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

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

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HIGHLIGHTS - APRIL

Concentration of corporate wealth and power sparked controversy over the proposed merger of the two largest Canadian holding companies - Power Corp. and Argus Corp. The government has appointed a royal commission to investigate such wealth concentration. (See State of the Economy, page 13 and Political - Federal, page 29).

With unemployment growing (Labour, page 21-22) and unions becoming more militant in wage demands (Labour Movements, page 27) the federal government, with an assist from some provinces, seems intent on blaming inflation on workers. Finance Minister Turner's proposed wage and price controls aim centrally at wage earners. (See Labour, page 24 and Political, page 31-32)

The First Ministers' Conference on energy pricing generates regional conflicts of different positions. (See Political, page 30-32)

Retentionist support is on the rise in the capital punishment debate (See Political-Judicial, page 35-36)

Quebec May Day manual becomes a best-seller. (See Ideological, page 36)

Canada's Latin American trade commissioners make a promotion tour to stimulate Canadian exports to the continent. (See Canada/Latin America Economic relations, page 44)

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Economic-Capital

Foreign Investment

INTRODUCTION:

While the federal government continues to allow the takeover of Canadian firms by foreign interests (seven more in April), the U.S. is becoming quite upset by the third attempted takeover of an American firm in two years by a Canadian company. Many of the takeover bids this month were in the oil and gas industry. Meanwhile, the federal government is planning to strengthen the Foreign Investment Review Act (FIRA) to prevent Crown agencies from selling out. This was precipitated by a Canadian National Railway (CNR) decision to sell one of its trucking subsidiaries to an American firm.

As all this goes on, American domination of the Canadian economy continues to grow virtually unchecked (see graph on following page).

IN CANADA

The Foreign Investment Review Agency (FIRA) has allowed seven more takeovers of Canadian businesses and turned down four others. Included in the four rejections were two bids by Sun Oil Company Ltd., (SUNOCO), not considered as being of significant benefit.

Some jostling for position in the oil and gas industry is apparent in these latest takeover proposals. Although Sun Oil's proposals were disallowed, three other corporations in this resource extractive industry were given the go-ahead. Eight of the 11 companies involved were American, one Swiss, one Japanese and one British.

(OC, 23/4/75, p40, c1-3; CP;
EJ, 22/4/75, p10, c3-5; CP;
MS, same day, p.B3, c3-5; CP)

IN UNITED STATES

For the third time in two years, a large U.S. company has gone to court to fight a takeover bid by a Canadian company.

In August 1973, management of Texasgulf Inc., tried to get a court to prevent the Canadian Development Corporation (CDC) from buying a controlling interest in Texasgulf, and lost.

In October 1974, Dictaphone Corp. sued to prevent a takeover by Northern Electric. Northern eventually dropped the bid.

Now, DHJ Industries Inc. of New York, a textile company, has launched a suit to prevent a takeover bid by Dominion Textile Ltd. (DOMTEX). DOMTEX is offering \$8 million for DHJ's common stock.

This comes at a time when many prominent Americans, upset by purchases of U.S. companies by Arab, European and Canadian companies, are clamouring for the U.S. government to set up a foreign investment review act. "Significant benefit" has come to be their key phrase. (OC, 3/4/75, p8 c3-6 FTNS)

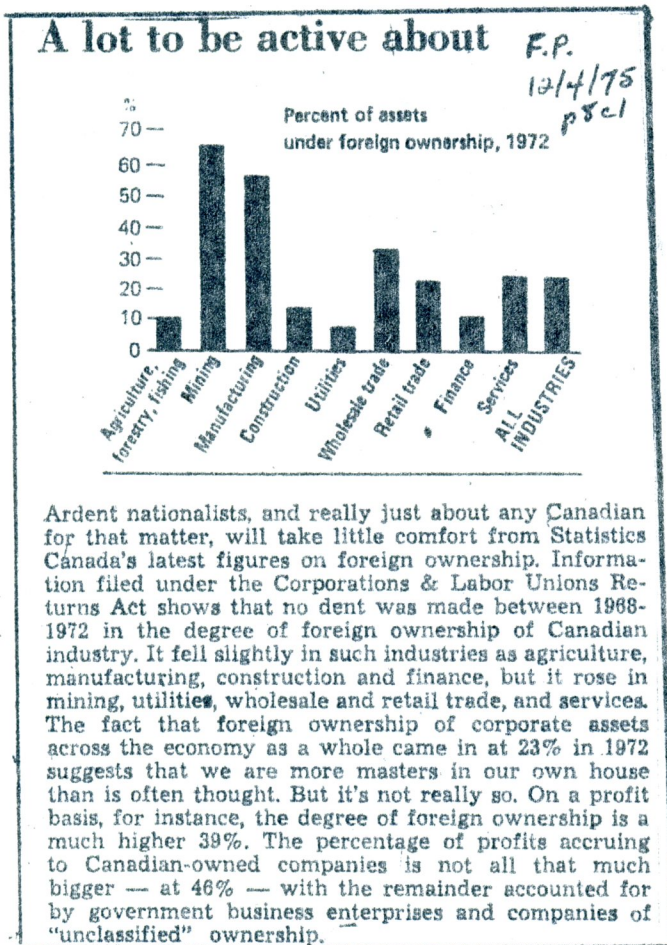
FIRA AND CROWN CORPORATIONS

The government is considering the extension of its foreign investment controls to cover its own agencies and crown corporations following recent moves by Canadian National Railways(CNR) to sell some of its assets to foreign interests.

During the last week of March, CNR signed an agreement to sell one of its subsidiaries, Champman Transport Ltd. of Kelowna, B.C. to a wholly-owned subsidiary of Puqua Industries of Atlanta. CNR says that Champman was losing money. (TS, 5/4/75, pA3, c8-9)

DEGREE OF FOREIGN OWNERSHIP

Here is a breakdown of the foreign domination of major industries in Canada:



The following figures, not found on the graph, are provided by Walter Gordon. (TS, 3/5/75, pA3, c1-5)

99% of petroleum refining;

74% of the oil and gas industry, including exploration and development;

96% of the auto industry;

79% of the chemical plants;

98% of rubber industry.

U.S. PREDICTS BRANCH PLANTS TO SPEND LESS

Canadian affiliates of U.S.-owned companies are making dramatic cutbacks in their capital spending plans for 1975. Plant and equipment expenditures are expected to total about \$5,454 million for a 6% increase from 1974's total. Affiliates in 1974 spent 25% more than they did in 1973. In 1973, the increase over the previous year was 14%.

Th Fp speculates that higher labour costs may be to blame for U.S. companies lack of expansion. (FP, 12/4/75, p51, c6-8;H. Solomon)

TRADE

In the first 3 months of 1975, the volume of Canada's exports declined 10% and the deficit in merchandise trade (the difference between what we sold and what we bought) was the largest ever recorded, \$617 million. Reduced exports included oil, grain, lumber, cars and some metals especially copper. (HS, 26/4/75, p68, c1-5, CP) As long as Canada was exporting large volumes of primary products such as oil, grain, lumber and metals, some serious problems in the structure of the Canadian economy were hidden behind statistics that showed over-all trade surpluses. One of these problems is described in a FP article on high technology products (26/4/75) and another problem is in the auto industry which is Canada's most important manufacturing sector.

One of the explanations government has been giving for our worsening trade situation is that high labour costs are making our exports uncompetitive. A FP article (21/4/75) attacks this explanation.

On the international level debate continues on the demands of the producing countries in the developing world for new arrangements and policies on commodities. In Paris, a meeting to prepare a conference on raw materials was deadlocked because the U.S. particularly refused to discuss raw materials other than oil. In Jamaica, the Commonwealth leaders were also divided between those representing developing countries who call for "a new international economic order" and those representing developed countries who propose piecemeal, ineffective reforms. The context of these discussions is the worsening trade situation for developing countries whose over-all deficit rose from \$10 billion in 1973 to \$25 billion in 1974. (See "Commonwealth Conference" in Canada/International Relations.)

AUTO PARTS INDUSTRY

The Canadian Automotive Parts Manufacturers Association has about 200 member companies. 90% of the industry is U.S. controlled. It accounts for \$3.5 billion of sales annually and is one of the sectors responsible for a trade deficit. In 1974, it exported \$204 million less than in 1973 while it imported \$483 million more than in 1974. It is another example of the problem described above. Since the industry is largely U.S. controlled, most research programs are conducted outside of Canada. There has been no increase in the dollar value of Canadian made original equipment parts since 1968. The industry employs about 46,000 workers. (WFP, 26/4/75, p22 c1-2 G. Somerville; HCH, 29/4/75, p15 c4-5;)

CANADIAN AUTO PRODUCTION DROPS

There was a 23% drop in Canada's auto production in the first 15 weeks of 1975. The United Auto Workers (UAW) has 6,488 members on indefinite layoffs at GM, Ford, Chrysler and American Motors plants, (HCH, 16/4/75, p3 c4-7 CP)

HIGH TECHNOLOGY PRODUCTS DECLINING

Canada had a net trade deficit of \$7 billion in the field of high technology products in 1974. These industries need research and development funds but since most of the industries are foreign owned, research and development funds are directed to the home countries, especially the U.S., not to Canadian companies.

Pressure is now being put on the Canadian government to compensate by contributing more funds for research and development to endangered Canadian companies.

(FP, 26/4/75, p1 c5-6
Clive Baxter)

OTTAWA OVERSTATES LABOUR FACTOR IN TRADE PROBLEMS

Mr. Turner's claim that the rapid rise in wages is pushing Canada out of foreign markets is not borne out by the facts. Trade in end products (which have the largest labour content) shows that Canada has kept its price rises to 32.7% while foreign manufacturing prices have risen to 38.4%. Canada has achieved a lower rise in wage costs than nearly all countries except West Germany and the U.S.

The claim that Canada's labour record is the worst apart from Italy is based on a highly selective reading of outdated figures (pre 1973) on only 6 major economies - none of them structured on the same pattern as Canada. The government based its claim of rapid wage inflation on a set of figures that apply only to the final three months of 1974 and for highly selected new wage agreements.

(FP, 21/4/75, p6 c1-6 Peter Cook)

PARIS TALKS COLLAPSE

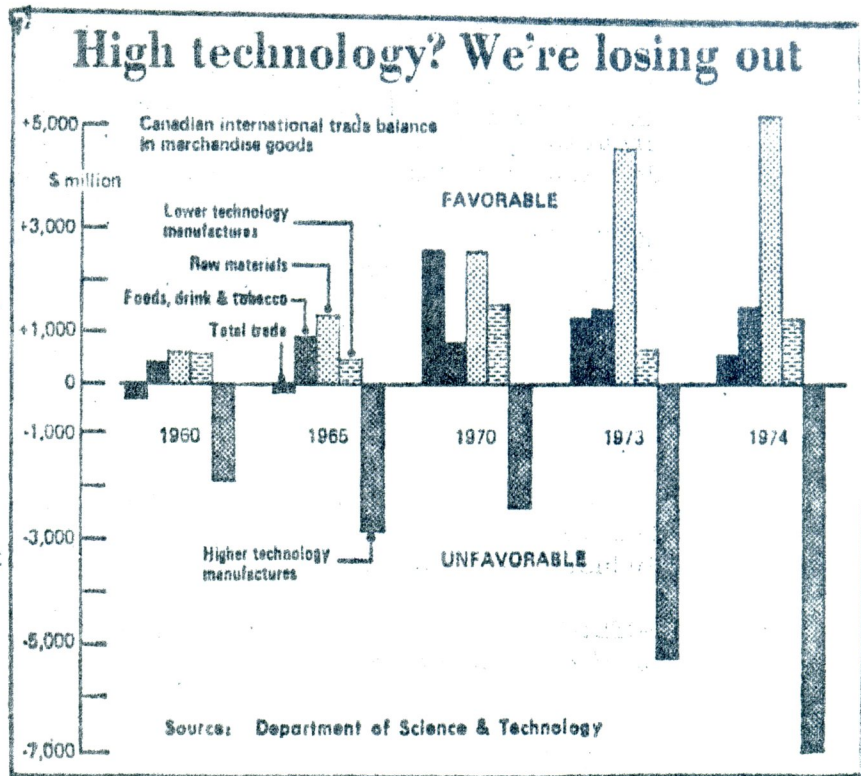
American representatives were privately relieved that the talks ended as they did (stalemate). One American delegate said, "Whatever compromise was possible would have turned to our disadvantage". This was also the viewpoint of Canadian diplomats observing the talks.

(HS, 16/4/75, pA1, c1-2, Bernard Kaplan)

DEFICIT SHIFT IS INTERNATIONAL PROBLEM

Mr. Drabble, executive director for Canada at the IMF, fears complacency by developed countries as their balance of payments improve at the expense of developing countries. "Canada's trade structure is more akin to the primary producing countries than it is to the other industrial countries," he said.

(GM, 16/4/75, pB2 c1-4, Harvey Shepherd)



UN OFFICIAL ATTACKS GATT TRADE PATTERNS

Gamini Corea, secretary-general of the U.N. Conference on Trade and Development (UNCTAD), called for the dismantling of the GATT and the creation of a new trade body which would increase the participation of developing nations in the trade decisions that affect them.

(FP, 26/4/75 pE2, c1-4; Robert Hutchinson)

NOTE: *The F.P. article described Corea as a "flighty economist" who would like to see "existing trade and development patterns replaced by more radical designs which could bring new chaos to the international economic arena".*

NEW ORDER VITAL: JAMAICA'S PRIME MINISTER

"The choice you have is to dialogue or provoke confrontation", P.M. Manley told Commonwealth leaders.

"Producers associations, like OPEC, will grow in strength and numbers in the years to come. They have changed economic power as radically as the industrial revolution did 100 years ago", said Manley. (GM,30/4/75 p12 c3 CP)

NOTE: *Canada and Britain preferred to talk of reforms and caution against producer associations.*

RESOURCES : OIL AND GAS

WORLD WIDE EARNINGS OF THE 7 LARGEST OIL COMPANIES

	\$ MILLIONS		% change
	1974	1973	
EXXON (U.S.)	\$3,140.0	\$2,443.0	+28.5
TEXACO (U.S.)	\$1,586.4	\$1,292.4	+22.8
MOBIL (U.S.)	\$1,040.0	\$ 849.0	+22.5
GULF OIL (U.S.)	\$1,065.0	\$ 800.0	+33.1
STANDARD OIL OF CALIFORNIA (S.)	\$ 970.0	\$ 844.0	+14.9
ROYAL DUTCH SHELL (Holland, U.K.)	\$2,712.0	\$1,780.0	+52.0
BRITISH PETROLEUM (U.K.)	\$1,145.0	\$ 763.0	++50.0
TOTAL	\$11,658.4	\$9,153.4	+27.0

CNSP NOTE: *Fourth quarter earnings were down in 1974 in most cases, but the net profits shown were gained in a year when many other sectors did not grow, and in a year when the industry claimed to be suffering injustices from governments all over the world.*

OIL SANDS COMPANIES WANT MORE GOVERNMENT CONCESSIONS

Sun Oil Co., owners of the Great Canadian Oil Sands, the only tarsands plant presently in operation, says that synthetic crude oil must be exempted from export controls and export tax. This would bring gas companies an additional \$5.50 per barrel on oil sold to the U.S. (WFP, 2/4/75, p9 c7-8)

GULF SAYS SYNCRUDE DEAL NOT ATTRACTIVE

G.A. Connell of Gulf, said that the terms of the Syncrude deal with the governments "aren't that attractive", but the companies are going ahead because of the need for operating experience to uncover improved technologies. Some elements of the deal follow: the plant will operate at maximum capacity no matter what the market demand is; income taxes were frozen at pre-defined levels.

Connell stated that for future plants provincial taxes should be deductible from federal income taxes, that some synthetic crude should be exported "to allow full assimilation of synthetic oil into the available market". Connell also said that a tax holiday by the governments "would be helpful" until payouts could be realized on each plant". GM, 23/4/75 pB6)

CNSP NOTE: G.A. Connell neglected to mention that the "unattractive" deal means that Ottawa, Ontario and Alberta, through direct investment, loans, tax breaks and depreciation allowances and the provision of infrastructure will be paying up to \$1.5 billion of the \$2 billion price tag. In return, they will get 30% control of the seats on the board of directors. In addition, Syncrude will have to charge the world price of \$12.00 per barrel even in Canada. This all makes one wonder if the governments are as knowledgeable as Mr. R. Henninger of Sun Oil thinks: "The Syncrude deal proves that governments are 'knowledgeable' and 'concerned' about oil supplies".

OIL EXPLORATION DOWN IN CANADA

Industry experts claim that deep-well exploratory activity in Canada has dropped by 50% to 75% from levels of the early 1970's. Both the independent Canadian drilling companies and operations controlled by the multinationals have moved to other areas, especially the U.S. and the North Sea. Expenditures on exploration have dropped by at least 50% from the previous levels of \$800. - \$1000 million. The industry blames government taxation policies which make exploration activities less profitable than in other countries, (FP, 19/4/75, p1 c2-4)

PRODUCTION CAPACITY REDUCED

The Canadian Petroleum Association currently estimates that Canada's production capacity is 1.8 million barrels per day, a revised figure from the 2.1 million per day estimated in December 1973. According to an article in the HCH, this is because new reserves are not being added to Canada's inventory because exploration has been curtailed by government policy. (22/4/75 p27 c1)

CNSP NOTE: The rationale behind the Syncrude Project and the tapping of Arctic fields is that there is no more conventional crude in Alberta, thus necessitating the use of frontier and synthetic supplies.

TRANSCANADA PIPELINES LTD. (TCPL) has called for a speedy end to arguments between Ottawa and the provincial governments over such issues as well-head prices, resource taxation and royalty policies. TCPL chairman J.W. Kerr claimed that this was necessary to provide incentives for exploration in traditional areas. (GM, 3/4/75, pB3 c8-9)

WESTERN CRUDE TO INCREASE IN PRICE

Federal and provincial officials are negotiating a price rise for Canadian oil from the present \$6.50 per barrel to around \$9.75 after 2 years. The price could rise by \$1.50 to \$8.00 on July 1. For every \$1.00 rise in crude oil, gasoline prices rise by 4¢ per gallon. (EJ, 29/4/75, p1 c7-8)

GULF OPPOSES CRUDE PRICE INCREASE UNTIL TAX STRUCTURE ALTERED

Jerry MacAfee of Gulf claimed, "the last price increase nearly ruined us". He says that for every \$1.00 increase in crude, the oil companies only keep 1¢, the rest going to the Alberta and federal governments in taxes and royalties. MacAfee called for revision of tax laws. (GM, 25/4/75 pB1)

CNSP NOTE: Most of the crude oil increase does in fact go to the governments as Ottawa seeks funds for subsidy payments for Venezuelan oil in the east of Canada and Alberta tries to control more of the industry. However, the oil companies aren't opposed to price increases per se, only to increases at the well-head where the revenues must be shared with the government.

MACKENZIE PIPELINES

Meanwhile, the conflict between the other projects is warming up. Most of the Trudeau cabinet favours the building of a pipeline. The most prominent proposal is the Canadian Arctic Gas plan to build a pipeline that will carry Alaska and Mackenzie gas to Edmonton and the U.S.

The other two proposals do not call for sharing of resources. The El Paso Natural Gas Co., wants to ship the Alaska gas down to California and pipe it from there, claiming that the U.S. should not be dependent on Canadian government action.

Foothills Pipeline Ltd. proposes an all Canadian line arguing that Canada should not be dependent on American policy. However, the Western Voice points out that while this project proudly calls itself "Maple Leaf", its major share holder (Alberta Gas Trunk Lines) with 80% holdings in Foothills) is dominated by Gulf, Shell and American Pacific Gas and Electric.

And, although the National Energy Board "must give approval for any project in Canada, its decision must await the choice which the U.S. Federal Power Commission (FPC) makes between the two proposals it regulates. If the FPC approves Canadian Arctic Gas, then presumably the NEB will do the same. If the FPC approves the El Paso plan, then Foothills will be the only feasible Canadian option. (Western Voice, April 9-23, 1975 p12)

UNION GAS TO INVEST IN CANADIAN ARCTIC

Union Gas of Chatham, Ontario plans to invest up to \$68 million in Canadian Arctic Gas in order to ensure supply for southeastern Ontario. (TS, 18/4/75 pC9 c4-7; also WFP p23 c7-8)

Berry's World



"I shoulda been born in an OPEC country!"

14cH . 11/4/75 Pg 7.

CANADIAN ARCTIC GAS CLAIMS TO BE CHEAPER
Canadian Arctic Gas Limited (CAGL) claimed before the FDC to be more economical than both opposing plans because it uses gas from both sources and can sell in two markets. It claimed that Canada could not afford to interfere with the supply because much of Canada's Edmonton-Sarnia pipeline passes through the U.S.
(GM, 8/4/75, pB7 c5-8)

CNSP NOTE: Most Canadian newspapers indicate their preference for the Canadian Arctic Plan. They feel that "Foothills" would not be economical, and would accept further integration of Canadian and U.S. supplies in order to avoid a shortfall they are convinced is about to arise.

U.S./ CANADIAN RELATIONS

are again being strained by the possibility of a rise in export tax on natural gas to the U.S.; The National Energy Board (NEB) is suggesting that cuts in exports of natural gas to the U.S. as necessary to increase domestic energy self-sufficiency.

(EJ, 25/4/75, p12 c7-8, CP)

Canada has a moral, if not a legal obligation, "to share the burden of a potential natural gas shortage between domestic consumers and its only export customer, the U.S.". That is one of the conclusions of a privately-funded study of Canadian/American energy relations released by the National Planning Association in the U.S. and the C.D. Howe Research Institute in Canada. The report calls for increased consultation on energy matters between Ottawa and Washington.
(WFP, 10/4/75, p1 c3)

NOTE: And what moral obligation does the U.S. have to protect ordinary Canadians from the consequences of a dependent economy?

RESOURCES: OTHER THAN GAS AND OIL

The present session of the Law of the Sea Conference in Geneva is due to end on May 10th. This particular issue of the CNSP will cover events only up to May 5th. As of that date however, very little headway has been made. Four extremely contentious issues have not yet been resolved:

- 1) the question of unimpeded access to "international" straits. Gibraltar may be such a strait, but is the Northwest passage in the Canadian Arctic to be so regarded. The U.S. and Russia would say yes, but countries such as Indonesia, faced with a similar problem, would answer in the negative.
- 2) the issue of the economic zone: this is a hotly debated issue, generally putting the poorer nations against the developed west.

3) the determining of control over the continental shelf.

4) the composition and power of a seabed authority.

Canada has been particularly aggressive on points 2 and 3, ostensibly to protect the hard-pressed East Coast fishing communities. It seems, though, that the real reason is to secure control of the mineral resources below the continental shelf.

Also, on the international scene, a group of tungsten-producing nations has banded together to protect prices. And, in Manitoba, new mining tax regulations have been introduced.

LAW OF THE SEA CONFERENCE

CANADA GREEDY, SAYS WESTERN MP.

Progressive Conservative Douglas Roche (Edmonton-Strathcona) says Canadian greed might prevent the sea conference from reaching a consensus on the more pressing problems facing coastal states. He described Canada's attitude as unreasonable.

Canada, with the support of other coastal states, is pressing for a greater offshore economic management zone, i.e. 200 miles or to the limit of the continental shelf, whichever is greater. In some places the shelf extends more than 600 miles from the Atlantic coast. Roche points out that if Canada gains total control of its continental shelf on both coasts, it would expand the country's area by 40%. Canada now has about 7.6% of the world's land mass, but only one half of 1% of the world's population.

Many of the third world nations are pushing for an international authority that would share revenue derived from the exploitation of the mineral resources of the sea within a 200-mile zone. Most of the developed countries, however, vetoed this proposal, Canada included.

Roche felt the developed countries should agree to the proposal if only to close the gap between the rich and the poor.

(EJ, 23/4/75, p6 c4-8, CP)

World famous oceanographer, Jacques Cousteau, addressing the Sea Conference in Geneva, accused coastal states (including Canada) of attempting to take over the world's most valuable seabed areas. Mineral riches, he pointed out, that do exist, are mostly beneath the continental shelves. "If the 200-mile sea limit of the so-called economic zone is adopted, it will cover 4/5 of the continental shelves which is the only area where the seabed has any value. What would be left of the so-called seabed authority would be peanuts".

(WFP, 2/5/75, p10 c1-8 CP)

Fisheries Minister Romeo LeBlanc served notice at Geneva that Canada will ask foreign nations to reduce their North Atlantic fishing efforts by 40% this year, and warned that Canada's "ability to wait" for International Law of the Sea agreement was being severely tested. "by the harsh realities of hard times for fishermen on the East Coast." "We won't put up with interminable delays," he warned.

(HCH, 1/5/75, p1 c1-8)

FISHING

A \$50 million fisheries improvement program, including about \$23 million in direct aid for fishermen, was announced by the federal government.

(HS, 24/4/75, p63, c2-6; CP)

CNSP NOTE: East coast fishing communities are in great economic difficulties. From 1968-1973, the combined landed poundage in Newfoundland, Nova Scotia and New Brunswick fell from 2.4 billion lbs. to 1.5 billion pounds - a decline of almost 900 million pounds. IN Prince Edward Island, it has fallen 37,000,000 lbs from 100,000,000 lbs in 1971 to 63,000,000 in 1973. (Figures from HCH, 22/4/75, p8 c3-6)

MINING

A new system of mining taxes has been introduced by the Manitoba government. Generally, the bill provides for higher provincial taxes as world prices increase and lower taxes as the production costs of mining companies rise.

Retroactive to Jan.1/75, the new bill proposes a two-tiered system of mining taxes: a basic royalty rate of 12.5% on profits up to 18% of investment, and then an additional rate of 35% on anything above that.

(WFP, 16/4/75, p2 c1-4; EJ, 30/4/75, p96, c1-2;
GM, 12/4/75, pB2 c5-8, CP)

CNSP NOTE: This legislation has been very favourably received by the mining industry. One commentator states: "It seems that the original fears, generated by the controversial Kierans report on the industry were so acute, that the final legislation looks almost appetizing". Furthermore, NDP Premier Ed Schreyer is earning praise for "ideological moderation".

TUNGSTEN

Peru, France, Portugal, Thailand, South Korea and Bolivia have formed a new association of tungsten producing countries dedicated to defending tungsten prices on the world market. China, the world's number one producer, will take part as an observer. (TS, 11/4/75, pC7 c1)

BANKING

Banking news in April saw the re-emergence of the issue of foreign banks in Canada. The data below would suggest a solid case for the need to protect the Canadian banking system to maintain national independence. However, many banking executives who are presently calling for federal regulation of the foreigners would not go so far. They would prefer to allow foreign banks to operate in Canada - under regulations common to all Canadian chartered banks - to the extent that Canadian banks would be allowed to operate in foreign countries. This last point becomes apparent with an examination of the growth of Canadian banking operations overseas.

MONEY MANAGERS NOT AFFECTED BY "MORAL" AND "SOCIAL" ISSUES.

A survey by University of Manitoba professor George Charles indicates that managers of chartered banks, trust companies, mutual funds and insurance companies are reluctant to make investment decisions based on moral and social considerations. Professor Charles concludes that Church groups and individuals that raise issues of social responsibility have received "exaggerated publicity" and that the profit motive remains the most vital criteria. The survey also indicated that money managers generally expect

the implementation of future government guidelines on investments to resolve social and national issues. (GM, 12/4/75, pB4 c5-9)

CHARTERED BANKS OF CANADA - ASSETS IN MILLIONS OF DOLLARS

	JANUARY 1974	JANUARY 1975	% change 1974-1975
ROYAL BANK OF CANADA	\$19,061.	\$22,567.	+18.4%
CANADIAN IMPERIAL BANK OF COMMERCE	\$16,427.	\$20,180.	+22.8%
BANK OF MONTREAL	\$15,105.	\$18,440.	+22.1%
BANK OF NOVA SCOTIA	\$10,573.	\$14,463.	+36.8%
TORONTO DOMINION BANK	\$ 9,958.	\$13,105.	+31.6%
BANK CANADIAN NATIONAL	\$3,438.	\$4,427.	+28.7%
PROVINCIAL BANK OF CANADA	\$2,178.	\$2,794.	+28.3%
MERCANTILE BANK OF CANADA	\$ 635.	\$ 738.	+16.1%
BANK OF BRITISH COLUMBIA	\$ 348.	\$525.	+50.7%
UNITY BANK OF CANADA	\$ 106.	\$148.	+40.0%

(GM, 1/4/75, pB7 Source: Canadian Bankers Association)

FOREIGN BANKS GROWING IN CANADA

About 200 foreign banks - double the number 2 years ago - are now operating in Canada outside of the regulation of the Federal Bank Act. With assets of over \$2 billion, they by-pass the regulations which apply only to those institutions that call themselves "banks". But the foreign "near-banks" offer most of the services of Canadian chartered banks while they are not required to back their deposits with cash and reserves; not touched by the Bank of Canada's national monetary policy; not governed by the law of limited foreign ownership; not subject to what are considered "sound banking practices". The government said in 1967 that it was studying the foreign bank invasion with a view to legislation, but so far no legislation has been proposed. (TS, 29/4/75 pD8 c1-7; also, TS editorial 1/5/75 pB4)

Speaking to the Canadian Club of Vancouver, Richard M. Thompson, president of the Toronto-Dominion Bank, called for federal regulations of foreign banks operating in Canada. Thompson pointed out that these foreign banks gather their funds in Canada and thus bring little resources with them to Canada. He noted, however, that "Canadian financial institutions are not afraid of competition on equal terms, nor is it of particular concern to us that foreign banks are participating in the Canadian market."

(FP, 3/5/75, p12, c1-2)

FOREIGN OPERATIONS PROFITABLE, GROWING:

While urging control of foreign banks in Canada, most Canadian bank executives fear that such moves would close the door on Canadian banking operations in other countries. Canadian chartered banks are financial multinationals with about 500 foreign branches, agencies, affiliates and subsidiaries in about 40 nations. Most of these foreign operations belong to the "big five" of the ten Canadian chartered banks. About \$3 in every \$10 of the assets of Canadian banks comes from their international operations (29% in November, 1974). These international operations increased their assets by 538% between 1963-74, while comparatively, the Canadian assets of these banks grew by 327%.

(TS 29/4/75 pD8 c1-2)

STATE OF THE ECONOMY:

The Consumer Price Index rose 0.5% in March, one of the lowest increases in the past year. Average food prices declined for the first time in a year and a half, but prices for petroleum, cars and clothing were up from last month. The CPI in March was 11.3% above a year earlier. (EJ 11/4/75 p1 c1-7 CP)

NEW BUDGET COMING:

Faced with new statistics on unemployment and the housing slump, Finance Minister Turner announced that he will bring down a new budget, perhaps by the end of May. The budget may call for wage and price controls. (GM 9/4/75 p1 c5-9 CP)

FOOD PRICES:

Beryl Plumtre, chairperson of the Food Prices Review Board, has written to 10 major domestic food retailing companies suggesting that their weekly advertisements contain the cheapest unit price listings for 83 staple food items. Shoppers could then compare prices between different food stores, and the plan would result in lower prices and keener competition. Plumtre said that by advertising in this way, food companies could avoid the "price villan" label.

(OC 12/4/75 p14 c1-5 CP) (MS 12/4/75 pA7 c1-6 CP)

Executives of Canada's major food companies have rejected Beryl Plumtre's advertising suggestions to lower prices and increase competition as an encroachment on the free enterprise system. Some executives suggested that customers would be bored by such advertising by all companies of 83 items, and that the proposal could lead to price warfare. Others added that the idea smacked of distasteful government interference in private enterprise. (WFP 28/4/75 p32 c1-8 CP)

BUSINESS AND GOVERNMENT -- BED PARTNERS

In recent years, the growing amount of government involvement in spending, supports and subsidies to industry, regulations of private enterprise and general monetary and economic planning, has generated complaints from businessmen about state encroachment in the private sector. The following are some business views, surprisingly non-hostile, on the state-private sector relationship:

Gordon Osbaldeston, secretary for the Treasury Board, told a meeting of the Conference Board in Canada that while industry has a single objective of receiving an adequate return on investment, government faces a multitude of objectives, some of which are often conflicting. (WFP 25/4/75 p29 c1-4 CP)

Former publisher of the Financial Times of Canada, Michael Barkway, reflects some comments he has heard from business leaders:

- "Industry and government are in bed together. We've got to start from there."

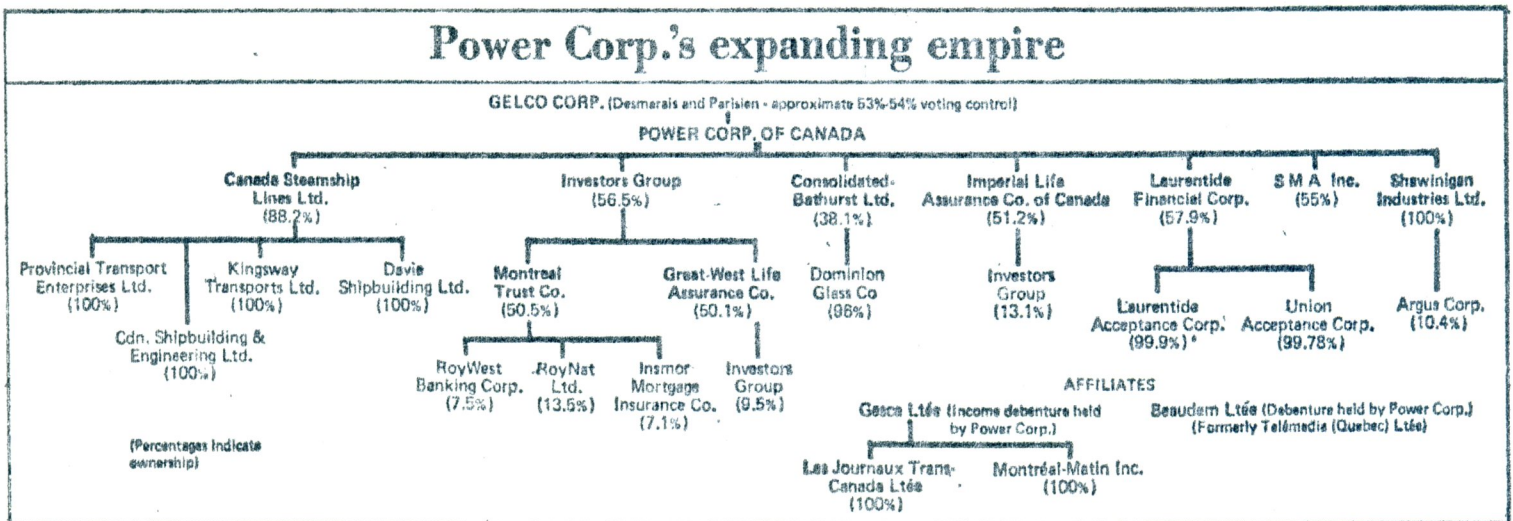
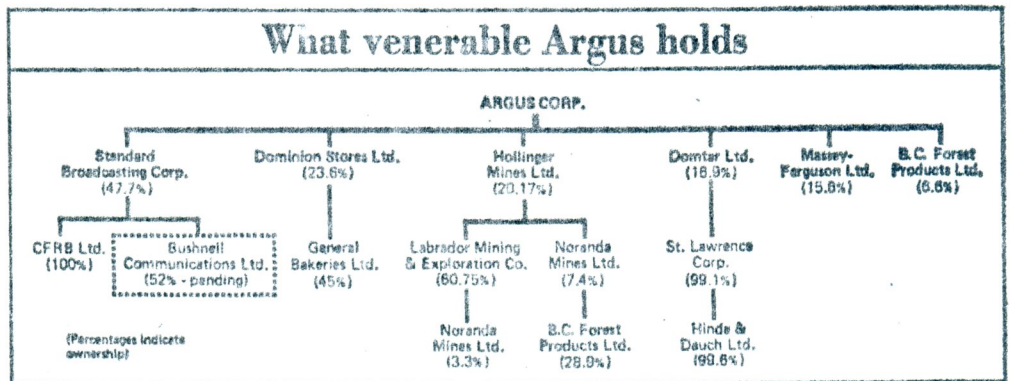
- "The democratic system is bound to lead to government doing things which used to be called socialistic. The best that business can do is to try to have a say in it".
(OC 23/4/75 p9 cl-2 FTS)

CONCENTRATION OF CORPORATE POWER:

Round one of Power Corp.'s bid to take over Argus Corp. (see Vol. 3, #3, p11) ended this month with Power Corp. holding about 50% equity in Argus but only 14% of the all-important voting stock. The takeover attempt seems to be momentarily blocked by Argus's J.M. McDougald, but Paul Demarais of Power Corp. has indicated that his company will continue efforts in the next year to join the two giant investment companies. The attempted merger has offered reporters an opportunity to examine the influence of these companies and the men who control them (see graphs below).

The issue has also provoked some examination of the concentration of corporate power. Canada at present has only four major concentrations of wealth for direct investment in industry: Power Corp., Argus Corp., Canadian Pacific Investments, and the government-owned Canada Development Corporation. All enjoy extensive connections with Canada's five major banks and with a myriad of other companies. Other statistics released this month confirm a similar concentration of wealth in manufacturing. Of a total of about 30,000 manufacturing firms in Canada, the largest 50 account for over 33% of all manufacturing sales with the top 100 accounting for 47%.

In mid-April, Prime Minister Trudeau reacted to these general and specific issues by appointing a royal commission to investigate "the economic and social implications of concentration of corporate power". Canada's past record on implementation of the recommendations of such commissions is disastrous and led one observer to note that a royal commission is a time-honoured Canadian political tactic to take the heat off government in a touchy and potentially embarrassing policy matter. But with the royal commission not reporting for a year, it seems that the government is giving its blessing to the Power Corp. takeover attempt.



HOUSINGMORTGAGE RATES RISE

Home mortgage rates are going up again in the face of a tremendous surge in demand for houses. One major bank says its mortgage commitments for existing houses in the first half of March were 40% higher than the last half of February. And the last half of February was up 40% from the first half of that month. Demand for mortgage funds has been so heavy that two trust companies increased their mortgage rates by a quarter point - to 10.75%. Both the Royal Trust Co. and the Canada Permanent Trust Company say their increased rates were strictly a question of supply and demand. And Canada Permanent Trust increased the rate of interest it pays on a 5-year guaranteed investment certificates to 9% from 8.75% in order to attract money. Banks say that if the heavy mortgage demand continues, they will have to bring their rates into line with the new 10.75% rate, or they will be flooded with demand which they can't meet.

Banks and other financial institutions have allocated all their 1975 mortgage funds to the builders now, but they are apparently holding back on starting new construction because of fears about the state of the economy when these houses are completed and ready for sale in June or July. If the slump in new home-building continues and the heavy demand for housing keeps up, the pressure on existing houses will be even greater in a few months time. This could mean higher prices and further increases in the mortgage rates.

(OC, 1/4/75, p8 c4-6)

THE ECONOMIC CLIMATE

The inflation in house prices over the last four years has been about three times that of consumer prices in general, and, with incomes tending to move with consumer prices, most families can't swing a home purchase. In the past decade, as a report on this page suggests, the proportion of households who can afford to put 20% of income into a medium-priced home has dropped from nearly 61% to 35% because house prices have been rising so much faster than incomes.

(FP, 19/4/75, p1 c1)

RENTAL INDUSTRY IN CANADA

The Rental Association of Canada is trying to clean up the image of the industry and at the same time let the public know of its size and importance. The size of the industry is impressive in that they figure to contribute approximately 1% of Canada's gross national product, which very definitely puts them in the category of big business.

(HCH, 25/4/75, p21, c2-7)

"Petroleum companies shy away from native 'feelers'. Their alliance is with a federal government actively promoting resource development".

The Territorial Administration of the North West Territories was accused of a move to discourage its employees from coming forward and speaking freely at the Berger Hearings. (EJ, 3/4/75, p 6 cl-2, Gorde Sinclair)

The Indian Brotherhood, Metis Association of the N.W.T. and the Canadian Arctic Resources Committee (CARC) asked Judd Buchanan (federal minister of DINA) to appear as a voluntary witness before the Berger Inquiry to answer questions on federal government policy on pipelines and about pipeline treaty negotiations taking place between Canada and the U.S. The concern is that Berger's recommendations will be meaningless in the end because Canada has locked itself into agreements with the U.S.

(WFP, 14/4/75, p2 c4 CP)

BRITISH COLUMBIA

All Indians in British Columbia (B.C.) were urged not to accept provincial or federal welfare cheques as part of a recent Union of B.C. Indian Chiefs (UBCIC)'s decision not to accept any government funding. Between \$30 million and \$50 million in annual federal funds would be rejected. The condition of Indians in the province is evidence of how little of that money ever reaches the Native People. The action is also to demonstrate the lack of government action on Native land claims. (OC, 30/4/75 p92 cl-8 CP; WFP, 30/4/75, p48

cl-8 CP; EJ, 24/4/75, p8 cl, Vancouver Province, 1/5/75 p TS, 3/5/75 pA15 cl-5 CP)

CNSP NOTE: The question of aboriginal rights is the central theme of the land claims of the B.C. Indians. The question of the B.C. Indian Land Claim is unique due to both a general lack of treaties and the manner in which B.C. entered Confederation. The effect of the Miska ruling of 1973 has moved the federal position to stress provincial participation. The current political debate now centers upon whose responsibility it is to satisfy the still remaining aboriginal right to land and granting that such a right exists.

See RESOURCES for more on the MacKenzie Valley pipeline.

SOCIAL WELFARE

WEALTH OF WELFARE FAILS TO ELIMINATE POVERTY

A pamphlet entitled Canadian Fact Book on Poverty (published recently by the Canadian Council on Social Development) says the number of Canadians whose income falls below the widely used poverty line set by the 1969 special Senate Committee on Poverty, adjusted for current living costs and standards, has remained virtually static since 1967. The updated Senate Poverty Line is \$7,870 for a four-member family. (MS, 17/4/75, pA12, cl-6)

GUARANTEED ANNUAL INCOME (GAI)

Federal Health Minister Marc Lalonde and the 10 provincial welfare ministers agreed yesterday to let an independent commission study proposals for a national guaranteed income system. They have abandoned July 1 as the day to introduce the plan and have projected early 1976. (TS, 2/5/75, pA3, c7-9)

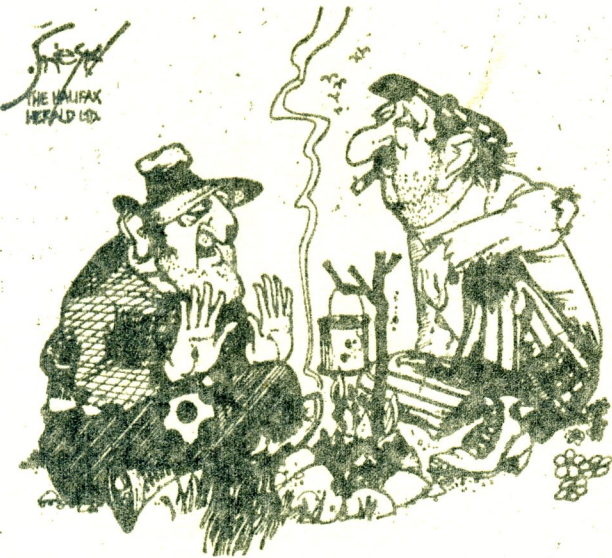
Regional Disparity

This month coverage on Regional Disparity shows the usual picture of the Maritimes as begging from the federal treasury.

The Maritimes voiced problems with unemployment, tariffs, taxation, trade and the federal gov't regarding DREE grants. Many of the projects the government hoped would bring profits and employment seem to be lagging behind incredibly or are now shelved (temporarily or permanently) like the Shaheen venture.

Except for an occasional editorial, the press does not focus on the serious structural problems that are producing the disparity but rather continues to present articles like the ones on the flamboyant Bricklin company.

MANITOBA - MANITOBA DEVELOPMENT FINDS HEARTENING RESULTS AMONG ITS LOSSES



"Well, the government hasn't been able to abolish poverty, but it's sure doing a good job of spreading it around."

The Manitoba Development Corp. (MDC) empire harbors subsidiaries that offer everything from canned foods to textbooks to computer service and pre-fabricated housing.

Many of these companies established within the past five years, have not yet paid back their initial starting costs. In fact, MDC officials recently revealed accumulated deficit figures for a number of relatively new subsidiaries including William Clare Ltd., a textbook publisher (\$509,000.), Alphametrics Ltd., -photo-electric devices (\$147,245), Phoenix Data Ltd., (\$584,413). Other companies are also expected to report losses this year.

Three companies reported positive results: Macey Food Ltd., Morden Fine Foods Ltd., and Venture Tours.

The provincial agency is attempting to withdraw from its less successful investments.

One new trend, under the N.D.P., has been to take equity (direct ownership) in its investment instead of giving loans to private companies.

The corporation has adopted this policy because it thinks Manitoba citizens should be sharing in the profits of the companies they back. (GM, 18.4.75, pB12 c2-8)

CANADIAN GENERAL ELECTRIC SCRAPS PLANS FOR PLANT

CGE has scrapped a proposed \$12 million expansion into Manitoba since losing a major contract to supply Manitoba Hydro with transmission equipment for the Nelson River project. Manitoba Hydro awarded the contract to the Swiss-controlled Brown-Boveri (Canada) Ltd.

The Peterborough Examiner reports that Premier Ed Schreyer is in the process of smoothing over relations between Canada General Electric and the Manitoba Hydro. (WFP, 2/4/75, p4 c1-2; 2/4/75, p45 c5-8)

MARITIMES

HOGAN SEEKS DETAILS OF CGE PLANT DEAL

The federal gov't has decided to buy out the Canadian General Electric Company's heavy water plant at Point Tupper for an amount reportedly set at \$93 million.

Andy Hogan, MP Cape Breton, wants details of the federal governments proposed deal and for a copy of the terms of agreement between CGE and Atomic Energy of

Canada Ltd. (AECL). He also wants all correspondence between AECL and CGE since 1965 and details of any DREE or other industrial incentive grants.

Earlier the federal government made an arrangement under which the AECL undertook the rehabilitation and operation of the Deuterium of Canada Ltd. project at Glace Bay.

In short, it appears that Ottawa, through AECL, has decided to rescue CGE and its shareholders in total, but to stop far short of that point in respect to the taxpayers of Nova Scotia who must continue to service an enormous debt for many years, until Ottawa has recovered its investment as a prior condition. (HCH, 20/4/75, p6 c1-2; 22/4/75, p4 c4-5)

\$142 MILLION PACT AIDS HALIFAX-DARTMOUTH AND STRAIT OF CANSO

The federal and Nova Scotia governments have signed 2 cost-sharing agreements covering industrial and social development in the Strait of Canso and in the Halifax-Dartmouth metropolitan area. The federal Department of Regional Economic Expansion (DREE) will provide \$104 million of the \$142 million total cost. The bulk of the money will be spent on water and sewage projects, land acquisition and commercial development. One of the largest amounts, \$24 million, will be used to acquire and prepare land for waterfront developments in Halifax and Dartmouth.

A development group, which includes Y and R Properties Ltd and Foundation Co. of Canada Ltd., both of Toronto, along with Clayton Dev. Ltd. of Halifax, is preparing a design of the Halifax waterfront designated for development. The \$150 million, 10-year project will be the single largest development undertaken in the city. (GM, 8/4/75, p.B6, c.1-6)

SYSCO

Nova Scotia should have a new 4 million-ton steel plant operating in Cape Breton within 5 years, says Ralph Hindson, managing director of the newly established Cansteel Corp. A federal study last year concluded that Gabarus Bay on Cape Breton Island was one of the best locations for a new steel development in Eastern Canada. The Nova Scotia government expropriated 8,000 acres there and set about trying to find partners for such a venture.

Cansteel Corp. was formally established by an act of legislature last month. Hindson, a former executive with the Steel Company of Canada, and for the last 10 years with the federal department of trade and commerce, was named managing director. Board chairman is Premier G. Regan.

(HCH, 30/4/75; MS, 10/4/75,)

SHAHEEN REFINERY WILL NOT "HAPPEN QUICKLY"

Premier Gerald Regan said he does not foresee "an early conclusion" to negotiations with New York industrialist John Shaheen for a major oil refinery at the Strait of Canso. He said the instability of the international oil scene is delaying progress in talks for the project which was first announced in late 1972.

(HCH, 1/4/75, p.1, c.6-8)

(HCH, 29/1/75, p.1, c.1-2)

HOUSING

HOUSING ALTERNATIVES???

- a) Ontario is investigating ways of easing the housing shortage and beating soaring house prices by opening the door for more mobile homes. The government hopes to bring in legislation to protect owners of mobile homes who at present have virtually no rights. (TS, 4/4/75, p.A2, c.7-9)

- b) High mortgage rates and rising housing prices mean that many house buyers will have to consider multiple housing instead of single-family dwellings, according to Gordon Gray, president- of A.E. LePage Ltd. (GM, 4/4/75, p.B2, c1-2)
- c) The federal government is now thinking in terms of "public housing integration" rather than isolation. A spokesman for the government said "there was a time when the concept of public housing was largely the provision of unimaginative dwellings set in the core of cities and towns with the hope that the new project would somehow blend into the landscape. This...is not our concept now. There will be greater emphasis on social requirements, in order to achieve a balanced community, with all the normal amenities and facilities." (WFP, 7/4/75, p.3, c.3-6)
- d) A modern ark on land and various solar heating experiments are among the first 14 projects selected under a \$100 million federal urban demonstration program. The five-year program was strongly criticized when it was announced by former urban affairs minister Ron Basford in March 1974. Opposition party spokesman suggested that increased spending on housing was more important than additional urban research.

WOMEN

THE WAGE GAP WIDENS

The gap in average earnings between men and women widened between 1969 and 1972. Half of the 74 occupations surveyed show that average wages and salaries for similar jobs in manufacturing, service, technical and office categories are consistently lower for women. In managerial positions, where women are 14.3% of the labour force, average earnings for men are 107.4% higher than those for women. Average pay to men in clerical work is 56.7% higher than that of women (about 72% of these jobs are filled by women). Earnings of men in sales jobs exceed women's pay by 167.9% (38.8% of the jobs are filled by women).

(EJ, 25/4/75, p.19, c.3-4)

WOMEN PRESSURED TO VACATE JOBS

"With 800,000 people out of work in Canada, there will be pressure on working women to vacate their jobs and go back to their homes," said Shirley Carr, Vice-President of the Canadian Labour Congress. She further stated that there are economic, political and social pressures on working women not to compete with men for jobs or advancement to higher positions.

(WFP, 2/4/75, p.14, c.1)

WIVES OF JOBLESS MEN SUGGEST FIRING WOMEN

A backlash against women in the labour force has begun, with wives of men who lost their jobs writing to Labour Minister John Munro, asking him to pass legislation forcing all married women to go back to their homes. Sylva Gelber, director of Labour Canada's Women's Bureau, yesterday told a seminar group of women that passing laws like that is no answer to unemployment. Taking a job away from a married woman isn't going to give a married man back his job, because the majority of women still work in the ghettos of clerical or sales positions. "Fewer than 25% of women employed in Canada belong to trade unions, and with an economic setback, we've got to hang on for dear life."

(GM, 8/4/75, p.15, c.2-3)

WOMEN WORKERS IN DEMAND

To help ease a shortage of engineers in Alberta, some local employers and educational institutions are trying to woo women into engineering. U.of A. Dean of Engineering, George Ford, said Alberta has a shortage of 500 engineers and by next year the figure could climb to 1,000 because of new development projects. The Dean pointed out that although women in this field encounter less prejudice than those in other professions, only 1.5% of Canada's engineers are women. The basic reason is because of their cultural conditioning. (EJ, 12/4/75,p.3,c.1-2)

Mine operators are hoping to introduce women into under-ground jobs in order to alleviate a labour shortage problem in the Yukon mining industry. Women are now permitted to work underground following an amendment to the mines safety ordinance by the territorial council two weeks ago. (EJ, 15/4/75,p.14,c.1-2)

THE MOOD-ALTERING DRUG BUSINESS

Pharmacist Ruth Cooperstock of the Ontario Addiction Research Foundations says her studies show that physicians prescribe twice as many mood-altering drugs to women as they do to men. A three-year old study shows that Valium, sleeping pills and other psychotopologic drugs are prescribed mainly to women. Tranquillizers should be prescribed for no more than two weeks at a time, and only in emergency or extreme emotional circumstances. Mrs. Cooperstock's studies indicate tranquillizers are being taken for an average of 23 days or more, and sleeping pills for 33 days.

Mrs. Cooperstock said the pharmaceutical industry is "one of the most profitable in the world today, with an annual profit of 10 to 12 percent because of the heavy use of mood-altering drugs." \$5 million was spent on "just one strength" of Vallium in Ontario in 1972. (EJ, 15/4/75,p.14,c.7-8)

Economic-Labour

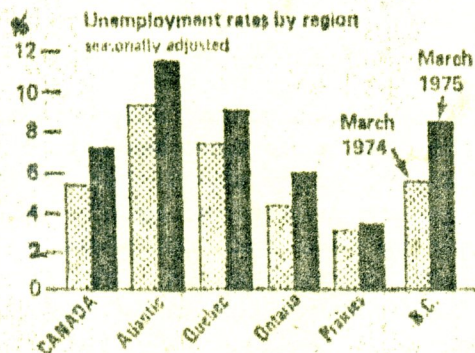
LABOUR--EMPLOYMENT

The Financial Post April 19, 1975

TREND OF BUSINESS

By Anne Bower

Very human statistics



Source: Statistics Canada.

The all-Canada unemployment rate reached 7.2% (seasonally adjusted) last month, up by almost two percentage points from a year earlier. The habit of economists of looking at the seasonally adjusted jobless rate is seen by some observers as rather "unfeeling" since it obscures the fact that real people are unemployed. This view, if it is logical, could be applied to other series as well. The consumer price index, by itself, says nothing about suffering in human terms since some incomes are keeping well ahead of inflation while others are not. Viewing unemployment through seasonally adjusted numbers and rates is in fact very much people-oriented since it provides a way of relating the severity of today's hardship to past experience and of determining the need for new initiatives to provide jobs.

TRAPPING THE CHEATERS

The UIC has adopted a computerized method of catching petty cheats. The trap consists of a special programme to compare the first and third copies of an employees record of employment--the form given when an employee leaves an employer. The UIC caught over 1,000 people in the pilot trial and expects to catch as many as 50,000 cheaters a year. The computer shows immediately whether the employee has altered the top copy to hide whether he was fired or quit or lied about the date he started working again. Manpower Minister, Robert Andras, meanwhile scoffed at the crack-down, calling the 50,000 figure "just a statistic." (GM, 12/4/75,p.1, c.3-9)
(WFP, 14/4/75,p.10, c.7-8, CP)

UNEMPLOYMENT UP AGAIN

The actual employment rate for March reached 8.6% compared to the seasonally adjusted rate of 7.2%, the highest rate since July 1961. Total unemployment was 8.95 million up from 8.87 million in February. Rates varied dramatically from province to province with Newfoundland the highest at 24.1%. The rest of the Maritimes also rose as did Quebec and Ontario. Manitoba and BC both had declines while Saskatchewan and Alberta remained stable. The largest increases in unemployment rates were in both men and women under 25, as the economy fails to create new jobs for those entering the labour force for the first time.

- (WFP, 8/4/75,p.1, c.1-2, CP)
- (EJ, 8/4/75,p.1, c.1-8, CP)
- (HCH, 9/4/75,p.c.1-4, CP)
- (TS, 8/4/75,p.1, c.7-9)
- (OC, 9/4/75,p.20, c.1-5)
- (MS, 8/4/75,p.1, c.4-6, CP)

FULL EMPLOYMENT URGED

The Canadian Council on Social Development said in a brief to the Senate committee on national finance, 3% is unacceptable since this means "300,000 Canadians will be seeking work in vain." The council singled out the lack of regional economic development to ensure jobs for all parts of the country. Canada's capital intensive economy means less potential for jobs than a labour intensive one, the council said. (WFP, 14/4/75,p.28,c.7-8; TS, 12/4/75,p.3,c.1-9)

JOB PROSPECTS MIXED

The number of job openings for professionals dropped by 17% in the first quarter of 1975 according to the Technical Service Council. A representative described the market as "selective and spotty". Demand is highest in the prairie provinces, especially for engineering, business and specialty-oriented science graduates. Another survey shows Ontario cities to have the poorest prospects for employment growth in the immediate future. The Winnipeg Free Press emphasized that the go-ahead for the Syncrude oil project has been good for Manitoba as well since "cancellation of the project would have jeopardized many potential and existing professional jobs."

(GM, 3/4/75, p.B1, c.2-3; HCH, 8/4/75, p.13, c.2-5; WFP, 16/4/75, p.3, c.3-6)

ANDRAS TO BEEF UP LIP

Manpower Minister Robert Andras wants LIP to provide jobs for 10-12 months rather than short seasonal employment. He also wants more Manpower training courses to prepare workers when "the recovery of the economy eventually occurs." Amendments to the UIC act, now scheduled for next fall, will force workers who quit jobs to wait an extra three weeks before qualifying for benefits, and thus free more funds for the proposed job creating projects. Manpower spending for the current fiscal year is estimated at \$688 million with \$139 million earmarked for direct job creation. Andras is also considering restoring the re-training requirement that workers must have at least three years experience to qualify for training. Manpower policy critics see the planned moves as a cosmetic to obscure the full impact of the recession on employment.

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

INDUSTRIAL DISEASES BECOME POLITICAL ISSUE

Concern is growing for occupational diseases, particularly in asbestos mines, copper refineries, uranium mines and steel mills. Environment Minister Jeane Sauve says the federal government can't regulate asbestos pollution within mines and factories because this is a provincial responsibility. In Quebec, the government announced plans to legislate safety standards for asbestos workers, although the proposed permissible level was rejected by Ontario last year. Meanwhile, the strike by miners in Thetford Mines continued around the issues of asbestos dust control and payments to asbestos victims. In Ontario, the Workmen's Compensation Board said lung cancer contracted by asbestos workers will not be considered a compensatable disease.

As provincial health officials studied the possibilities of cancer in Ontario steel mills, the CNTU urged that Ontario adopt a bill of health rights for miners. The union said that mine safety may centre on the willingness of mining companies to spend money to make "a decent way of life geared to the scientific discoveries of our time." Up to 900 men may be threatened in Ontario steel mills alone.

Workers in the coke ovens are most vulnerable. One worker described the ovens as having the worst conditions in the steel mill, describing the combination of dust, fumes and heat as "hell on earth".

(EJ, 8/4/75, p.28, c.2-4; TS, 9/4/75, p.10, c.1-6; 2/4/75, p.3, c.7-9; 9/4/75, p.11, c.1-3; GM, 2/4/75, p.1, c.1-2; 9/3/75, p.31, c.1-4; OC, 19/4/75, p.9, c.2; EJ, 8/4/75, p.28, c.2-4)

LABOUR INCOME DOWN; SHARE THE WEALTH

Labour income declined by \$176.1 million from January to February. On a year-to-year basis, total labour income has grown by 15.4% to \$6.52 billion from \$5.65 billion.

An executive of Supreme Aluminum of Toronto told a conference on profit sharing in Halifax that labour and management must join hands if capitalism is to survive. He said profit sharing could be applied in all industries to raise the morale of workers and as an alternative to labour strife.

(WFP, 9/4/75,p.66,c.1-2; 1/5/75,p.70,c.8)

FEDERAL MINIMUM WAGE UP

The federal minimum wage will be raised from \$2.20 an hour to \$2.60 an hour on June 1. The increase will effect about 500,000 workers across the country, including railway, seaway and airline employees, longshoremen, telephone company employees, uranium and atomic energy workers and grain handlers.

CANADIAN AND US WAGE LEVELS

"Last month we reported that Canadian industrial workers were ahead of their American counterparts in hours wages. This month some interesting qualifiers have come to light."

An Ottawa economist warned against making simply comparisons of US and Canadian wage rates. He said recent figures do not take into account supplementary benefits paid, which are 22% of earnings for Canadians and 28% for Americans. Canadian figures also omit manufacturing with less than 20 workers. Since smaller establishments normally pay less, this would tend to make the Canadian average higher than it actually is. In addition such comparison do not include the effects of exchange rate fluctuations which lower the Canadian wage rate in terms of the US rate.

(GM, 29/4/75,p.B1,c.2-3)

COLLECTIVE BARGAINING, THE PUBLIC SERVICE AND THE RIGHT TO STRIKE

In the wake of Prime Minister Trudeau's criticism of "the destructive trend in collective bargaining," editorialists across the country gave vent to their anti-strike positions.

The Hamilton Spectator saw the refusal of Montreal dockworkers to return to work following a government order as the first step to anarchy. Calling the refusal a "subtle form of blackmail," the Spectator suggested that as in some other countries, the government might "employ their armed forces to take over the work of the strikers."

The Ottawa Citizen said the government might have to apply constraints to the collective bargaining process if the strikes continue. "If voluntary methods lead to such disruption, imposed settlements become the only answer."

The Winnipeg Free Press called the longshoremen's act an "invitation to anarchy," claiming that "if law breaks down here, there is no telling where it might break down next." The paper supported stiff legal action against the employees as necessary to maintain the ordering power of government.

The Globe and Mail disagreed with Treasury Board chairman Jean Chretien's support of the essential public service right to strike. Such "inconvenience", the Globe says, is intolerable. The public has the right to public services just as workers have the right to strike. Something must be done to give workers reasonable contracts, therefore obviating the need to strike.

(HS, 1/5/75,p.6,c.1-3; WFP, 26/4/75,p.49,c.1; 2/5/75,p.21,c.1-2; OC, 11/4/75, p.6,c.1; GM,25/4/75,p.6,c.1-2)

LABOUR MOVEMENTS

Introduction: Pressure on the government continued to increase this month as business leaders called for anti-strike legislation, wage controls and severer penalties for those who strike illegally. Union observers pointed out that such attitudes are what provoke militancy in the labour movement. Finance Minister John Turner seeking a consensus from business and labour outlined a voluntary restraint program to reduce the inflation rate and its principles will determine the federal budget to be introduced next month.

Since 1950, Parliament has acted to end strikes only nine times, but six of these occasions have been since 1972, and three of these from October. The last three involve Vancouver grainhandlers, British Columbia longshoremen and now Quebec longshoremen who are being served injunctions to obey a bill passed by parliament ordering them back to work.

In B.C. a supreme court ruling that places precedence on the Public School Act over the Labour Code would limit workers right to picket and allow for strikebreakers.

A comparison of increased wage and productivity figures in the pulp and paper industry indicates that productivity and price competition between U.S. and Canadian mills may cut short the future of some Canadian producers.

TURNER'S INFLATION PROGRAM

Finance Minister Turner's principles to combat inflation include agreement by labour, business and government on a target for inflation limits; wage increases related to the increases in the Consumer Price Index, plus additional amounts, particularly for low-wage groups as a share in increased productivity. Business, in general, would be expected to limit price increases to cover only increased costs. Professional fees would also be held in check. This would be voluntary.

(GM, 11/4/75,p.8,c.2, W. List)

W. Mahoney, Canadian director of the United Steelworkers of America, criticized Turner's wage-price plan as having nothing to offer labour. There is no mechanics in the plan to provide unorganized or other low-paid groups with little bargaining power to catch up. Restraints applied now would "set floors for profit making that are at an all-time high and that rose more in the past year than in any other year in our history."

(GM, 24/4/75,p.B1,c.2-4, W. List)

PUBLIC SERVICE UNIONS

Jacob Finkelman, the principle author of the Public Service Staff Relation Act, in a supplementary recommendation to a joint parliamentary committee recommended that people responsible for and participating in illegal work stoppages be punished more rapidly and effectively and that they be subject to increased fines and suspensions.

Union officials objected to recommendations which would strengthen the staff relations board even further, to the point where the board would decide whether an employee has walked out illegally. The unions stated that this was a function of the courts and not government boards. They also objected to a recommendation that would prohibit striking if Parliament were not in session. Finkelman said this power would be used if the strike was of national importance.

(OC, 10/4/75,p.5,c.4-6, C. MacKenzie)

BLAME THE TREASURY BOARD

W. Ladyman, retired vice president of the International Brotherhood of Electrical Workers has laid the blame for current labour unrest in the public sector upon the Treasury Board. Under the Public Service Staff Relation Act of 1967 the responsibility of negotiation was given to the treasury board whose policies have nurtured the most militant employee groups in Canada. Treasury board negotiations have maintained an "unnaturally strong adversary role" by using ill-concealed threats of legislative settlements, prosecution of union members "if they get out of line," or repeal of the right to strike, he said.

The board over 10 years has failed to bring public service wages up to the levels paid in the private sector with the result that many federal tradesmen are getting \$2 or \$3 an hour less than their counterparts in private industry. Ladyman called for the institution of direct negotiating responsibility in the hands of the actual employer rather than the treasury board. (WFP, 23/4/75,p.68,c.3-6, L. Waytiuk; GM,23/4/75,p.B7,c.8-9)

STRIKERS JUST TRYING TO CATCH UP

G. Yetman, president of Nova Scotia Federation of Labour said many public service strikes have occurred because these groups are trying to catch up with salaries achieved for similar jobs in private industry. He said such strikes would level off as wages in both sectors start to equalize. J.Be., secretary-treasurer said the call to classify what services are essential is simply a move by big business to try and bring in tougher anti-labour legislation. This, he feels, will end up in a similar situation to that of some European countries, where nationwide political strikes become commonplace. (HCH, 15/5/75,p.1,c.7-9)

PUBLIC SCHOOL ACT VS LABOUR CODE

Justice R. Woolton, a B.C. Supreme Court judge, handed down an interim judgement that the Public School Act, which makes it illegal to interfere with school operations, takes precedence over the Labour Code--the act that governs industrial relations in the province. The decision was against C.U.P.E. janitors who have been on strike since February 24 and who have conducted several mass picketing actions at several schools. The B.C. Federation of Labour will support C.U.P.E. in taking the issue to the B.C. Court of Appeal. If the decision is upheld, school boards could then hire strikebreakers to keep schools open, as required under the Schools Act but which is expressly prohibited under the Labour Code. (GM, 2/4/75,p.8,c.1-5)

PULP AND PAPER PRODUCTIVITY COMPETITION

Statistics Canada shows that productivity of the Canadian pulp and paper industry has increased 31 percent since 1961 while wages have increased 130 percent. US Bureau of Labour statistics show that their productivity has increased 85 percent and wages 90 percent. While U.S. mills have only one third the capacity of Canadian mills, in lean times they can undercut Canadian prices. Presently U.S. hardwood pulp products sell for \$320 a ton, compared to \$355 a ton for Canadian products. This is significant for companies operating mills both in Canada and the U.S. to sell in the U.S. market. If the market is being over-supplied, it makes more sense to close Canadian mills than more productive U.S. counterparts. A spokesman for the Canadian Paperworkers Union cited antiquated equipment, wood supply and quality, power supplies and marketing as other factors affecting productivity. The pulp and paper companies have been showing profits increasing in a range from 35 to 100 percent. To increase productivity the Canadian International Paper Co. has introduced a bonus system based on improved productivity. The plan sets up a production competition among the company's six newsprint mills based on tons produced per day. (GM, 2/4/75,p.B1,c.5-7, Clifford)

QUEBEC LABOURTHE ASBESTOS STRIKE

The asbestos strike, begun March 18, continues. Workers have received substantial help from other unions and people in the surrounding area. Trudeau, Pelletier and Marchand, who participated in the '49 strike, sent a telegram of support to the strikers but stated that the federal government cannot intervene directly on behalf of the strikers. The provincial government also declared that the strike is an affair between the private companies and the workers, but did promise to monitor the pollution level within the industry. The unions charged that such monitoring will be done along lines suggested by the company (a level of 5 fibres per cubic centimeter) and not the level suggested by the unions (a level of 2 fibres). The latter level is already in force in Ontario asbestos mines and refineries. The PQ is suggesting total nationalization of the asbestos industry in Quebec, far more stringent health standards, and more processing of asbestos within Quebec to create more jobs. ----CNSP.

CONSIDERABLE HELP TO THE ASBESTOS STRIKERS

It has been estimated that \$75,000 has been donated from various sources to strengthen the strike fund. Several groups of unionists donated one day's pay to help the strikers. (LJ, 4/4/75, p2 c6-8)

BOURASSA DECLARES: IT'S A PRIVATE CONFLICT WHICH DOES NOT CONCERN THE GOVERNMENT
Bourassa stated Sunday that his government has no intention of intervening to settle the asbestos strike. (LJ, 8/4/75, p2 c6-8)

THE GOVERNMENT MAKES KNOWN ITS INTENTIONS ON ASBESTOS

The level of 5 fibres will have to be met by the companies within the next three years. A study group will be set up to investigate safety conditions within the mines. (LJ, 9/4/75, p2 c2-7)

SUPPORT FOR THE STRIKERS

Last Saturday, a crowd of about 6,000 paraded in the streets of Thetford Mines to show concrete support for the strikers. Little plays showing conditions of work, the exploitation of workers, the medical industrial clinic, asbestosis, were integrated into the parade. (LJ 14/4/75 p2 c1-5, full page)

CSD ACCUSED OF ENCOURAGING DIVISION AMONG ASBESTOS WORKERS

In Asbestos, the CSD union went ahead and signed a new contract with the company, not waiting to hear the results of voting in other areas of the Eastern Townships. Rodolpho Hamel of Asbestos reported that the decision not to strike was made by a tiny minority of workers who did not consider the future of all the miners but only their own situation. He suggested that most workers in Asbestos wanted to support their co-workers in Thetford. (LJ 14/4/75 p2 c4-5)

THE PQ SUGGESTS NATIONALIZATION OF ASBESTOS PRODUCTION

The entire asbestos industry should be nationalized and compensation should not be greater than \$150 million. This is very cheap. The Quebec government paid \$500 million for SIDBEC, a steel plant. Mr. Parizeau suggested that the companies will never leave the region until they are forced to. (LJ 21/4/75 pl c4-6)

Most of the asbestos currently being produced in the province, should be processed in Quebec -- this is another PQ demand. (LJ,22/4/75, p8 editorial)

QUEBEC LONGSHOREMEN'S STRIKE

The federal government is seeking injunctions to force Quebec long-shoremen back to work after workers refused to obey a bill passed by Parliament ordering them to do so, The bill used the terms of a conciliation report that the union had originally rejected.

The N.D.P. which voted against the legislation proposed an amendment that would have provided for arbitration of the vital job security issue, but this was rejected by the MP's from the other parties.

The reason for parliamentary action on this occasion arose because the strike was interfering with deliveries of feed grains to Quebec farmers. However, to have enforced injunctions to protect access to grain elevators was a more straightforward method available. A government spokesman said injunctions had not worked to limit picketing around grain elevators. The dangerous result of the government's action is that it destroys the incentives on both sides of a labour dispute to bargain seriously.

(WFP, 24/4/75, pl c3; MS, 25,4.75, PA8, c1; GM, 24/4/75,plc6-9;
TS, 2/5/75, p6 cl-2)

ST. LAWRENCE PORTS ARE PARALYZED

The ports of Montreal, Quebec and Trois Rivieres are closed since yesterday by a strike of some 2,000 dock workers. Income security is the basic issue. The old system guaranteed a weekly salary for forty hours even in slow weeks. The companies are saying that such wage demands are an unreasonable drain. They are proposing a scheme whereby the annual wage works out to 1600 hours but the workers must be prepared to work overtime in heavy weeks to offset the slow weeks. Unless the workers are available 7 days a week, 24 hours a day in heavy weeks, the guaranteed salary would not be forthcoming. This places the burden too heavily on the workers, says the union.

(IJ, 1/4/75, pl c4-6)

Claude Ryan in an editorial states that the strike is legal but disastrous. Wheat and other agricultural products are tied up during the closure of the ports, a situation that is particularly injurious to the farmers of the St. Lawrence region. They are pressuring for government intervention to settle the strike quickly.

(LD, 2/4/75, p4 Claude Ryan)

The association of maritime employers has begun a suit against the dock workers which puts the damages they might have to pay at \$500,000.

(LJ, 19/4/75, p3 c5-8)

The law forcing dock workers back to work will be passed by the federal government today. Under that law, the workers must accept the recommendations of the Gold Commission, which formulated the new policy of a guaranteed wage.

(LJ, 24/4/75, pl c7-8)

THE SITUATION IN THE PORTS

Workers have refused to go back to work and have asked for a meeting with federal government officials. Obviously, the workers are not anarchists

out to destroy the government, but workers who recognize that the government has only a very superficial understanding of their situation and the insecurity of their employment and salaries. (LD, 29/4/75, p4 editorial)

CNSP NOTE: Assuming an inflation rate of 18% in the next 18 months, Parliament has legislated the longshoremen a minimum wage (in current \$) of

-Montreal \$11,000. per year
 -Quebec City \$9,500. per year
 -Trois Rivieres \$7,900. per year

IMMIGRATION

The CNSP plans to publish a special study on Canadian press coverage of the green paper and related immigration issues from January 1975 to April 31, 1975. Here, therefore, we present only a short synopsis of the highlights from April's coverage. Of particular note are recent statements by Robert Andras, Minister of Manpower and Immigration, that indicate his wish to curb the present debate. This should be seen in relation to the pressure from the Maritime provinces for more time to prepare briefs for the Special Senate/Commons Committee, as well as the focus of two TS editorials underlining the need for more time to have a serious public debate if the "thoughtful, reasoned response of the majority of Canadians - individuals and representatives of community groups" is to be heard.

17,443 IMMIGRANTS GET SPECIAL PERMITS

An immigration department spokesman said Thursday that normal immigration procedures were waived in 1974 for 17,443 persons for "humanitarian reasons" - 85% of the special permits went to next-of-kin or dependents of Canadian citizens or landed immigrants.

The spokesman said that if the public objects to the minister's power to issue permits "now is the time to speak" during public discussion of the green paper. (WFP, 4/4/75, p21, c1-2 CP; OC, 14/4/75, p7 c3-6 G.Demarino)

ANDRAS SAYS DON'T DEBATE IMMIGRATION FOR TOO LONG

Immigration is so sensitive an issue that it may not be advisable to prolong public debate on future policy, Andras told the special Senate/Commons Committee on Immigration. The special joint committee's primary function is "to test the waters across the country" and report back to Parliament by July 31. Andras said the committee is important but "it is not the only stage in the consultative process".

Andrew Brewin, (NDP-Greenwood Toronto) said the committee cannot properly assess public opinion in the 5 short weeks it plans to travel across the country and have its hearings in Ottawa.

(MS, 10/4/75, pC1 c5-6; EJ, 10/4/75, p4 6P; WFP, 14/4/75 p15)

IMMIGRATION ISSUE MUST BE AIRED - TS editorial 5/4/75, pF2 c1-2)
 PUBLIC DEBATE NEEDED ON IMMIGRATION - TS Editorial 17/4/75, pC4 c1-2)

"Vital to have a full-scale, comprehensive debate on immigration policy promised by Andras last February. Urgent that responsible church and community leaders make their views heard. ... So far, all we've had is hostility from the bigoted lunatic fringe that would slam Canada's doors on all but white immigrants."

Political

Federal

The Federal government legislated dock workers back to work but treated themselves far more sympathetically with a 33 & 1/3% raise. (see Labour Movements). Notice how the catch-up concept seemed so reasonable to the M.P.'s in their own case but so preposterous for other workers.

FEDERAL M.P.'s RAISE THEIR SALARY

The House of Commons voted 175 to 25 to raise their wages by 33 & 1/3% retroactive to July 8, 1974. Their salaries are now:

	<u>BASIC SALARY</u>	<u>TAX FREE EXPENSES</u>	<u>TOTAL</u>
M.P.'s	\$24,000.	\$10,600.	\$34,600.
Parliamentary Secretaries	\$30,000.	\$10,600.	\$40,600
Speaker	\$44,000.	\$10,600.	\$54,600
Party Leaders	\$32,000.	\$10,600.	\$42,600
Cabinet Ministers (and Stanfield)	\$49,000.	\$10,600	\$59,600
Prime Minister	\$69,000.	\$10,600.	\$79,600.

On a taxable basis, an M.P.'s salary equals \$44,000/year or \$846./week. Future increases are to be limited to 7%.

(TS, 1/5/75, pA1,c2-4; WFP, 14/4/75, p14, cl-2)

CORPORATE PROBE PLANNED

Trudeau has established his first royal commission to inquire into corporate growth, mergers and acquisitions. Robert Bryce, former finance deputy minister, and former IMF executive director, will lead the probe. Bryce said he intended to concentrate on conglomerates because they fall outside the Combines Act.

Herb Gray, author of the upcoming amendments to the Combines Investigations Act, fears the commission will be used to delay the long-awaited(1966) changes.

The probe apparently is in response to the proposed Argus takeover by Power Corp. Should the merger go through, Power Corp. will dominate the paper packaging industry. (see this issue, page 13)

(EJ,23/4/75, p1 c8; OC,23/4/75,p4)

SCANDALS

A report to the Attorney-General has cleared all M.P.'s of wrongdoing in the acceptance of campaign contributions from the S.I.U. Although the federal government has recently received new (and undisclosed) details on the S.I.U., Lang and Munroe continue to refuse a federal inquiry into the union's activities. (GM,25/4/75,p8 c4-6; OC, 29/4/75,p15 cl-3)



Labour Minister Munroe and former Ontario Solicitor General are listed as witnesses at the trial of Kenneth Elliot, charged with fraud and conspiracy in the Hamilton dredging scandal. (TS,5/4/75, pA3 c9)

Harold McNamara, President of McNamara Corp. and charged with defrauding the government, noted that the government is "in a bit of a quandry" with dredging season approaching and all major dredging firms charged with fraud. McNamara expects the government to continue using the charged firms since no alternative exists. When nationalization was suggested, "he (McNamara) grinned and said Ottawa presumably would buy its dredges from the companies now in court." The Americans involved have not appeared in Canada and can not be extradited. (WFP, 2/5/75, p19 c3-5)

FEDERAL/PROVINCIAL RELATIONS

THE FIRST MINISTERS' CONFERENCE

Considerable activity characterizes the political scene in April. Major initiatives centered around the first ministers' conference of April 9 & 10 with its two item agenda of energy and the economy.

April 8, Turner announced a mini-federal budget would be brought down in May or June. Ostensibly the budget would deal with rising inflation and unemployment and the disappearing housing starts. (Later Trudeau admitted the budget announcement had been a federal tactic to force decision at the conference. Lougheed, claiming a double cross in the previous May and November 1974 budgets, refused to discuss actual energy prices until he has seen a new budget. (WFP, 9/4/75, p1 c1-3; GM, 11/4/75, p8 c2-8; EJ, 14/4/75 p1)

ENERGY - OIL

The main purpose of the conference was to set a new price for oil. The current agreement to hold the well-head price of oil to \$1.60 expires in June, 1975. (EJ, 1/4/75, p58, c1-8)

Federal Position: increase to \$8 to \$9 per barrel to promote conservation and to stimulate exploration. The federal government has now become a major actor in the oil field and requires the extra money to fund developments such as Syncrude (\$300 million), is sole owner (see Berger Commission) of vast potential energy resources in the N.W.T. and is having financial difficulty maintaining the one price oil system due to dwindling U.S. exports. (Part of the export tax subsidizes high cost imported oil consumed in the east.) (OC, 2/4/75, p59, c4-6; WFP, 9/4/75, p1 c4-5; HCH 30/4/75 p3 c4-8)

ALBERTA, PRINCE EDWARD ISLAND & NEWFOUNDLAND POSITION: increase of oil prices toward the international level (\$10.60 per barrel). Alberta claimed the rise was necessary to stimulate exploration. Alberta also claimed it was subsidizing the rest of Canada to the tune of \$9 million per day in lost revenues. (EJ, 10/4/75, p27 c4-7)

QUEBEC POSITION: a gradual rise to American prices (\$9.50 per barrel). Bourassa supported the price rise in order to protect provincial sovereignty over resource development - undoubtable thinking ahead to James Bay electricity. (WFP, 10/4/75, p8 c5-8)

MANITOBA POSITION: no price increase without a clearly defined national energy policy and establishment of a national authority "with a capacity for utility pricing and investment planning in the energy area." (GM 10/4/75 p8 c2-3)

NEW BRUNSWICK POSITION: no price increase unless tied to energy projects that free Canada from dependence on foreign supplies. Hatfield maintained that the current oil price is resulting in a massive shift of wealth in Canada and that further price hikes must be considered only within the context of an examination of regional income distribution. (HCH 10/4/75 p8 c1-8)

NOVA SCOTIA POSITION: no price increase since oil multinationals receive an adequate return at present. Regan noted that last year's price hike cost the average N.S. family \$171 and that Albertans got a tax cut of almost 1/3 and pay no sales tax. (HCH 10/4/75 p3 c5-8)

ONTARIO POSITION: no price hike in the present condition of high unemployment and inflation. A price hike would seriously injure Ontario's industry and international trade position, and would send shock waves through the entire Canadian economy. A price hike would totally counteract measures taken in the recent Ontario budget to stimulate the economy. (TS 10/4/75 pA1 c5-8)

CONFERENCE WRAP-UP:

The positions taken at the conference proved intransigent (due to the premiers' TV posturing, according to Trudeau). Discussions were halted ½ day early. Trudeau stated he would continue the search for consensus in private bilateral meetings. Alberta agreed to hold current price levels while meaningful discussions occurred. (GM 11/4/75 p8 c2-8) (TS pA1 c1-9) (EJ p1 c1-4)

With the absence of a federal-provincial energy price agreement, the federal government reintroduced the Petroleum Administration Act which gives the federal government power to unilaterally set the price of oil and gas. (MS 16/4/75 p3 c1-2)

NATURAL GAS

The federal government, Alberta and B.C. agreed that natural gas is undervalued and that the price should rise to a par with oil, as determined by energy equivalency. This would represent a rise from 60¢ per 1000 cu. ft., to \$1.20. Ontario, Canada's main user of natural gas, objected strenuously. The federal government and B.C. agreed that the export price of natural gas would rise with the extra revenue being shared between federal, B.C. and B.C.-municipal governments. The probable shortage of natural gas within 3 years was apparently not considered.

(MS 5/4/75 pA13 c2-6) (CC 10/4/75 p35 c4-6) (MS pC3)

THE ECONOMY:

Speaking at the First Ministers' Conference, Prime Minister Trudeau opined that Canadians could get out of the current state of stagflation by "patience and self-discipline". He clearly indicated that he would move to limit wage settlements if restraint is not shown and threatened limits on collect bargaining rights if the process "cannot be made less destructive". Taking another view, Premier Schreyer urged strict controls on profits and prices but stated that labour incomes must be allowed to catch up to inflation. He noted that labour's share of the nation's net income has decreased over the past 5 years while corporate profits have remained high. He also pointed out that periods of rapid inflation tend to parallel periods of rapid acceleration in corporate profits. (GM 10/4/75 p8 c2-8) (WFP 11/4/75 p1)

During the 1½ hours devoted to the economy at the First Ministers' Conference, Finance Minister Turner outlined his search for voluntary wage and price controls aimed at halting inflation. (WFP 11/4/75 p1 c6-8)

Federal officials claim that the lower Canadian energy prices resulted directly in the ability of the Canadian economy to maintain a modicum of growth. With more disposable income than their American counterparts, Canadian workers have fueled the economy. Yet the federal government is pushing for energy rates that will add at least 1% to the inflation rate and dry up some part of workers' discretionary income.

(WFP 9/4/75 p19 c2-3)

THE PRESS:

Editorial opinion in the press has reflected regional interests as intransigent as regional positions. The Toronto Star headlined: "No justification for oil price increase" while the Edmonton Journal claimed that "the case for price increases is so logical and so strong that increases are obviously inevitable". (see TS 10/4/75 pC4 and EJ 11/4/75 p4) Some of the newspaper debate has included the issue of public ownership of energy. The generally conservative Globe and Mail conventionally stated that government is an inefficient agent for any type of business but called for the tying of energy cost increases to the finding of new energy sources. The Toronto Star ran a three-part series (picked up by the Winnipeg Free Press, a curious event given the WFP and GM common ownership) extolling the role and value of crown corporations in the development of Canada. The series, by Canadian author Herschel Hardin, culminated with a TS editorial calling for the development of a national energy policy which might lead the government to conclude "that the only way for Canadians to get the right mix of energy supplies, in the right time frame, and at reasonable prices is to plan and execute the operation themselves". (see GM 11/4/75 p6, TS 7/4/75 pC4 and WFP for April 19, 21, 22)

ANALYSIS:

The federal government, aided by some provincial counterparts, seems to be mounting a concerted attack on workers' incomes and, if necessary, on workers' organizations (see Labour). The government's analysis of the present economic crisis seems to be that the inflationary problems are being generated by rising incomes of workers, while the recessionary sluggishness in the economy is due to the lack of corporate profits needed for re-investment and purchasing that will get things moving again. In this analysis Turner's wage and price controls take central aim at workers' wages, while federal proposals for oil price hikes, themselves inflationary, are rationalized by the need for corporations and governments to garner enough profits to use in energy exploration. The policies that emerge are contradictory and have much more to do with power and wealth than with planning an economy to benefit the majority of the population. Canadian working people will have to pay higher oil prices in the future as well as deal with attempts by governments to control wage demands. Meanwhile, some re-distribution of wealth will occur regionally, but the large oil corporations, notably American multinationals, stand to gain substantially.

The month's events also evidence a parallel with the international aftermath of the OPEC oil price hikes. The industrial metropolis of Ontario is threatening dire consequences in light of increased energy costs. The producers - in this case Alberta, Saskatchewan and British Columbia - claim to have subsidized Ontario's wealth throughout Canadian history. The Atlantic provinces - perhaps the Third World equivalents - support some of the principles of regional control over resource wealth, but find themselves caught in the middle of the price squeeze with their limited wealth transferred either to the energy producers or to the traditional metropolis. Throughout the conflict the ever-present multinational corporations receive all too little attention.

POLITICAL -- PROVINCIAL

The three central provinces - Manitoba, Ontario and Quebec - brought down deficit budgets this month indicating that they place a priority on fighting recession with expansionary fiscal policies. Deficit budgets (ie: spending more than government income in taxes and other revenue) gets cash into the economy, maintaining demand and preventing unemployment from growing (at least in theory). But each budget can be viewed as inflationary and in direct conflict with the warnings of federal ministers and advisors against inflationary actions. But then, the federal government is also guilty of fiscal policies that stimulate inflation, much to the chagrin of tight-money Turner.

MANITOBA BUDGET:

Premier Schreyer's \$1 billion budget includes a \$4 million deficit - the first in three years. Major budget items are:

- a 3¢ tax increase on gasoline
- expansion of the property tax credit and cost of living rebate (both graduated programmes)
- rebates of personal and corporate income taxes to municipalities.
- allowance for the possibility, should they desire, for municipalities to levy income taxes to be collected by the province.
- remission of provincial income tax by oil and mining companies to cover the federal tax on royalties. (WFP 25/4/75 pl cl-8)

ONTARIO BUDGET:

Ontario Finance Minister McKeough introduced a \$10.8 billion budget with:

- a 2% cut in sales taxes until December 1975
- increase in the GAINS support level
- expansion of the drug assistance plan
- a cut of 450,000 people from the income tax rolls
- a grant of \$1,500 for new home buyers
- elimination of taxes on commercially used gas and diesel fuel
- elimination of sales taxes on production machinery until December 1977. (TS 8/4/75 pA6 and pA7)

CNSP NOTE: -- election anyone???

QUEBEC BUDGET:

Quebec brought down a \$8.2 billion budget with a \$300 million deficit:

- \$540 million in tax exemptions (including consumer, corporate and school taxes)
- \$3 billion government investment in the economy
- increased aid to municipalities
- abolition of the 33 1/3 depletion allowance
- extension of sales tax exemption on industrial machinery
- continuation of accelerated depreciation allowances. (WFP 18/4/75 pl)

POLITICAL PARTIES:

CONSERVATIVES IN ONTARIO:

The Liberal Party is seen as the real threat to the Conservative tenure in Ontario and as a result they have come under fire from Conservatives because of their withholding of alternative policies and their public statement that they will spend \$5 million to defeat the government in power. The state of the economy has not given too much elbow room with inflation high, unemployment growing and a \$1 billion budget deficit. The Conservatives are gambling that traditionally cautious and recession-scared Ontario will opt for stability of government in electing their party. (GM 7/4/75 p4 Robert Williamson)

NDP CANDIDATES ON POLICY:

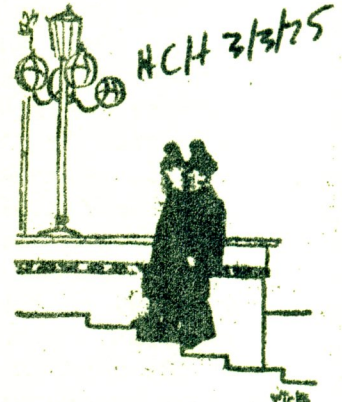
Candidates for the federal NDP leadership - Rosemary Brown, Ed Broadbent, Lorne Nystrom and John Harney - have called for a change in party policy emphasis from social to economic concerns, primarily the need to extend public ownership of the Canadian economy. Broadbent said: "billions of dollars of our money are under the control of private investment corporations... the challenge is to convince Canadians of the necessity for major investment decisions to be made by government". (MS 21/4/75 and also WFP, OC, EJ, HCH, GM - same day)

POLITICAL - MILITARY

NEW NORAD CENTRE:

A \$25 million North American Air Defence Command centre which will enable Canada to maintain surveillance over all its air space for the first time will be built near Edmonton. The present Canadian NORAD centre at North Bay will be maintained and outfitted with new equipment. The new centre will employ 250, equal to the staff at North Bay.

The Canadian military's Air Command to be formed this year will make its headquarters in Winnipeg employing 200 staff there. The formation of the new Air Command re-establishes the tri-service structure that was dismantled by former Defence Minister Paul Hellyer. Under the new structure the navy continues to exist in the Maritime Command, the army is now known as the Mobile Command and the air force becomes the Air Command. (HS 2/4/75 p45 c6-8)(WFP 15/4/75 p11 c1-2)



HCH 2/3/75
"If we don't supply arms, the killing will stop!" "What kind of war is that?"
 Wick

WASTE, DUPLICATION ALLEGED IN NATO:

The Atlantic allies waste between \$10 billion to \$20 billion a year because of duplication and lack of standardization in military equipment, an internal American study reveals. The study notes that the lack of standardization prevents resupply of spare parts and ammunition, or usage of facilities like airports and communications and would result in the earlier exhaustion of the allied conventional forces and earlier use of nuclear weapons. (OC 25/4/75 p58 c2-4) (WFP 24/4/75 p1 c1-2)

PM HINTS MONITORING RUMORS TRUE:

Prime Minister Trudeau has hinted that the secret communications branch in Ottawa collects information on foreign military operation. The branch was operated by the National Research Council for years until it was recently transferred to the Defence Department. The Branch monitors "Heitzian waves" which can be microwave communications, including long-distance telephone calls. (WFP 31/3/75 p4 c1-2)

Over the past decade some 4,500 men have left the forces each year. The men do not know if they are in the forces to cope with an all to palpable external threat or with an internal one. They lack money, key equipment and clear directions from government. (WFP 24/4/75 p39 c5-8)

MILITARY AT THE OLYMPICS?

Canada may have to withdraw some or all of the peacekeeping troops on duty with the United Nations in Cyprus and the Middle East to provide security at next year's Olympic Games in Montreal. (GM 6/4/75 p1 c5-9)

POLITICAL - POLICE

CAPITAL PUNISHMENT:

On Tuesday, March 31, James Lawrence Hutchinson and Richard Ambrose were sentenced to hang for killing two Moncton policemen. Chief Moody Weldon of the Moncton city police stated that "It turned out to everyone's satisfaction" (TS 3/4/75 pA13 c1-4). The convicted men join six others awaiting federal cabinet decisions whether to carry out their sentences. The six are: John Miller and Vincent Cockreil, convicted of murdering an RCMP constable in Surrey, B.C.; John Connearmey for murdering a policeman; George Peloquin who killed a prison instructor; Real Chartrand who killed a policeman in St. Therese, Quebec; and Rene Vaillancourt who killed a Metro Toronto policeman.

Since 1967, death by hanging has been the mandatory sentence only when the victim is a policeman or prison guard killed on duty. But since that time five condemned men have had their sentences commuted to life imprisonment by the cabinet and no one has been hanged in Canada.

The press indicates that public opinion is mounting in favour of capital punishment. Conservative MP John Reynolds from B.C. has presented the House of Commons a 200,000 name petition favouring the death penalty (WFP 1/5/75 p24 c4-5). Delegates to the annual meeting of the New Brunswick Police Association unanimously endorsed a resolution calling for the hanging of all convicted murderers (WFP 26/4/75 p8 c6). However, an influential delegation of labour and religious leaders and civil libertarians urged Justice Minister Otto Lang and Solicitor-General Warren Allmand that the death penalty be totally abolished. The delegation was assembled by the Canadian Civil Liberties Association and included Anglican, United, Presbyterian, Catholic and Jewish representatives; executives of the Canadian Labour Congress, the auto and steel workers unions, and prominent broadcasters and authors (MS 16/4/75 pA5 c4-5 and HCH and WFP same day).

Although the police and RCMP generally tend to be retentionists, Solicitor General Warren Allmand has made it clear that he is prepared to resign rather than see capital punishment in Canada. (TS 29/4/75 pA3 c6-9)

GALLUP POLL ON DEATH PENALTY:

The March Gallup Poll is based on 1,058 personal in-home interviews with Canadian adults, 18 years and over:

1) Question: Do you favour or oppose capital punishment (a) for the killing of a prison guard or an on-duty policeman?, (b) for the killing of any innocent person?

RESULTS	prison guard/ on-duty policemen	any person
favour	79%	69%
oppose	16%	23%
don't know	4%	8%

The response compares with a 1953 survey in which 71% of Canadians believed the death penalty for murder should be retained in the Criminal Code. In 1958, 1960, 1965 and 1966, far fewer - just over half of Canadians - favoured retention of the death penalty.

2) Question: In general do you think the courts in this area deal too harshly or not harshly enough with criminals?

	too harshly	not harshly enough	about right	don't know
1966	7%	43%	29%	21%
1969	2%	58%	22%	18%
1974	6%	66%	16%	12%
today	3%	72%	16%	9%

SOME FACTS IN THE CAPITAL PUNISHMENT DEBATE:

"The proportion of violent offences to all Criminal Code offences has remained relatively constant at around 10% per annum during the period 1966-73", says Warren Allmand. There were 53 policemen and four prison guards murdered in the period 1961-74. The highest number of policemen were murdered in 1962 when death sentences were still being carried out. Between 1867 and 1974 only one person who had his death sentence commuted has committed a second murder.

(FP 12/4/75 p6 c3-6) (OC 5/4/75 p66 c3-5 and GM)

IDEOLOGICAL - CULTURAL

QUEBEC - MAY 1.- THE MANUAL

"Mr. Tremblay works at Alcan and earns \$3.34 an hour. What is his weekly salary for a 40 hour week? The president, Mr. Paul Leman earns \$157,959. annually. How much more does he earn than his employee?"

- an extract from a teaching manual prepared by Quebec's largest teachers' union, the French-language Centrale de L'Enseignement du Quebec (CEQ), a manual containing 75 pages of suggestions for "a school day at the service of the working class". The manual proposes to challenge the content of presently-used manuals which presents a picture of Quebec reality in which there are no strikes, no conflicts and no poor people. (LJ, 15/4/75, p4 c5-8; G. Tremblay)

Mr. Cloutier, education minister in Quebec, described the manual as "subversive and immoral" because it seeks to indoctrinate children with a Marxist analysis of class conflict and exploitation. (LD, 16/4/75, p1 c1-3; G. Lesage)

Claude Ryan criticized the manual for being simplistic and a dogmatic Marxist interpretation of Quebec society. (LD, 16/4/75, p4 Claude Ryan)

The manual of the first of May accurately portrays the difficulties and situations faced by Quebec workers and should be distributed widely. (LJ, 21/4/75, p9 c1-8; G. Tremblay)

The manual is now a best seller. More than 50,000 copies have been printed. (LJ, 24/4/75, p3 c2-4)

The manual is now in its fourth edition. 100,000 copies have been printed. (LJ, 26/4/75, p1 c3)

The provincial federation of parent councils have asked the CEQ to retract the manual because of its underlying ideology. "Education is the continuation of the education in the home and parents have a right to oversee the socio-political ideology given to their children". (LD, 26/4/75, p3 c2-4)

MAY DAY LESSONS IN QUEBEC

The manual proposes to teach in such a way "that the majority of pupils who are children of workers, come to understand the interests of the working class. With such an understanding, they will be prepared, once they are on the labour market themselves, to defend their own interests."

Students could, for example, make up songs celebrating May Day, cards expressing solidarity with a group of striking workers, visit a picket line or solve math problems which teach real worker situations. (GM, 28/4/75, p8 c3-5; Hubert Bauch)

THE PRESS

Southam Press received extensive coverage this month. The corporation bought the Sault Ste. Marie Star, adding this paper to its 13 other Canadian newspapers. (EJ, 23/4/75 pG7 c3-4). The action prompted Senator Davey to reiterate his stand against a few newspaper chains controlling the media-much to the chagrin of newly elected Southam president, Gordon Fisher. In answer to the charge that newspaper owners had been forced to sell, Fisher claims that they put the paper on the market of their own accord. Fisher claims that ownership actually increases in chains since Southam has 3,000 shareholders. (WFP, 25/4/75, p7 c1-4; EJ, 25/4/75, p9 c3-8).

Ross Munroe, publisher of the Southam Edmonton Journal, and president of the Canadian Press indulged in some praise of CP activity in its coverage for Canada's daily newspapers. "I can't recall a 12-month period when there was such a surge of important domestic and international news to be reported and explained. No matter what the circumstances are, CP must continue through its member newspapers and broadcast subsidiaries to serve the Canadian public as the principal source of news from coast to coast."

(EJ, 15/4/75, p9 c2)

MEDIA - Ed Broadbent's (NDP-Oshawa-Whitby) discussion of Wallace Clement's book, the Canadian Corporate Elite, which appeared in the Globe & Mail, (9/4/75, p.7) must have been considered "too extensive" by the GM since part of the article was deleted. This omitted section appears on April 11, p7, and it is significant that it is the part of Clement's book which shows the overlapping between the economic and media elites in Canada. Clement demonstrates how this core elite is able to run the country in its own interest and simultaneously convince everyone else that this arrangement is good for them.

BELL CANADA

With assests over \$5.8 million, Bell Canada is Canada's largest industrial entity. Total consolidated revenue's for 1974 were up 26.4% over the year before. (HCH, 25/3/75 p12 c2). Northern Electric, a Bell subsidiary, declared dramatic profit increases over 1973. Company chairman, John Lobb, said the company will seek expanded markets in western Europe, Asia, and Latin America. (WFP, 14/4/75, p26 c7)

New Brunswick Telephone Company, owned 50.9% by Bell Canada, is seeking a 22% revenue increase through rate changes. At the hearings on the changes, the company was questioned on investing in shopping centers instead of providing services to outlying regions. (WFP, 3/5/75, p12, c3-4)

CNSP NOTE: *Ontario hearings for rate changes discussed the same questions last September.*

COMMUNICATIONS

Minister of Communications, Gerard Pelletier, has tabled a new set of proposals for the evolving federal communications policy. This second stage comes after the merger of the Transport Commission with the Canadian Radio-Television Commission. Federal control is established over all aspects of communications including cable television, with the provinces gaining some decision-making power. The proposals state that the federal government would be open to the provinces having a say in licensing and regulating broadcasting. (MS, 26/4/75 pF1) Quebec's Communication Minister, Jean Paul L'Allier, accused Ottawa of proposing a secret plan that will hasten the assimilation of French Canadians through expansion of CBC services. Apparently, the CBC counts every 2 bilingual French speaking persons as one English speaking person. (GM, 29/4/75, p8 c2-6)

CANADA --INTERNATIONAL RELATIONS

COMMONWEALTH CONFERENCE

Michael Manley, Jamaican Prime Minister and chairman of the conference held in Kingston, Jamaica, is steering his country toward public control of the economy. He envisions a new economic world order to replace the free-trade system where associations of producer nations will have to work to cut price agreements with associations of consumer nations. (FP,26/4/75,p19)

Prime Minister Trudeau, on the other hand, calls for a "global ethic" to reduce the gap between the rich and the poor. He said there need be no tearing down or abandonment of existing trade and monetary systems but imagination to create such agreements on trade, aid and cooperation as the recently concluded agreement between the European Economic Community (EEC) and the 46 developing countries (African, Caribbean and Pacific) in Lome. (MS, 22/4/75, pA15, cl-6)

Canadian officials are becoming increasingly aware that if Canada stays too long on the outside of trading blocs, looking in but not participating, the long term effects on Canadian trade could be serious. "We could wind up as orphans". Many Less Developed Countries (LDC's) are urging industrialized countries like Canada to phase out certain industries where the LDC's could take over production, and thus boost their economic and trade capacity. One specific area is that of textiles and footwear. Canada's tariffs on both are among the highest in the world, and in recent weeks, repeated questions in the House of Commons have urged greater restrictions rather than less. (MS, 26/4/75, pB5 cl-6).

Sources said developing countries are united on the need to index commodity prices which means linking prices for tropical food products, cotton, grains, and metals to the rate of inflation in industrialized nations. (OC, 28/4/75, p33 c6)

The African leaders sought support not only for their stand on Rhodesia but also for a joint effort to try to influence South Africa to move more positively in the direction of independence for Namibia(South West Africa), as well as towards abandoning its apartheid policies. (OC, 29/4/75, p7 cl-6)

It should also be noted that Canada was using the Conference as a sounding board on which to base future policies particularly trade policies in GATT (General Agreement for Trade and Tariffs). Prime Minister Trudeau offered to accomodate the Commonwealth Committee in Canada to draw up a proposal for the United Nations Commodity Conference this fall. He cited 3-cornered agreements - arrangements by which two countries with money and technology team up to help an underdeveloped country. Guyana's Foreign Minister Shridath Ramphal was elected the new Secretary-General of the Commonwealth Conference. (TS, 3/5/75, pA3, Bruce Garvey)

Latin American Newsfile

Argentina

Peronism is dying, writes Joanne Omang of the Washington Post. Continued political violence is eroding support. There has been about one assassination a day, but it hasn't yet threatened ordinary people, an attorney said. "Isabel Peron has been living on the love we had for Peron", said one disillusioned supporter, "but there are no politics, no coordinated plans now. The movement is coming apart."

Questions are being raised. "Why," asks the Radical Civic Union Party, the chief opposition, "is right wing violence surrounded by impunity while left wing terrorists are attacked and denounced?" The Radicals, who were instrumental in the negotiations with the military that brought the Peronists back to power asked Isabel Peron for details on the methods her government is using to identify and arrest assassins on the left and the right. The leadership of the Peronist labor movement has asked for a larger share in establishing government policy, and has attacked the government's economic policy. Prices are 57% higher than a year ago. A stagnant farm sector seems to be at the root of the problem. Guerrillas are active in the impoverished north, particularly in Tucuman. (TS, 31/3/75, pA7, c8-9; OC)

PERONISTS WIN IN MISIONES PROVINCE

The Justicialist Liberation Front, the ruling Peronist coalition, has won 16 of the 32 seats in the local House, with 74,330 votes against 62,660 for the main opposition party, the Radical Civic Union. Left and center-left Peronists together polled 10% of the votes for 3 seats, while 25% of the electorate abstained. (LD, 15/4/75, p9 cl-3 AFP)

Bolivia

The 20 Canadian Oblate Fathers working among central Bolivian tin miners and peasants are being harrassed by the military regime in Bolivia. In 1971, a radical Quebec priest, Father Maurice Lefebvre, was killed in La Paz. Now, raids on houses, confiscation of property, beating and arbitrary arrest and deportation are the techniques used to harrass the missionaries who are dedicated to living and working among the poor.

The mission was attacked by about 400 government agents and members of the National Guard in January. The mission radio transmitter was dismantled. One priest was taken to La Paz and threatened with deportation; others were surrounded and imprisoned in their parish home. The miners' union declared a strike until the Government forces left the Catavi district. The Bolivian government has since forbidden four mission radio stations to resume broadcasts in the area. The priests believe this is to prevent broadcasts of messages about union meetings.

The mission originally originally entered Catavi to prevent the spread of communism in the 1950's. Nowadays, the priests are much more sympathetic with the miners and tend to be more left wing.

Canada maintains no diplomatic presence in Bolivia, so the missionaries lack the immediate means of obtaining official intervention on their behalf. (GM, 26/4/75, p4, cl-6)

Brazil

Widespread reports of illegal arrests continue in Brazil, despite official pledges to the contrary. Several arrests and threatenings of journalists in March, combined with the disappearance of the son of a prominent retired army general, who much later was presented with a warrant for his son's arrest on subversion charges, have renewed appeals for action by President Geisel. (MS, 31/3/75, pD1, cl-6)

Fresh waves of arrests and illegal detention have accompanied Brazil's tentative moves toward political liberalization. Victims include doctors, lawyers and journalists. One explanation is that conservative elements in the armed forces are attempting to keep the liberal tendencies of President General Geisel in check. (GM, 5/4/75, p9 c1)

CHILE

General Pinochet is considering the addition of more civilians to his Cabinet, following the resignation of the entire 17-member cabinet (14 military, 3 civilians), April 9, 1975. The General seems dissatisfied with the economic policies of his ministers. Inflation has reached more than 60% in the first 3 months of 1975, fueled by a Central Bank which has issued 70% of the money due to be issued in 1975 already. Meanwhile, Chile and Bolivia are reported to have signed a secret non-aggression pact giving Bolivia a small enclave on the Pacific. Pinochet visited La Paz last month and re-established diplomatic relations broken for more than 13 years. (TS, 10/4/75, pA18, c1;FTL;11/4/75 p4)

Education has seen serious changes since the military took over with harsh martial law in 1973. Chilean education was among the best developed in Latin America and under Allendé's Popular Unity government was greatly expanded and stimulated. In 2 years up to 1973, pre-school education had risen from 40,000 children to 150,000, primary schooling was up by 390,000 and secondary schooling up by 176,000, with university students and adult education numbers more than doubling. Education, it was claimed by Allende, had ceased to be the privilege of the few. Doors were open for all social classes, and the children of the Mapuche Indians had received scholarship support.

According to a meeting held recently in Bogota of Latin American universities, most of this has already been swept away. Workers' educational courses have been abolished. The junta has declared that 50% of primary students are retarded and should not continue in study, University classes were cut by 10% in 1974 and 15% for 1975. Chilean government documents revealed that such words as trade unions and paragraphs on elections were to be struck out of textbooks. Many specialized studies in sociology, agrarian studies, social history and rural development have been closed down.

(WFP, 30/4/75, p71 c3-5; Timothy Ross)

In an effort to coordinate policy against the left, General Pinochet made a fleeting visit to President Isabel Peron of Argentina in April. Buenos Aires is a refuge for a large number of Chileans who formerly supported President Allende, and Pinochet fears it will be a base for terrorist attacks on Chile. Argentina has increasingly cracked down on the Chileans in Argentina, moving as many as possible out. The 2 presidents fear the coordinated alliance between the Chilean MIR, the ERP or People's Revolutionary Army of Argentina, and the ELN or the Army of National Liberation of Bolivia, and the Tupamaros of Uruguay. Chilean and Argentine military have conferred on the best ways of countering this guerrilla warfare.

(WFP, 1/5/75, p6 c1-4)

WAVE OF TERROR IN CHILE

The U.S. weekly, Newsweek, reports that the Chilean military government's security services known as DINA are conducting a campaign of terror against leftist representatives of the Movement of the Revolutionary Left (MIR) in the country.

"To say that DINA is a Chilean Gestapo is considered flattery, because certain members like to be compared to the Nazi secret police," wrote correspondent James Pringle.

"Members of the MIR are automatically tortured to make them reveal where to find hunted persons and arms stockpiles and they are often killed", according to a foreign diplomat quoted by Newsweek. Newsweek also said the campaign was aimed at ordinary citizens as well. (LD, 23/4/75, p10 c1-2 Reuter)

INTERVIEW WITH CARMEN CASTILLO

Carmen Castillo, wife of murdered MIR leader Miguel Enriquez, called for Quebecois support for the resistance in Chile. She asked, "that with other nations, the people of Quebec help to isolate the Chilean junta on the diplomatic, cultural, economic and political level. Such isolation is necessary to the organization and the development of the Chilean resistance.

(LJ, 18/4/75, p7 c1-2)

U.S. AID TO CHILE

The U.S. has given Chile \$237 million in financial aid since the coming to power of General Pinochet in September 1973. (LJ, 15/4/75, p7 c2 AFP)

CUBANEW CONSTITUTION

The official Cuban daily, Granma, has published a proposed bill to establish elected government in Cuba. The principal clauses of the bill are for:

- a National Assembly elected every 5 years by all Cubans over 18 years;
- the Assembly will elect from among its members a State Executive composed of a president, 6 vice-presidents and 24 others.
- President of the Council to have the rank of Chief of State and Supreme Military Commander.

The bill has already been approved by the Political Committee of the Central Committee of the Communist Party of Cuba and will be submitted to a referendum to be announced later. (LJ, 12/4/75, p6 c5-8, Reuter; LD, 14/4/75, p11 c1-5)

DOMINICAN REPUBLICINTERVIEW WITH FORMER PRESIDENT JUAN BOSCH ON THE 10TH ANNIVERSARY OF THE U.S. MARINE LANDING

In an interview held recently in Venezuela, Juan Bosch described how he became president of the Dominican Republic on February 27, 1963. His government was the first constitutionally elected after 30 years of the Rafael Trujillo dictatorship. About 7 months after his election, he was overthrown by a coup d'etat encouraged by the U.S. embassy. In April 1965, U.S. military

REBELLION AND REPRESSION

forces occupied Dominican soil to prevent the triumph of a movement of military officers who tried to restore the 1963 constitution in favour of Bosch.

"In less than 10 years, the U.S. transnational corporation, Gulf and Western, opened more than 100 branches in the island. This trust controls more than 1/3 of the arable land in this country."

"This intervention was not just a plan of the Lyndon Johnson administration; if so, it wouldn't have been followed up so methodically by the Nixon and Ford administrations."

"The aim is to rebuild a pre-revolutionary Cuba, to take over all means of production, tourism, to prostitute the country with gambling and direct prostitution."

Bosch explained that the U.S. also dominated the Dominican labour movement, via the AFL/CIO.

To illustrate the sell-out of national wealth, Bosch mentioned the recent turnover by the Balaguer government of the largest gold mine on the continent to "honduras Mining". Dominicans still don't know the conditions of the sale.

To confront U.S. aggression, Bosch said unity of all forces is essential and the world must be convinced that if U.S. threats are carried out, they will be done in a continental pool of blood. (LJ, 25/4/75, p7 cl-3)

HAITI

More than 1,000 Haitians have arrived in Miami and district in the last 2 years, illegally. Some of the recent arrivals are living in a Lutheran church basement. Many acknowledge having come for economic reasons, according to U.S. immigration services. They contend that Haitian stories of danger of death and torture are false. Most recent arrivals are denied work authorizations. (HCH, 19/3/75 p44 c8)

"I have absolute control", states President-for-life Jean Claude Duvalier of Haiti. At 23, he is the youngest head of state anywhere. He has ruled for 4 years, and survived in spite of many predictions of failure. He has disbanded the notorious strong-arm Tonton Macoutes, but has a strong force called the Leopards to defend him. Businessmen support Duvalier. "The millions of peasantshaven't any interest in politics. Getting enough food to survive is all that occupies their minds and their days." Food is short in this fertile land because of bad transportation. Duvalier has received a \$22 million loan from the Inter-American Development Bank for the reconstruction of the main road from Port-au-Prince to the south coast. Montreal-based Sintra Ltd., has got the contract for work on the 120-mile highway.

Half the children in Haiti die in their first 3 to 5 years. Canada is giving about \$7 million to Haiti over the next few years. Almost half will go to the College Canada-Haitien, a long-established vocations institute run by the Brothers of the Sacred Heart. \$3.3 million will go to the Project Canada-Haitien de Developpment Integre de la Region Petit Goave Petir Trou de Nippes, a 4 year development study by the Montreal firm of Urbarc Canada ltd. and for a 2 year study of water supplies through Haiti. (MS, 22/4/75, pA6 cl-6)

HONDURASUNITED BRANDS ACCUSED OF BRIBING REPRESENTATIVE OF HONDURAN GOVERNMENT

The U.S. company, United Brands, formerly United Fruit, paid in 1974 a bribe of \$1.25 million to a representative of the Honduran government to get a reduction in the banana export tax. United Brands admitted yesterday that the payment was made with the approval of the former company president, Eli Black, who committed suicide last February 3.

The company has been charged by U.S. Securities and Exchange Commission of having conspired to bribe a high Honduran government official, former economy minister, Abraham Benaton Remos. The WALL STREET JOURNAL which had done an investigation parallel to the of the S.E.C., noted last week that the General had eliminated his title of Commander-in-Chief of the Armed Forces.

This bribery charge could affect the existence of United Brands, since 25% of its banana production comes from Honduras. The bribery affair could also be linked to last year's "Banana War" when several producing nations decided to raise their export taxes on bananas.

In the case of Honduras, the tax had been raised to 50¢ a case which would have cost United Brands \$15 million. But, by an agreement reached between the 2 parties, the royalty was reduced to 25¢ for 1974.

(LB, 10/4/75, p8 c1-4, AFP; LJ, 10/4/75, p7 c1-5 AFP)

GENERAL LOPEZ OVERTHROWN

The Honduran army has overthrown President Oswaldo Lopez Arrellano who ruled the country for 10 years. In his place, the Armed Forces Council placed Col. Juan Melgar, former Minister of Defense. He is a career militarist considered to be of the moderate right. Some young officers with moderate leftist tendencies could turn the government to the left however.

Deterioration in Lopez's relations with the military goes back to last February when he began a massive shuffle of military responsibilities. These changes, coupled with the banana scandal (See previous article) seems to have been fatal for the president in a country which in 1967, had an economic growth of zero and had even led its army against El Salvador in 1969 during the famous "Football" war. (LD, 23/4/75, p1 c8 AFP & Reuter; LJ, 23/4/75)

PERUSTATE OF EMERGENCY PROLONGED

A government decree published Saturday stated that the state of emergency and suspension of constitutional rights declared on February 5, 1975, has been extended for another month. Incidents in the capital, Lima, in February caused another 86 deaths. (LJ, 7/4/75, p7 c7-8 AFP)

CANADA -- LATIN AMERICA ECONOMIC RELATIONSBOLIVIA

Officers of the Canadian-controlled Bolivian Power Ltd., a subsidiary of Canadian International Power Ltd., stated in Montreal that the company will not be purchased, as expected, by the Bolivian government, due to outcry by "the people" who were getting good service. After deciding not to buy the utility, the Government announced a 70% increase for the city of La Paz. "We could not have carried on without that increase", a company spokesman said, pointing out that the company's return had dropped from 9% to 2% in recent years. (HCH, 2/4/75, p34 c7-8)

VENEZUELA

The Venezuelan cabinet has moved to appropriate two subsidiaries of Canadian International Power Co., of Montreal. Terms of compensation are currently being worked out between Government and CIP, and the firms will be turned over to the state-owned electric corporation. (GM, 24/4/75, pB2 c2)

Venezuela earned \$10,000 million in oil revenues last year, \$1,300 million of it from Canada. Canada has a \$1,000 million trade deficit with Venezuela. The reception that Trade Minister Gillespie got in Venezuela was cool to downright frosty. Venezuela is a buyer's market. At the moment, Venezuela is engaged in an orgy of planning, to find out what to do when its oil revenues fall off, and it must depend on its other resources. In 1970, a barrel of oil netted Venezuela \$1.11; last year, it brought \$9.26. Such an influx of money has pushed inflation to 20%. The country has recycled \$540 million to the IMF oil facility, \$500 million to the World Bank, and another \$1,100 million in various Latin American funds.

Venezuela is playing a more powerful role in the hemisphere. It sells oil to Central American countries at world prices, and then sets the difference between \$6 and the world price (amounting to \$4.50) in a fund which it lends back to the countries for development projects at low interest. Canada may not crack the Venezuelan market. It is heavily (60%) dominated by U.S. imports. Canada sells some manufactures items in Venezuela but since over 50% of manufactures in Canada are U.S. owned, individual companies may be able to decide whether Canada or their U.S. branches get the trade.

(FP, 3/5/75, p7 cl-3; Stephen Duncan)

CANADIAN TRADE COMMISSIONERS TOUR CANADA

During April, a number of Canadian trade commissioners based in Latin America toured Canada in a series of seminars coordinated by the department of Industry, Trade and Commerce and the Canadian Association for Latin America (CALA). We outline some highlights below:

Claude T. Charland, assistant deputy minister of ITC, told Vancouver businessmen that Canadian exports to Latin America in 1974 were \$1 billion, while in 1969 they had totalled \$185 million. Export insurance provided by the EDC makes possible a larger turnover of business. CIDA, he said, is concentrating on agricultural, forestry and fishing elements in its extensive bilateral aid givings to Latin America. (HCH, 9/4/75, p21 c2-5)

More than 400 executives were urged in Toronto, Wednesday, to move aggressively to cash in on booming markets in Latin America, and warned that U.S. and Japanese interests are already established there. Roger Blake, commissioner from Rio, indicated that Canadian exports to Brazil, at \$86 million in 1972, were \$400 million in 1974. He pointed to a potential market for components in the \$5 billion Ttaipu power development near the Paraguayan border. Canadian commercial counsellor in Mexico City, Douglas Sirrs, stated that Canadian investment in Mexico had tripled in the last five months alone, mostly in mining and hotels. (HCH, 17/4/75, p29 cl-4)

Manitoba businessmen were told about wealthy Latin American countries and great possibilities. Latin Americans want to trade on their own terms and

prefer joint ventures using their own experts. Richard Blake pointed to large markets in Brazilian mining, hydro electric, communications and rail way sectors. He was dismayed to find out that very little of Canada's \$400 million exports to Brazil were Maple Leaf manufactured products. S.F. Pattee, commercial secretary in Havana, Cuba, listed advantages to exporters to Cuba:

- no current U.S. competition;
- payment by irrevocable letter of credit;
- best payment record in all of Latin America;
- Cuban trade commissioner in Montreal;
- Cubans use their own ships for shipping;
- quotes need only be prepared on an F.O.B. basis non-stowed;
- normally one buyer per item;
- costs and times less than Cuba buying from Japan or Europe;
- spare parts meeting North American standards;
- Cubans traditionally oriented to North American technology.

(WFP, 18/4/75, p24, c1-8)

H.R. Wilson told Halifax businessmen that over the 1960's Canadian trade with Peru grew by 94%, reaching \$26.2 million in 1969. Sales of aircraft and heat in the early seventies pushed levels to \$60 million, but they have dropped off since. Canadian imports from Peru were erratic at a \$2 to \$4 million level in the 1960's and up to almost \$19 million in 1973. Canadian exports have included aluminum, steel, asbestos, maly and newsprint. Aircraft and parts made up about \$26 million of Canada's trade to Peru in 1971 and 1972. We consume from Peru, coffee, copper, and other metal ores. (HCH, 22/4/75, p27 c2-7)

Canadian exports to Latin America were valued at \$1,250 million last year up a whopping 100% from 1973. (FP, 26/4/75, p5 c1)

Exports to Cuba rose by more than 100% in the last 2 years. S.F. Pattee, Canadian commercial secretary in Havana, told a Halifax audience, to a total of \$145 million. We expect that Cuba will have between \$2 billion and \$2.5 billion in hard currency in 1975 for purchases from capitalist countries, as it begins its first 5-year plan to cover the period 1976-1980.

(HCH, 22/4/75, p10 c1-4)

In two related stories, Canadians were further encouraged to get economically involved in Latin America:

-Ian Blick, assistant minister of ITC for Manitoba, speaking to a seminar of businessmen sponsored by the Canadian Bankers Association and the Canadian Export Association, said that Jamaica and Ecuador are regarded as "new mission areas" for trade expansion, by Manitoba. With the U.S., which accounts for 70% of Manitoba's exports, in recession, Manitoba must find alternatives elsewhere. (WFP, 16/4/75, p16 c1-4)

-Canada is gaining a larger share of Jamaica's market, with sales this year expected to be around \$100 million, not bad for a small market with 2 million people, only about 1/3 of which are consumers in Canadian terms, and representing about 1/10 of Jamaica's imports. Jamaica may seek to sell its sugar in Canada. Jamaica's levies on bauxite and sugar production are netting the Jamaican government large revenues for development and stimulating trade. Last year, Canadian sales were largest in telephone equipment and locomotives. (FP, 26/4/75, p19 c2-5)