chi Minh



(Chile...cont'd)

shantytown near the fashionable northern suburbs which was declared a military zone by the government. The cost of living, Latin America reports, went up 16.5% in February, about the same as January. (GM, 18/3/75, p.10, c.4-6; LA, 14 March, 1975, p.83)

New York Times correspondent Jonathan Kandell writes from Talca, Chile, that farmland is being worked intensely and that agriculture is a bright spot in the bleak economic landscape. Referring to deteriorating production under Allende, Kandell reports that, under the military, agriculture production rose 10% in 1974. The turnabout has been accomplished mainly through severe pressure on peasants and farm labourers to increase output despite a decline in real income. Co-operatives have been warned that they may be returned to private hands unless they show production increases. Government has lifted price controls on most food products, letting them reach a "realistic" market value, but this has fueled inflation and hit the urban poor. Latin America reports that the south of Chile has been hit by drought causing a 20% drop in milk production. (MS, 12/3/75, p.69, c.8; LA, 14 March, 75, p.83)

Seven countries--Belgium, Britain, Denmark, Holland, Italy, Norway and Sweden,-- have decided to boycott the Paris "club" talks on the re-negotiations of Chile's debt, forcing a cancellation of the talks.

(LA, 21 March, 1975, p.96)

The meeting of the "Club of Paris" on the consolidation of the Chilean debt, which was to be held in mid-March at the Ministry of Finance in Paris, has been postponed indefinitely because several countries have refused to participate: Great Britain, Italy, Netherlands, Belgium, Sweden, Norway and Denmark. The US and Spain had agreed to participate.

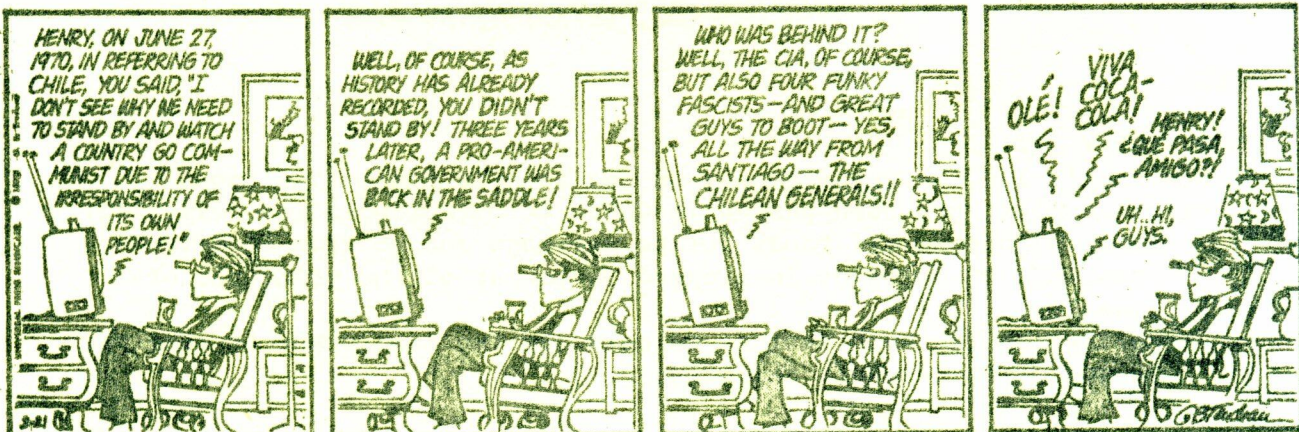
The cancellation of this meeting has essentially political significance. Those countries which refused to participate did so because they did not wish to negotiate with representatives of the present Chilean government. Even France, although the host country, was not a warm partisan of holding the meeting.

(LJ, 26/3/75, p.6, AFP)

(LD, 26/3/75, p.12, c.5-6, AFP)

CNSP NOTE: The cancellation of the Paris Club Talks was ignored in the English Canadian press, although Canada's EDC is an important holder of Chilean external debt. Despite requests from a variety of labour, church, university and community

#### DOONESBURY





*organizations, Canada's External Affairs Minister, stated in response to questioning in the Commons External Affairs Committee, that we would be attending the proposed meetings and that economic rather than human rights considerations would define our position.*

#### POLITICAL

The state of seige in Chile, imposed on September 11, 1973, has been extended for a further six months. (LA, 21 March, 1975)

In a story virtually ignored by English Canadian press, Latin America highlighted the death in a helicopter "accident" of General Oscar Bonilla, junta defence minister, and former interior minister. Bonilla's death strengthens Pinochet, leaving him the only prominent army member of the junta, and it led to a reorganizing and tightening of his control of the Santiago military sector. Bonilla had been aide-de-camp to President Eduardo Frei and a friend of that Christian Democrat president. His Christian Democratic contacts annoyed many other junta members. For much of the last three months he had been off work provoking speculations that he was out of favour and involved in internal power struggles over the "line" of the junta. (LA, 14 March, 1975)

Laura Allende, sister of the late Dr. Salvador Allende, and 94 other political prisoners, arrived in Mexico from Chile. Their release was the product of careful negotiation between Mexico and Chile in which Mexico **REFUSED** some of those names offered by Chile on the grounds that they were not political prisoners. (OC, 22/3/75,p.5,c.3;  
WFP, 24/3/75,p.21,c.3)

President Luis Echeverria of Mexico presided over an important tribunal held in Mexico City to condemn the crimes of the Chilean junta, in February. Former leaders in the Allende government--Letelier, Novoa, Vuskovic, Almeyda and Figueroa, were in attendance. Bishop Mendez Arceo of Cuernavaca organized a petition to persuade the Pope to break off diplomatic relations with Chile, as Mexico has done.  
(LA, 28 Feb., 1975)

State department sources indicate that the US is considering a plan whereby the US would accept several hundred Chileans--either jailed or living in exile--as political refugees. The number mentioned is 400. "Under the plan, potential refugees would be screened to ensure that no leftist militants are granted entry." Those with a tenuous relationship to the Allende government would be most likely candidates.  
(OC, 19/3/75,p.86,c.4)

#### CUBA

##### NEW FAMILY LAW

A new family law, designed to put an end to male domination among married couples, has been passed in Cuba. It establishes the following:

- equal rights to all goods during marriage and at time of divorce;
- principle of obeysance is dropped in favour of the principle of equality;
- obligation for both parties to care for the family and to take part in education of their children;



- right for both to exercise their profession; obligation for either to help the other if he or she wishes to study;
- divorce by mutual consent;
- obligation of the husband to help his wife in household tasks;
- denies any legal differences between legitimate and illegitimate children.

(LJ, 10/3/75, p.7,c.2 AFP)

(LD, 14/3/75, p.11,c.4-6 Solange  
Chaloin and Clement Tindel)

#### GUATEMALA

##### THE ROAD TO FASCISM

In spite of official efforts to hide disagreement, resignations or dismissals within the "national liberation movement" (MLN), the government of Guatemala, cannot hide its ongoing state of crisis. Power groups are struggling for control of the MLN, the party which has governed Guatemala since the overthrow of the progressive government of Jacobo Arbenz, in 1954. Also contributing to the weakening of the party is the fact that the coalition, elected fraudulently in 1974 with General Kjell Eugenio Laugerud as its leader and of which the MLN is a member, is falling apart.

According to the Bulletin Corres of Guatemala, "the government's public image is deteriorating and it is being replaced by a typically fascist regime." It points to the recent appointment of a well-known rightist, Miguel Ortiz Pasarelli, as president of the Political Council of the MLN, as evidence of this shift.

(LJ, 21/2/75,p.6, c.6-8 PL--Lino Perez)

#### MEXICO

Government efforts to prevent the \$80 million a year blood business from bleeding poor donors into anaemia have been useless, according to the daily Excelsior. Blood bankers pay \$10-12 for a pint sold for \$120 in the US. Evidence points to two big companies, subsidiaries of transnational companies. (WFP, 5/3/75, p.39,c.1)

President Echeverria's first visit to the University of Mexico since his inauguration in 1970 was met with shouts, stones and rioting. Remembered for his involvement in the 1968 killing of students at Tlatelolco, in protests over the Olympics, he was shouted down with "fascist" and "assasin" when he attempted to address 2,000 students. Official estimates give 50 killed in the battle of Tlatelolco, when Echevarria was Minister of the Interior, but as UPI puts it, "Some student and other political groups continue to insist that between 400 and 500 persons, mostly students, were killed...." (HCH, 15/3/75, p.5,c.1-2; MS, 15/3/75,p.A4,c.1-3; TS, 15/3/75, p.72,c.1; WFP, 15/3/75,p.1,c.5)

President Echevarria has accused the US CIA of organizing the disturbances which drove him from the National University. He said we will not tolerate that chain of events which produced the overthrow of President Salvador Allende. US Ambassador J.J. Jova said there was no US agency involvement in the regrettable incident. Paramilitary groups of the left and right do operate in Mexican universities, and both sides are known to receive financial support from outside sources. Jova has been denounced formerly as a CIA agent, but this is not uncommon. The



(Mexico...cont'd)

recent incident is the first time that the Mexican government has so openly and fiercely accused the CIA which is known to have one of its largest stations in the hemisphere located in Mexico. Echevarria has tried to repair the damage of the 1968 massacre in which more than 300 participants were killed. He has quadrupled the nation's education budget, and more than doubled the government's subsidy to the National University, with its 10,000 teachers and nearly 240,000 students. (Marlise Simons, TPNS, in OC 19/3/75,p.71,c.1-2; MS, 18/3/75,p.c.2-3; WFP, 20/3/75,p.6, c.1-8)

#### VENEZUELA

President Carlos Andres Perez of Venezuela says he will make formal announcements on March 12 of the nationalization this year of foreign oil holdings. Draft plans were submitted last December, and Perez is expected to submit the draft to Congress in March.

(GM, 7/3/75,p.B3,c.4-6, LA)

President Perez warned that extremists who feel his oil nationalization bill does not go far enough could ruin the whole plan. He defended a controversial clause in the bill which allows the government to sign agreements with multinational oil companies, to assist Venezuela's huge oil industry. The changes in the bill open the way to cooperation with the companies for technical and marketing arrangements. The Bill itself nationalizes the properties of a score of companies, including Exxon, Shell and Gulf, with compensation for the unamortized part of their nearly \$5 billion investment in Venezuela. Despite over 50 years of oil industry, Venezuela still lacks technical and marketing experience and expertise.

(HCH, 13/3/75,p.14,c.1-5)

Marginality, poverty and destitution are widespread in Latin America's richest republic. Per capita income is \$23,000. 40% of Venezuela's 12 million people are poor. Poverty projects by the government are beginning to get under way. Carlos Mendoz, President of the Foundation for the Development of the Community (Fundacomun) is leading such measures. Plans include assurance of basic services (police, food supply, health service, education, sanitation, recreation) in each community, followed by job creation efforts, and job skill training under the Workers Training Institute and the State Industrial Corporation. These programs are aimed at 40% of the population of Caracas, and as much as 63% in Maracaibo, the oil capital of Venezuela. Following economic rehabilitation, rancho dwellers will be moved into new communities and rancho lands will be turned to other purposes. Mendoza says that the key to solving the problem is the reconstruction of Venezuela's agriculture, to stop the flow toward the cities of impoverished peasants.

(TS, 25/3/75,p.A12,c.1)

#### SECOND GENERAL UN CONFERENCE FOR INTERNATIONAL DEVELOPMENT (UNCID)

##### INTRODUCTION:

*This month the French press covered extensively the Second General UN Conference for International Development held in Lima, Peru, March 11 to 26. About 100 countries and 20 international organizations were represented by 870 delegates, who attended with the aim of coming up*



with a series of measures for promoting industrial and technological development in developing countries. The conference was chosen as a new take-off point for the Third World campaign, "for greater world economic justice."

The "Group of 77" non-aligned Third World countries have asked for:

- assurance of control over their own natural resources;
- full use of their human potential;
- rise in their cultural and educational levels;
- transfer, where possible, of some of their resources to those least developed countries among them.

#### SPEAKING FOR LESS DEVELOPED COUNTRIES

As the Peruvian Minister of Industry pointed out in a press conference just before the conference opened, the gap between industrialized and developing countries has grown from 2 to 1, at the beginning of the century, to 5 to 1 now; that developing countries represent 63% of the world's population, but account for only 6.8% of the world's industrial production  
(LJ, 13/3/75,p.7,c.1-4 AFP)

The Director of the UNCTAD, Abed Rahan Khane of Algeria, has declared that great inequality in the world could endanger the general prosperity and therefore world peace.  
(LD, 13/3/75,p.8,c.1-3 AFP, Reuter)

Panama denounced US presence in the Canal zone, while Morocco repeated its claims on the Spanish territories, in the Moroccan Sahara and Jamaica denounced the role of apartheid in the Southern Core of Africa.  
(LJ, 21/3/75,p.7,c.1-5, Veronique Decoredu)

There was agreement here between the developing and industrialized nations on the recognition of the role that the producers' associations play in international development "to contribute significantly to the even development of the world economy and to accelerate the development of developing nations."  
(LD, 22/3/75,p.24,c.1-2)

#### SPEAKING FOR INDUSTRIALIZED NATIONS

Justice Keating, Irish Minister of Justice and Spokesman for the EEC, underlined the necessity for the Third World countries to develop their agriculture as well as their industry. He said multinational corporations must of course "Bend to the laws of the host country." But, he said, "it is in the interest of the 2 parties to offer a stable work climate and a certain amount of security.  
(JD, 14/3/75,p.8,c.2-5 AFP, Reuter)

Tadao Kato, leader of the Japanese delegation, asked the developing countries to "readjust" their industrialization programs with a view to the difficulties of the present economic situation.  
(LD, 13/3/75,p.8,c.1-3, AFP, Reuter)

The US and other industrialized countries in a closed session, have denied the accusations by the Third World countries that "colonialism and imperialism are responsible for the creation of an unjust and inequitable international economic order." The US also refuted attacks against multinational corporations, saying they are necessary to the industrialization of the Third World.  
(LD, 17/3/75,p.8, c.3-7 AFP, Reuter)



## CHARTER OF RIGHTS AND ECONOMIC DUTIES

Discussions have been held in continuation of the 6th Special Session of the UN General Assembly discussions last year on the drawing up of a charter of rights and economic duties of nations. The US and UK voted against the charter, because they "could not accept a judicial or quasi-judicial obligation to compensate and restore the resources that we have been accused of pillaging." The Third World nations had called for "restoration and total compensation according to the measure of exploitation" of all forms of domination. (LJ, 21/3/75,p.7,c.1-5, Veronique Decondu)

Six of the eight resolutions presented by the Third World nations were rejected by the industrialized countries. The two accepted were:

(1) formation of a "new mechanism in charge of dealing with the particular problems of landlocked, island, and the least developed countries. Only the US opposed this resolution.

(2) formation of a program to promote and transfer the use of appropriate industrial technology to developing countries.

(LD, 27/3/75,p.8,c.1-2)

The industrialized countries have asked that the right of a country to nationalize a foreign corporation be accompanied by the obligation to pay compensation.

(LD, 19/3/75,p.8,c.1-3)1

Industrialized and socialist nations have strongly opposed the transformation of UNCID into an autonomous institution of the UN. Autonomy would give Third World nations control over large sums of money and the possibility of imposing its own programs.

(LD, 24/3/75,p.8,c.1-2)

An African delegate has stated, "As long as we cannot really participate in the promotion of industrialization programs from their beginning, we cannot speak of a new economic order."

(LD, 24/3/75,p.8,c.1-2)

The Canadian representative insisted on the possible development of cooperation in promoting industrialization using agricultural raw materials, and called for constructive results in the control of multinational corporations. He also called for a general liberalization of international trade.

(LD, 21/3/75,p.10,c.1-4)

## CANADA -- LATIN AMERICAN ECONOMIC RELATIONS

### BRAZIL

Brazilians are holding a two day conference on investment in Brazil, in Salzburg, Austria, May 26-27, and expect no less than 300 executives from middle-eastern, European, Japanese and North American firms, as well as 200 representatives of firms which have already invested in Brazil. Brazil will send its ministers of Finance, Industry Trade and Commerce, Planning, and Agriculture. Should Canada sponsor something like this on its own behalf, asks Clive Baxter?? (FP, 22/3/75,p.7,c.4)



## CUBA

Industry Minister Alistair Gillespie became the first Canadian cabinet minister to visit Cuba since the revolution. On his (27 member) trade mission to Cuba and Venezuela, March 19-27, he is giving visible sign of the government's major drive to do more business with the S.A. countries which are being enriched by the increases in commodity prices. In 1974, Canada's exports to Latin America were up 79% to \$1.2 billion, and imports were up by more than double to \$1 billion. Oil, bauxite, coffee, and meat have all gone up in price. The emphasis on sales to the four more developed markets in Latin America will be on high technology capital equipment: Venezuela, Cuba, Brazil and Mexico, with good possibilities for mining equipment in Chile and Peru. Mr. Gillespie indicated that he hopes to sell power generation and distribution machinery, mining machinery, lumber, and railway equipment to Cuba. (OC, 17,3,75,p.9,c.4-8;OC, 19,3,75,p.19,c.2-5)

The Financial Post predicted that a large Export Development Corporation (EDC) financing arrangement would supplement Mr. Gillespie's efforts, to the extent of \$100 million in credit for Cuba. Raul Leon, minister-president of Cuba's Banco Nacional, visited Gillespie in Ottawa recently and talked with EDC officials. Canadian exports to Cuba rose 74% to \$142 million last year. This prediction was confirmed later in the week, with an announcement that a memo of understanding had been signed by Mr. Gillespie in Cuba, providing \$100 million in loans for Canadian exports. The money will be made available through cooperation of the EDC and Canadian chartered banks and will be given at internationally competitive rates of interest. (FP, 22/3/75,p.5,c.1, View from Ottawa, XI, No.12, p.84)

## PANAMA

The ongoing question of what to do with Panama's large copper deposits (est. 2 billion tons of ore with a .6% copper content), continued in March. For some time Canadian Javelin Co., together with Noranda of Canada, British Kynoch Metals, and C. Itoh of Japan had through a common consortium company explored the area in the Cerro Solorado. Within the Panamanian government there is tension between the nationalists who wish to see government control over the exploitation of the resource, and "pragmatists" who were willing to see as much as 100% foreign control. During March talks between the consortium and Panama collapsed, indicating that Panama's position was too nationalist for the companies. In the interim Panama has asked that Javelin continue exploration work. It is estimated that \$700 million will be required to develop the mines. The government has determined to participate directly in the project, hoping that companies involved could get their investment back in 10-15 years, and limiting their concession to 25 years, after which the concession and its installations would return to Panama. It suggested a 50% income tax and royalties of between 2-6%. The consortium felt too limited by this proposal. Panama has turned to negotiate with other firms including Anaconda and Kennecott. Meanwhile, the government must establish its own state mining agency and staff it. Meanwhile, Japanese Mitsui Ltd. is exploring and developing a concession in the Cerro Petaquilla. The government is heavily in debt and without an inflow of capital it cannot move far ahead with the Cerro Colorado projects.

(TS, 14/3/75,p.B10,c.7; TS, 21/3/75,  
p.C9,c.5-8; MS, 15/3/75,p.1,c.1-3)1





LATIN AMERICA  
political division