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

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

clipping service

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

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Vancouver Sun	VS
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Winnipeg Free Press	WFP
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HIGHLIGHTS

The struggle for control of raw materials, especially those connected with energy is a major dynamic in the global economy. A series of trade conferences are discussed in relation to this struggle. Investment in the development of raw materials should also be seen in the light of this struggle.

The federal government's policy guidelines on wage and price controls are a major focus this month. These guidelines are an extremely important precedent in state involvement in the economy. For the first time it has taken sole responsibility for the distribution of income in Canada. The guidelines are discussed in both the Economy General and Labour General sections of the publication

The postal strike and the negotiations between the Quebec Government and the Common Front are the major stories in the Labour Section.

A new crime package is discussed in the police and military section of the publication.

The focus is on Brazil, Chile and Paraguay in the Latin American Newsfile.

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INTRODUCTION

Since our last monthly publication (July) we have developed a revised classification system which is described below. We also suspended publication for September in order to do a review of 1974-75 material to identify major trends and events in an eighteen month period. We hope both contribute to an improved publication that documents the forces that shape our lives.

Revised Classification System

A Canada-International Section: Recognizing that the Canadian economy is closely integrated into a global one and directly affected by it, we are bringing together information on global trade, monetary and investment forces, events and major international meetings where economic arrangements are worked out. Canada's trade, foreign investment and external affairs are then discussed in this context. Canada's economic relations with Latin America are also covered in this section.

The Economy Section: A first sub-section brings together general information and replaces the old "state of the economy" section. The next six cover the major sectors of primary production. Secondary and tertiary production follow and the final sections deal with infrastructure systems such as housing, transportation and communication. (Press analysis remains in the Ideological Cultural section).

The Labour Section: This section now includes not only workers' struggles but also popular movements of opposition and the native peoples. The latter we have so far considered as marginalized but this obscures the fact that native peoples are a reserve labour force that has been exploited for centuries and which is now struggling to gain control over their lives. Workers struggles include not only strikes but activity related to better working conditions (e.g. health and safety). The first sub-section brings together general information such as unemployment rates, minimum wage rates and legislation that affects workers.

The Political Section: This section has undergone the greatest revision. This reflects our understanding of the public sector not just as government but including other agencies--civil service; crown corporations; courts; the military and police. It has also become clearer that the state is not a neutral force that mediates conflicts in society and is an impartial protector of the 'common good'. Instead it intervenes in society to protect and maintain the interests of powerful economic forces and to control those who challenge the status quo. We have decided to discuss legislation and the activity of other public economic agencies as they affect sectors of the economy and workers within those sections. This leaves sub-sections on Federal-Provincial relations, Courts, Police and Military and Prisons as well as Health, Welfare and Housing under the Political section.

The Ideological Cultural section: remains the same

The Latin American Newsfile: remains the same

We hope that by cross-referencing and developing an index we can relate material that has become divided through the new classification. Undoubtedly problems remain. If you have any comments, questions or suggestions please let us know.

Canada International

Introduction: As the global struggle over the prices of raw materials from the Third World and manufactures from the industrialized countries continues, the forms of discussion change. After a six-month delay caused by the breakdown of preparatory talks in Geneva and their real materials, plans for a high-level conference in Paris in December are again faltering. Discussion has been limited to getting ideas on the agenda (the Third World and oil members pushing for broader considerations than just energy and the U.S. and industrialized countries keeping the agenda restricted). Canada's efforts have been directed towards getting itself a seat among the 27 nations to meet in December and to be represented at the parallel, also-called industrialized 'summit' meeting in November. The December meeting may inaugurate a new non-biased national structure for high-level economic discussions but the old post-war structures, primarily the General Agreement on Tariffs and Trade (GATT) and the Organization for Economic Cooperation and Development (OECD) remain important.

1) The Outlook

The European Economic Community (EEC) Economic Commission predicts that the economic slump is "bottoming out" and that a moderate upswing should occur starting next year. HCV 17/10/75 p28 cl-2

OECD predicts a slower than expected recovery for industrialized countries and a hard time for Western Europe in 1976. The predictions occur in a document to be discussed at a six-nation summit in Paris in mid-November. The anticipated upswing is not expected until the fourth quarter of 1976. EJ 10/10/75 p80 c7-8

Japan suffered a foreign trade deficit of \$1.018 billion during the first half of this fiscal year. Exports and imports were both down, the first decline in 17 years. Japan exported less to most countries but increased those to the Middle-East and Communist nations. 16/10/75 p.20 cl-2

The example of OPEC may be contagious among third world exporting nations, says William R. Fryc, TS U.N. correspondent. "Consciously or unconsciously, the world's rich and poor have entered into a struggle that will affect the price of nearly everything a housewife buys, a farmer sells, and a businessman uses to stay in operation". The UN has been trying to fend off a "class war". 70% of the world's four billion people earn 10% of the world's income. For example, on bananas exported from Guatemala, which brings 70c a box to Guatemalans, the markup is 250% for North America, to a retail price of \$5.93. "Virtually the entire process was under the control of a transnational corporation based in the United States." As for manufactures, only 7% of world's industry is in developing countries. Industrialized nations have responded to these problems of growing disparity with loans and grants. In the 1960's these aid items were equivalent to 1% of GNP or \$1. out of every \$100. In 1974 aid amounted to only 33c out of every \$100. The poorer nations are calling for a New International Economic Order, seeking a more rational global division of labour. Fryc states, "At stake could be the future of capitalism in much of the world--its ability to compete

with communism in an era when economic, rather than military weapons may be decisive.
TS 29/9/75 pA12 c1-2

Canadian delegate at the United Nations Economic Committee, Robert Stanbury stated that Canada is fully committed to the pursuit of a new order on principles laid down at the UN's special session in September.
WEP 7/10/75 p9 c1-4

CNSP NOTE: GATT-Fly, an inter-church project that monitors Canadian trade policy as it affects the Third World, was present at the 7th special session and is about to publish a report that criticizes the role of industrialized countries, especially the U.S. and Canada, vis a vis the new economic order demanded by the Third World.

B) Trade Talks

Paris in December

A preparatory meeting is being held in Paris to plan a North South conference on energy and related issues for December. Industrialized nations are represented by the U.S. Japan and the EEC; OPEC by Saudi Arabia, Iran, Algeria and Venezuela; and the Third World by Zaire, Brazil and India. Proposals for the conference include four commissions: energy, raw materials, development and finance. Issues separating the countries include: Iran's demand for an inflation index which would keep raw material prices rising with those of manufactures from the West which the U.S. strongly opposes. Third World countries want maximum discussion of their raw materials price demands with the Western countries attempting to put off discussion for other forums. Many OPEC and Third World countries want reform of the world monetary system, but the West says it is off-limits for December.
HCH 13/10/75 p5 c4-8

The December meeting will be called the Conference on International Cooperation. Ministers from 27 nations or groups of nations will attend, 8 from the industrialized world and 19 from the oil producing countries and the Third World. It will occur on Dec. 16-17. The U.S. has indicated willingness to discuss Algeria's proposal for indexation. Britain has demanded a separate, non EEC seat at the talks. With the discovery of oil in the North Sea Britain's interests lie more with the oil producers than European oil consumers. Hopes of a seat for Canada are dimmer than ever as a result of Britain's demand. As the talks ended the third world indicated they would raise the question of indexing in December and the U.S. demanded safe supplies of oil and other raw materials. Questions of substance will be broached only after the four commissions are set up and operating, probably early in 1976. U.S. delegation leader, Charles Robinson called the plan for the conference and the commissions possibly "the most important international institutional development since the U.N."

GM 14/10/75 pB1 c2-3

HCH 15/10/75 np

GM 15/10/75 pB3 c7-8

HCH 17/10/75 p4 c1-2

MS 16/10/75 pC10 c7-8

Paris in November

Talks regarding a summit among Western industrialized countries in Nov. were the heart of Henry Kissinger's visit to Canada in October. The Presidents of the U.S. France and the Prime Ministers of Italy, Japan and Britain and the Chancellor of West Germany will meet Nov. 15-17. France opposes Canada's presence at the summit talks fearing it would be allied with the U.S. on such questions as monetary policy.

OC 11/10/75 p20 c1-4

A spokesman for Gerald Ford says he believes Canada will be invited to the summit.

MS 11/10/75 pA2 c1-6

Kissinger called Canada's participation in the November summit "crucial". Canadian participation in the summit had not been settled by the time Kissinger left.

HCH 15/10/75 p1 c1-5

GM 16/10/75 p4 c1-5

Henry Kissinger arrives on his first official visit to Canada since taking office as Secretary of State in Sept. 1973. On the Law of the Sea Conference Canada is assumed to be close to the U.S. except for U.S. concern about Canada's intention to take more control of international shipping in coastal straits and in a 200-mile off shore economic zone. Congressmen have also been pressuring Kissinger to hit hard on cable TV (the CRTC has ordered some cable stations to delete U.S. commercials picked up from border stations). There is also congressional pressure to get an agreement from Canada to insure security of oil supplies to the U.S. Ottawa officials stated after Kissinger's visit that Canada had explained its position on cut backs of oil exports to the U.S. and phasing out crude oil shipments.

HCH 13/10/75 p3 c1-8

TS 15/10/75 pA6 c1-7

TS 16/10/75 pA2 c7-9

HCH 16/10/75 p2 c5-8

External Affairs Minister Allan MacEachen pressed British Foreign Secretary James Callaghan to add Britain's voice to that of the U.S. in calling for Canadian inclusion in the summit talks. Mr. MacEachen also discussed the possibility of a contractual link between Canada and the EEC pressing for early action by the EEC's governing council to begin negotiating with Canada.

GM 21/10/75 pB2 c3-4

EJ 21/10/75 p13 c7-8

OC 21/10/75 p9 c1-2

GATT Talks

A provision of the 1974 U.S. Trade Bill authorizes the American Secretary of the Treasury to impose countervailing duties on imported merchandise that is held to benefit from a "bounty or grant" before or during export. This provision is a major point of discussion of non-tariff barriers at the current GATT negotiations in Geneva. The U.S. stands in opposition to most other industrialized nations (including Canada) on the issue of who decides what is a trade barrier. U.S. claims the right to decide while other nations want an international agreement.

GM 24/10/75 pB10 c4-6

Energy Minister, Alastair Gillespie said the world would be more healthy if commodity agreements were negotiated internationally between consumer and producer interests. In a speech to New York business interests he indicated that tariff structures which prevent poorer raw material producing countries from refining their materials before export may have to be changed.

GM 24/10/75 p.B10 c4-6

Canada at GATT

Canada's proposals for eliminating trade barriers that block upgrading of resource exports has the support of Mexico, Brazil and Australia but the largest trading nations, U.S. EEC Japan and the Scandinavian countries are opposed. Also those developing countries that signed the Lome Agreement with the EEC feel their interests have been protected since they have access to European markets for upgraded goods, so they are not anxious to support Canada.

FTC 6/10/75 p19

EJ 6/10/75 p27 c3-6

CNSP Note: A case where the U.S. Trade Bill provision is being used is the U.S. Steel Corporation's appeal to the Treasury for countervailing duties on merchandise imported from Europe. The company argues these goods are unfairly subsidized through the EEC tax system. A similar argument was used against the Michelin Tire Company when it received Canadian federal assistance to locate and produce tires in the Maritimes.

C) OPEC

At a Ministers' Conference OPEC decided to raise crude oil export prices by 10% or \$1.05 a barrel. The former price was \$10.46. OPEC may earn an additional \$10 billion annually from this increase.

HCH 29/9/75 p1 c1-4

Reactions

A Tanzanian spokesman said oil nations are "apparently turning their backs on the developing countries; Tanzania will have to pay an extra \$10 million a year for oil. The EEC Executive said the increase will cost them an extra \$14 billion annually. A Japanese spokesman predicted a further contraction of his country's trade resulting from the increase. Canada is expected to suffer an oil trade deficit of about \$420 million as a result of the increase.

GM 30/9/75 pB7c1-3

GM 1/10/75 p3 c1-4

WFP 1/10/75 p94 c1-2

Canada Matches OPEC Price

The export charge on oil exported to the U.S. from Canada will increase by \$1.05 (the increase OPEC decided on) from 3.45 to \$4.50 per barrel.

VS 9/10/75 p9 c1-2

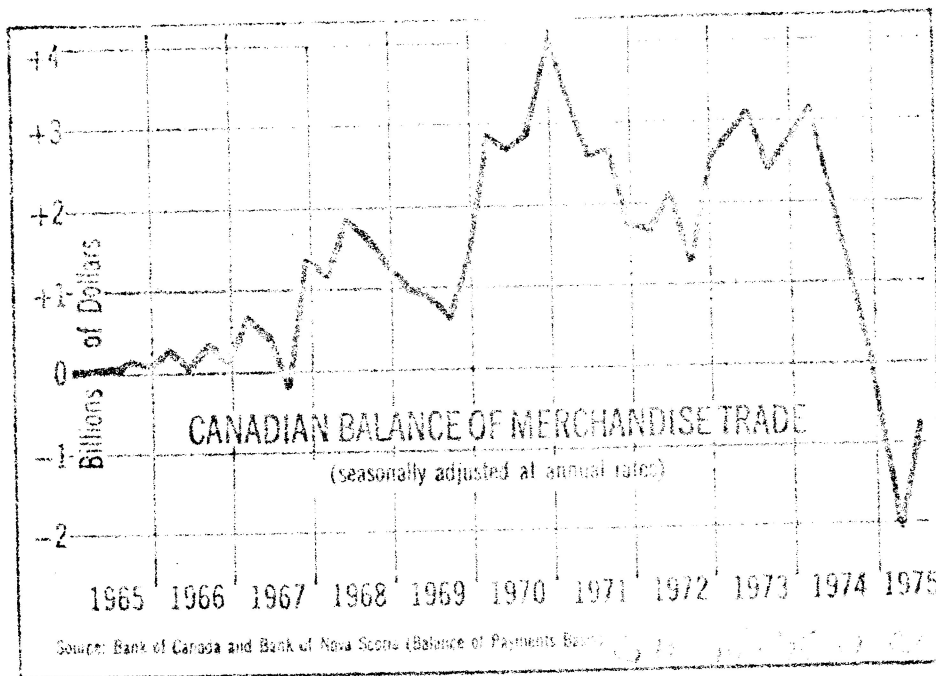
Canada Blocks U.S. Plan for an Anti-OPEC Continental Energy Strategy
 U.S. wants member nations of the International Energy Association (the group of industrialized consuming nations that the U.S. brought together last year) to agree to a "floor price" of \$7-8. This price is intended to undersell OPEC but to guarantee a price high enough to be profitable for American oil being developed now at higher costs. As a trade-off concession to oil consuming states like Japan and West Germany, the U.S. plan calls for Canada and U.S. to guarantee to develop their energy resources or allow foreigners to invest in such development projects, to make these energy resources available for export and to do away with two-price systems for domestic and export sales.

TP 4/10/75 pl c5-8

D) Canadian Trade

In August Canada had a merchandise trade deficit of \$342 million. For the first 8 months of 1975 the deficit was \$1.6 billion.

VS 27/9/75 p.13 c3



Don Jamieson was appointed last Friday as the New Minister of Industry, Trade and Commerce. He promised to broaden Canada's export base. He was greeted warmly at a luncheon of the Canadian Export Association.

EJ 2/10/75 p73 c1-2

CC 1/10/75 p9 c1-3

Proposals for closer trade between Canada and the Common Market will be discussed at the European Council of Ministers' meeting in early Nov.

FTC 6/10/75 pl c1-5

The auto-pact will be discussed in public hearings before the U.S. International Trade Commission which open Nov.19. Canadian auto parts manufacturers plan a major submission. In the first half of the year Canada a deficit of \$1.1 billion in the auto trades mostly in auto parts. Auto assembly and parts production employ about 200,000 workers in Ontario, where 75% of the industry is located.

WFP 1/10/75 p23 c4-8

CMA Sponsors Seminars to Debate Free Trade

"Should Canada seek free trade with the rest of the world?" The CMA is sponsoring coast to coast seminars to debate the issue with Andre Raynauld of the Economic Council of Canada whose report recommended free trade for Canada. CMA's executive director Roy Phillips stated, "While free trade is a good thing for an ideal world, in the real world Canada's economic strength would be in jeopardy." In Quebec and Nova Scotia where many manufacturers of textiles are located there was opposition to the free trade policy.

TS 27/9/75 pD8 c1-4

WP 27/9/75 p6 c3-6

WFP 3/10/75 p6 c1-3

MS 10/10/75 p6 c2-6

Defence Industry is Geared to Trade

Canada's defence industry is heavily dependent on government support and is geared to trade not Canada's military security. Government assistance includes administrative services that cost \$5.5 million a year. Direct financial assistance is estimated at \$40 million annually. Government officials claim that assistance to defence production plants generates sales that amount to \$924 million. Of 102 companies receiving grants and defence contracts between 1967 and 1971, 45 were American owned. These companies received \$224 million during the period. A report of the standing committee on Defence estimated that 150 Canadian companies are dependent in whole or in part on sales of defence equipment to the U.S. Employment for 15,000 Canadian workers depends directly on these sales and another 110,000 workers are employed in work associated with these contracts.

GM 21/10/75 p7 c1-5

Foreign Investment

Introduction: While phase two of FIPA comes into effect to "regulate" lateral and vertical takeovers by foreign firms already in Canada, the pace of foreign investment continues. But new plant expenditures, investment in new technology is not keeping pace with inflation. The effect is that productivity is down. Is it Canada's structural dependence on decisions which are made by foreign multinationals which is blamed for this situation? By a few commentators yes, but generally, it is the Canadian worker who gets the blame. (See section on wage and price controls below)

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U.S. Investment in Canada

U.S. firms with branches in Canada will invest \$5.79 billion in "property Plant and equipment" in Canada in 1976, according to a U.S. Department of Commerce survey. This amount represents the most important foreign spending by the U.S. The projection represents an increase of 10%. \$2.4 billion will go to chemical industries and \$1.24 to oil and refining.

FTS in EJ 4/10/75 p7 c5-3

Despite increased spending in Canada U.S. investment in Canada during 1976 may reflect no real growth in spending because of inflation. The survey (see above article) shows U.S. branch plants have cut back on new plant and equipment dramatically and the cutback has been greater in Canada than elsewhere. New U.S. affiliate spending in developed industrial countries is expected to increase by only 2% in 1975; it is expected to jump by 20% in the developing countries.

FP 4/10/75 p14 c6-3

James Laxer, York University professor, comments that the branch plant manufacturing sector in Canada is in chronic crisis, that leads to a trade deficit in end products of an estimated \$10 billion in 1975. The deficit is centred in the auto parts trade with the U.S. "Canadian manufacturing, operating within the framework of U.S. Corporations, and dependent on imported technology and machinery is suffering from the worst record of productivity gains in any industrialized nation." With a huge trade deficit Canada then seeks massive new infusions of foreign investment and opens Canada to U.S. pressure for a continental energy pact.

TS 9/10/75 p.B2 c3-7

Mark Gayn comments that Canada and Mexico have much in common. But while 2/3rds of Mexico's trade is with the U.S. only 10% of its manufacturing industry is controlled by foreigners. In Canada the figure is 60%.

TS 15/10/75 pD1 c4-6

FIRA

Until the end of August, 1975 FIRA had examined 214 applications from foreigners to gain control of Canadian companies. 171 applications were dealt with. 26 were refused outright; 30 were withdrawn; 78 from the U.S. were approved and 37 from other countries were approved. Jacques Clermont, a director of the Foreign Investment Review Board said, "Canada is still wide open to foreign investment."

TS 27/9/75 pD7 c1-2

VS 29/9/75 p20 c5-6

Phase Two of FIRA goes into effect today; any foreign company which does not control an existing Canadian firm will have to apply to FIRA if it wants to establish a business, however small, in Canada. Foreign-controlled firms in Canada wishing to expand will have to apply if the expansion is into an unrelated field. If the expansion is deemed 'related' application is not necessary. 'Related' includes vertical integration to enhance supply or distribution, manufacture of substitutes, and manufacture of new products based on research in the Canadian company. Nationalists charge these accommodations are too broad.

MS 15/10/75 pE3 c5-8

TS 15/10/75 pE13 c9

FIRA announced it had approved 14 foreign takeovers and refused 2 others. Approved were such proposals as Citicorp Leasing International Co. of N.Y. for control of three Burlington businesses, to be jointly owned on a 60/40 basis with the Hamilton Group; a bid by Cargill Grain to gain control of Quartz Lake mining claims in northeastern Quebec; Dow Chemical's bid for Iroquois Chemicals of Cornwall, Ontario; a bid by Lucerne Foods a Safeway subsidiary to control Oakville Dairy Cooperative in Ontario. One refusal was the Ambassador Bridge Inc. bid on Canadian Transit Co. of Windsor (which operates the Canadian side of the Ambassador Bridge linking Windsor with the U.S.)

OC 15/10/75 p10 c1-7
MS 15/10/75 pB3 c5-8
GM 16/10/75 pB5 c1

Westinghouse

The jobs of 2,300 Hamilton workers were threatened when White Consolidated Industries Inc. (a U.S. firm) bought out the appliance division of Westinghouse Electric Corp. of Pittsburgh. White's attempt to buy out Canadian Westinghouse' appliance division in Hamilton was blocked in August by FIRA. General Steel Wares of Canada sought to buy the Canadian appliance division, but White owns the world patent rights for Westinghouse products and will not allow GSW to use them if it buys the plant. White subsidiaries in Canada which make components for the Hamilton plant also refused to sell parts to GSW. White owns plants in Cambridge, Ont. and L'Assomption, Quebec. Lincoln Alexander, A Conservative MP for Hamilton West accused White of holding "a two-chamber gun to the head of the Canadian government." Herb Gray, Liberal MP from Windsor, suggested that the Federal Government act could have forbidden a U.S. company like White from marketing anything with the Westinghouse trademark in Canada.

TS 21/10/75 pA1 c1
EJ 3/10/75 p71 c1

Sidbec-Dosco Ltd. of Montreal, the Quebec government's steel company has signed an agreement in principle with British Steel Corp. of Britain for a \$500 million iron ore mine and pelletizing plant at Fire Lake and Port Cartier. Sidbec will put up a 50.1% share, British Steel a 41.7% share and Quebec Cartier Mining (a subsidiary of U.S. Steel) an 8.2% share. The mine will produce 14 million tons of iron ore a year; the pellet plant 6 million tons of pellets.

WFP 4/10/75 p14 c1-4
GM 22/10/75 pB7 c6-9

Canada-Latin America Relations

"Latin America has come of age as a trading opportunity as far as Canada is concerned" says Alistair Gillispie, Canada's outgoing minister of Trade and Commerce, pointing out that Canada's exports might double in value this year and citing a vigorous Latin American market as a strong reason for the increase. One of his last acts as trade minister was to sign loan agreements with Cuban Vice-premier Carlos Roguero amounting to \$20 million and financing sales of Canadian capital equipment and services to Cuba. Cuba was Canada's fourth largest Latin American trading partner last year accounting for \$104 million in Canadian sales.

(VS 1/19/75 65 c5-6, HCH 29/9/75 2 c3-

Comment:

The Edmonton Journal finds Prime Minister Trudeau's projected January trip to Mexico, Venezuela and Cuba, as very appropriate. It seems common interest as little guys against the U.S. and fellowship among satellites. Our economic relations should be the focus of attention. Canada must avoid being the wealthy but poor country cousins of the American "imperialists". Canada must be innovative in investment, using reciprocity and joint ventures in Latin America.

(ES 2/10/75 4 c1-2)

Canadian Investment in Latin America

Texasgulf Inc. which is 30% owned by the Government's Canada Development Corporation, is close to signing a \$200 million agreement with the Government of Panama to develop the Cerro Colorado copper ore field. Panama will put up 80% of the starting capital, and Texasgulf will provide technology, and mine for 15 years and advise for a further five years. After that the Panama Gov't may buy out the whole operation.

(IS 9/10/75 C10 c1-3, H-S 9/10/75 01)

Canada is the largest economic presence after the continental U.S. in Puerto Rico. The major Canadian firms investing there are the Bank of Nova Scotia, the Royal Bank, and Confederation Life of Puerto Rico. Puerto Rico is almost entirely dependent on export-import trade, largely in the hands of non-island companies. Some natural resource development is occurring with opening of copper ore mines in 1968 and an estimated \$800 million of low grade nickel ore exploitable. The island has one of the largest petrochemical complexes in the world, worth \$1.6 billion. Foreign investment is encouraged by tax exemptions, and has been attracted by low wages. Puerto Rico is no longer exempt from U.S. minimum wage laws. It has the highest per capita income south of the Rio Grande except for the U.S. Virgin Islands, but per capita income in 1974 was only \$1,215 or half the income in the poorest U.S. state and one-third the U.S. national average. Population increases 2.5% per year, reduced to 1.5% by migration to the U.S. Unemployment is officially estimated at 19% but officials admit the true rate is about 30%.

(IS 12/1/74 74-5 10 cols, 2 pics)

col 11; 74-5

The Financial Post (18/10/75) published an 8 page special section on Brazil. Noting that Brazil is now Canada's seventh most important trade customer, has limited hyperinflation, and has an average annual growth rate of close to 10%, the FP looks at Brazil's secret: "a tightly-controlled, well-managed, centralized economy"! The main conclusions of the FP survey are 1. that despite 10 years in the dark ages of repression under military rule, in the last 18 months Brazil's military have -- it seems -- relaxed their grip slightly. 2. Congress in Brazil has more power and more public discussion of events and politics is allowed. 3. President General Geisel will have to overcome distinct opposition if he is to continue attempted liberalization. 4. The Brazilian G-1P may be in trouble, but the F-P denies that Brazil has mortgaged its future by overborrowing abroad. 5. increased oil prices (Brazil imports 40% of its energy) have created problems, and national policy stands against allowing foreign participation in developing Brazil's oil potential. 6. Inflation has been reduced by authoritarianism, by controlling prices on major manufacturing items, and particularly controlling wages by keeping them below inflation rate. There has been a steady erosion of real incomes for millions of workers. 7. Labour has paid the price of industrialization but has yet to receive its reward. 8. Future of foreign multinationals have been threatened by public criticism, but mncs are putting on a Brazilianized face, and hoping that resentment will be contained. 9. There is concern about the extent of Brazilian government involvement in the economy, since it is greater probably than any other non-communist country, and worrying free-enterprise. 10. opportunities for increased trade abound, but Canadian companies are missing the boat. They should enter into joint ventures with Brazilian firms. 11. Brazilia is not yet a real city, but elsewhere urbanization is too rapid and poverty, pollution and crime abound.

Some sampling of the potential for Canadian firms is given: Canac Consultants Ltd., the subsidiary of CN and Air Canada, is doing an exhaustive study for the Brazilian government. Acres International have worked on railway terminal building designs. The Itaipu hydroelectric power development costing \$4 billion and larger than Churchill Falls or James Bay, is getting a study on power transmission from Kenora, the Brazilian subsidiary of Montreal Engineering. Macmillan Bloedel in partnership with Brascan has moved to plant 540 square miles of pine and eucalyptus forest, as basis of an integrated forest-products complex. It is estimated that Canada could be selling Brazil some \$15 million in sawmill machinery each year for the next 10 years. Foreign multi-nationals extract considerable netwos. In 1973 foreign companies repatriated some \$400 million in technology payments alone. Last year Brascan brought home about 50% of its \$108 million Brazilian profit, Massey-Ferguson holds 50% of the Brazilian tractor market, and has only one Brazilian and one Finnish-owned competitor. (FP 10/19/75 D1-B5 by Richard Starks)

Comment:

FP editorial highlights Brazil's "determined struggle to raise the living standards of its 106 million people" but admits distortion and inequality have resulted, and admits accounts of jailings and tortures persist. FP concludes "Canada has a stake in Brazil's economic well-being. But until Brazil moderates its political stance, full support for that country's struggle must be withheld. (FP 18/10/75 6 c1-2)

Economy - General

Inflation Controls

On October 14, the Federal Government introduced a white paper on economic guidelines designed to control inflation while still encouraging increased production. There are four main elements to the plan: (a) fiscal and monetary policies designed to increase production "at a rate consistent with declining inflation"; (b) limits to growth of government spending; (c) "structural policies" dealing with energy, food and housing problems; (d) price and income controls.

(a) Since Canada is experiencing both inflation and unemployment, traditional monetary and fiscal restraints cannot be used to stop inflation, since they cause greater unemployment. Instead, the money supply will still be increased, but only at a rate "consistent with moderate real growth" of the economy and a decline in inflation.

(b) The Federal Government feels that there is no room for many cutbacks in its spending except in the area of hiring more employees. Most departments will be held to a 1.5% growth in number of employees in 1976-77. An exception will be the hiring of RCMP and penitentiary employees.

(c) The cost of energy and food are special cases because the Government feels that "adequate incentives from within the market place" are necessary to encourage adequate supply. Thus, prices in these areas will still rise. The housing question will be tackled in a separate policy paper, but the Government feels that "adequate incentives to builders" are necessary. Also the power to control rents is a provincial responsibility, so the Ottawa Government has to rely on the provinces to exercise this responsibility.

(d) The price and income controls plan is the most complex and controversial aspect of the paper. It is also the most visible and most important to the daily lives of people and, as such, has been dealt with most extensively in the press.

The Government says it is placing emphasis for a voluntary restraint on all price and income rises, but is placing legally enforceable guidelines on firms which employ more than 500 employees, the federal, provincial and municipal governments, construction companies employing more than 20 people, the employees of the above, and professionals. Farmers and fishermen are exempt, but processors are subject to the controls, as are banks and financial institutions.

Prices may not rise more than necessary to cover cost increases. Firms selling abroad may do so at international prices, but must sell domestically at the controlled price.

"None of the guidelines requires a firm to price in a way that will perpetuate or create a loss in its overall operations." The Government also plans to make allowances for a wide range of special circumstances. These will be worked out over time.

Wage controls

There are four elements to this proposal:

(a) Basic protection. To counter inflation a worker will be allowed an increase of 8% the first year, 6% the second and 4% the third. (This assumes inflation will slow down. If it doesn't, these numbers will be increased.)

(b) Share in national productivity. The real growth of the economy is expected to be 2% next year. The worker will be given this as well.

(c) Past wage and salary experience. If the worker received an increase that was less than inflation the last time his salary was negotiated, he will be allowed a further increase of 2%. If his settlement was above the inflation rate, a reduction of up to 2% will be made from his next increase. Theoretically, this is to help groups whose contracts have made them lose ground over the past few years "catch up" with the others. A combination of (a), (b), and (c) allows for an average increase of 10% during the first year.

(d) Maximum and minimum increase. People who earn less than \$6000 a year will be allowed an increase of \$600 even if this is more than 10%. People who earn over \$24,000 will be allowed a raise of no more than \$2400 even if it is less than 10%.

The economy will be monitored by a review board headed by Jean-Luc Pepin and Beryl Plumtre. The controls will be enforced by an as-yet-to-be-named administrator who will decide what action (fines, prison terms) will be taken against offenders. The controls affect 4.3 million workers out of a total force of 7.6 million.

Naturally enough, every group in the political-economic arena has reacted to the proposals.

Difference between group's average gain in last two years and national benchmark

ALLOWABLE INCREASES
BY INCOME LEVEL

-4 -3 -2 -1 0 1 2 3 4

Income—\$

Percentage and Dollar Increases

Income—\$	-4	-3	-2	-1	0	1	2	3	4
5,000	12%	12%	12%	12%	12%	12%	12%	12%	12%
	600	600	600	600	600	600	600	600	600
7,000	12%	12%	12%	11%	10%	9%	8.6%	8.6%	8.6%
	840	840	840	770	700	630	600	600	600
	1200	1200	1200	1100	1000	900	800	800	800
25,000	9.6%	9.6%	9.6%	9.6%	9.6%	9%	8%	8%	8%
	2400	2400	2400	2400	2400	2250	2000	2000	2000
50,000	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%
	2400	2400	2400	2400	2400	2400	2400	2400	2400

Business emphasizes Government to blame.

In general, businessmen say "we support controls, but..." There is a feeling that something has to be done, but the Government should also cut back its spending. There is a general sentiment that the measures will be useful for "controlling the unions" until the Government brings in fiscal and monetary policies to promote growth.

D. Peters of the Toronto Dominion Bank said it was "unfair of Mr. Trudeau to insinuate that big business is largely responsible for inflation, when the large labour unions are at least equally responsible."

GM 14/10/75 p13 c7-9

Early return to market economy needed.

While supporting controls, H. Corrigan of Alcan also said, "At an early date we must return to a market place economy where normal competitive forces restraining any excessive price increases and wage demands."

TS 14/10/75 p8 c5-7

CNSP note: Every other quote from business took the same line. Government spending and the demands of big unions were blamed. No mention was made of government spending which subsidizes business. Instead, there was the implication that welfare programs to support "lazy" people were a major cause of inflation.

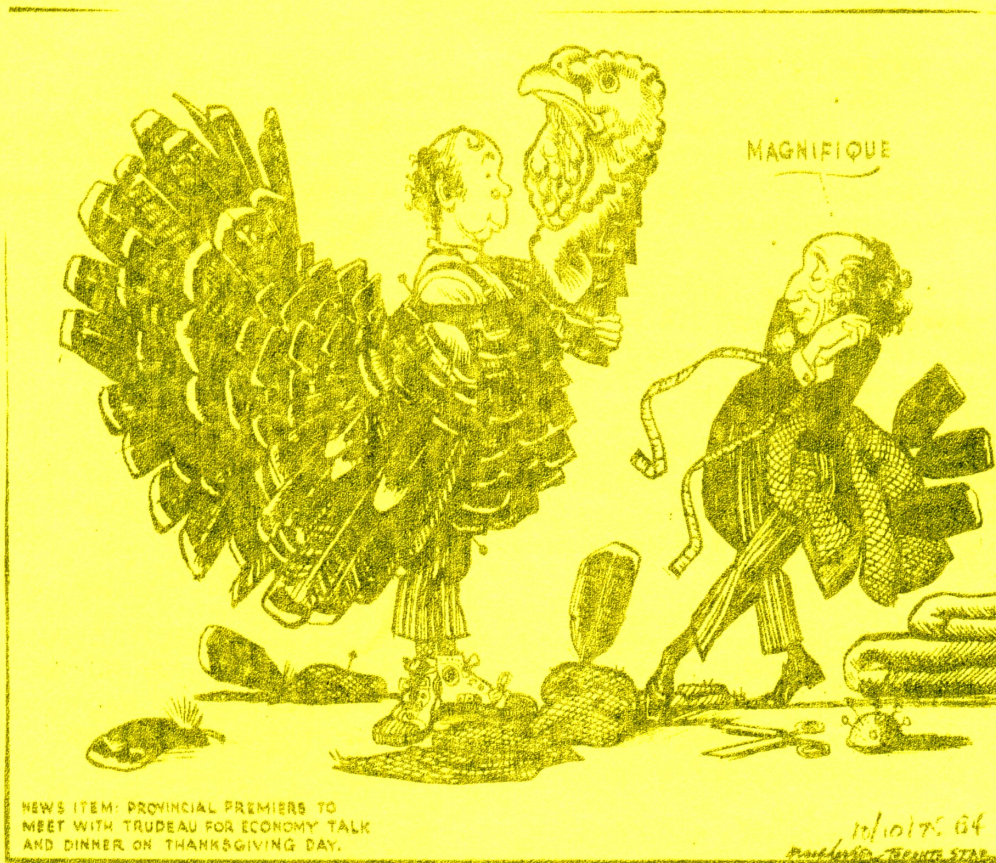
Lip service was paid by many to the idea that some businesses are too big. But in appeals for a return to competitive market places, no mention was made of the fact that large corporations who can control the market are a logical consequence of an open economy. When solutions were offered, they were always controls on "big" government and unions.

Editorial Response

In general, the press tended to follow the business argument that big government and big unions are to blame for inflation. Also, they tended to talk about the issue as though it was a war. Thus concepts like "rough justice" (a common phrase), voluntary sacrifices, "we're all in this together", were used, implying that the people should pitch in and do their part.

Most newspapers expressed satisfaction that the government was finally doing something, but like business, they were not sure they like the methods. The Globe and Mail was particularly ambivalent. On October 14 an editorial stated "...any Canadian who has genuine concern for his country will want to make /controls/ work." The next day, on the same page it carried a long diatribe about the complexities and the loopholes of the proposal. "The Government's proposal will feed envy; it will create a giant sense of injustice."

Essentially, the attempt was to distribute blame equally. They ignored the fact that corporate profits as a percentage of the gross national product have risen while wages have fallen. The phrase "rough justice" was used to justify weaknesses in the proposals with the rationale that the Government had to act strongly even if some people suffer. This concept ignores the fact that the most glaring weakness is that price rises will be much more difficult to stop than wage raises. It looks as though the "rough justice" will hit the working people a lot harder than it will the corporations.



THE GUEST OF HONOR

Agriculture/Farmers

Fishing/Fishermen

The Hall Commission began hearings on grain handling and heard reports from the Canadian National Railway, the Saskatchewan government, and the National Farmers' Union. We have also done a patchwork analysis of farm erosion in Canada. In New Brunswick two members of the department of agriculture have shown the Irving and McCain interests as threats to family farms. The over-reaction by the Department of Agriculture in being associated with the brief suggests how strong an influence these corporations have over this department. At the International Commission on North Atlantic Fisheries in Montreal, Canada won quota concessions to protect its offshore fish.

Hall Commission

The Commission was set up to examine the implications of branch line abandonment with an objective to improve the Western provinces' grain handling and transportation system. The Canadian National Railway noted that some branch lines were abandoned because of grain companies shutting down elevators. It said some lines should be abandoned because grain traffic on them is too low to be profitable.

The Saskatchewan government reaffirmed support for the principle of government ownership of rail beds as a means of easing financial problems. Under existing responsibilities the provinces have to provide roads to fill the

Oil and Gas

The Department of Indian Affairs and Northern Development (DINA) had the most direct responsibility for the north. However it suffered from conflicts of interest. On the one hand, they are concerned about native peoples and their environment, on the other, resource development.

Former Minister Jean Chretien and senior officials were mainly concerned with resource development. By assisting mining and petroleum industries, they hoped to create economic activity, jobs, and to make the native people happy. Private industry was left to set investment priorities. As a result, the oil and gas industries gained enormous leverage in Ottawa's policy process, with access to confidential information and the active collaboration of officials of Indian Affairs, Energy Mines and Resources, Transport, and the National Energy Board (NEB).

The curious legislation which set up the NEB gave it power to: (a) conduct impartial hearings; (b) advise government on policy. It has played an important role in policy formation and, according to some critics, should have to answer for policy mistakes, for example, the sudden change from a natural gas surplus to an anticipated shortage.

The Toronto Star (October 11 to October 20) carried a chronology of events which formed Oil and Gas policy in the period from 1968, compiled by David Crane. Space does not permit us to include it here.

National Energy Board Hearings Open

The NEB has begun hearings to decide on the route of the Mackenzie Valley Pipeline. Both Saskatchewan and Westcoast Transmission Company favour the Foothills proposal on nationalist grounds. The Ontario Natural Gas Association has come out in favour of the Canadian Arctic Gas pipeline since it will provide a more immediate supply.

GM 1/10/75 pB4 c2-4

GM 2/10/75 pB2 c5-9

FP 11/10/75 p10 c2-4

U.S. Holds Hearings too

The U.S. Federal Power Commission has opened hearings to determine the route of the pipeline from Prudhoe Bay - either through Alaska or the Mackenzie Valley. The Rand Corporation, a "think tank", supports the Canadian route.

OC 2/10/75 p9 c1-2

Canada-U.S. Pipeline Treaty

Before the U.S. can decide to ship Prudhoe Bay gas via Canada, a treaty must be signed. The main features of the Treaty would include: a guarantee of security of supply and a guarantee against discriminatory taxes and tariffs on the pipeline.

GM 10/10/75 pB2 c2-4

CONTESTING PLAYERS FOR MACKENZIE VALLEY PIPELINE (TS 25/10/75 pC5)

FOOTHILLS PIPE LINES LTD.

1. will transport Canadian natural gas along an all-Canadian route.
2. contends there is enough natural gas to finance its pipeline bid.
3. The cost of project is about \$4 billion.
4. The 42-inch diameter pipe required can be bought in Canada.
5. The route would not have to contend with foreign regulatory agencies.

CANADIAN ARCTIC GAS PIPELINES

1. will transport Alaskan and Canadian gas to Canadian and U.S. markets.
2. claims there are 7 trillion cubic feet reserves in Mackenzie Delta-Beaufort Sea - less than $\frac{1}{2}$ is needed for an all-Canadian pipeline.
3. cost of project is \$7 billion.
4. The 48-inch pipeline necessary would require buying some materials outside Canada.
5. Because 500 miles of pipeline are to be laid in Alaska, it requires approval from the U.S. as well as Canada (treaty needed).



THE TWO COMPETING PIPELINE PLANS: both Canadian Arctic Gas and Foothills want to build a Mackenzie Valley gas line

Manufacturing

Statistics Canada reports slight economic upturn.

Shipments and new orders of durable goods rose slightly in August, as did new orders of non-durable goods. Shipments of non-durable goods remained the same.

	Changes from July	
	SHIPMENTS IN AUGUST	NEW ORDERS IN AUGUST
DURABLE GOODS	+4.1%	+16.4%
NON-DURABLE GOODS	0%	+ 0.1%

GM 17/10/75 pB7 c2-5

The sizeable increase in August reflected new orders in transportation equipment, electrical products, primary metal and metal fabricating industries, Statistics Canada said.

as above

Auto Pact

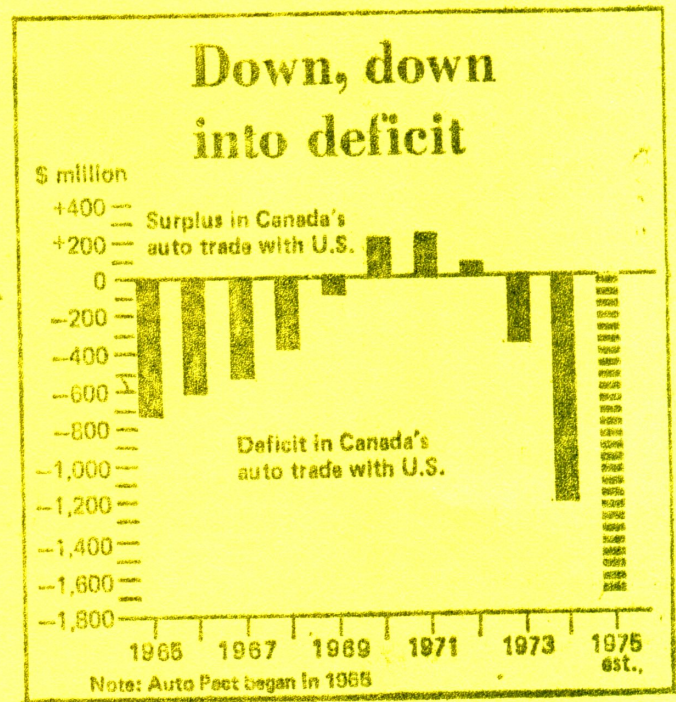
According to James Laxer of York University, the auto industry is now in a chronic and deepening state of crisis.

Last year, the U.S. auto market collapsed while Canada's remained firm, but the result was a gigantic deficit for Canada in its auto trade with the U.S.: \$950 million. The deficit resulted from more U.S. cars, trucks and auto parts being shipped to Canada, while fewer Canadian cars, trucks and auto parts were shipped to the U.S. Thousands of Canadian auto workers were out of work because the U.S. auto market was off, while thousands of auto jobs remained in the U.S. because the Canadian market held firm.

This year, the deficit will be much higher, more than \$2 billion in the auto parts trade with the U.S., while Canada's surplus in trade in assembled autos will fall to several hundred million dollars.

The cause of the crisis in the American auto industry is not just the effects of the current recession, but other reasons:

1. limited markets - the world auto industry is highly overdeveloped in relation to potential markets.
2. higher fuel prices, rising prices of automobiles, urban congestion
3. slow changing technology in the industry



FP 18/10/75 p1 c2-4

The next act in the Canada-U.S. debate over auto trade opens in Detroit November 18 with public hearings before the U.S. International Trade Commission, investigating the 10-year-old Auto Pact. Canadian auto parts manufacturers are planning a major submission to counter U.S. claims that Canada is taking away the U.S. market for North American type cars. The ITC is investigating Canada and 7 other countries to see whether they are injuring the U.S. industry by dumping cars, i.e. selling in a foreign market at prices below those charged in the home market.

The negative effects of the auto pact that Canada experiences are:

1. yearly deficits ranging from \$1.5 billion to \$2 billion
2. management decisions are made south of the border.
3. most of new expansion now takes place in the U.S. market since Canadians receive equal pay with U.S. workers.

MS 1/10/75 p1 c2-6

TS 25/10/75 pC6 c1-9

FP 18/10/75 p1 c2-4

Why Aerospace Firms Need Decisions Now

Dudley Robert Taylor, Chairman of Air Industries Association of Canada, feels that the Canadian aerospace industry is hanging between expansion and collapse. The fate of the industry depends on whether Ottawa will go for big new outlays in military aircraft involving contracts for Canadian producers or decide to save some of the billions involved.

The main demands emerging from the annual convention of Air Industries were:

1. That large counter-subcontracts for Canadian firms are obtained when Canadian airlines buy airliners outside the country.
2. That the cabinet decide definitively who is going to own and run the de Havilland Canada, Canadair and Douglas Canada plants.

Employment in the air industry is now only 28,000, down from 35,000 five years ago. Total sales this year are expected to reach about \$800 million, 75% in the form of much needed exports.

FP 4/10/75 p4 c1-7

(see *political-military*)

Bricklin needs up to \$15 million before he can raise U.S. capital.

Malcolm Bricklin told a press conference in Toronto that the Federal and New Brunswick governments must provide an additional \$10 to \$15 million for the car company and that the company must be taken out of the political arena before he can raise the U.S. capital needed.

The New Brunswick government already has put \$20 million into the company and controls 67% of it.

Bricklin Canada was placed into receivership and its 700 workers laid off on September 26 after it defaulted on repayment of \$7 million to Royal Trust.

TS 8/10/75 pA13 c1-6

GM 8/10/75 pB4 c1-3

Commerce

Federal Business Development Bank

On October 3, the Federal Business Development Bank began operations. The successor to the Industrial Development Bank, the FBDB will invest in small and medium-sized businesses. It will also provide counselling services for business and will take over the functions of the National Research Council. The investment capital of the FBDB will be supplied by the Bank of Canada.

HCH 3/10/75 p31 c2-7
TS 27/10/75 pD8

Labour to blame for food price rises, says Review Board.

The Food Prices Review Board stated in its quarterly report that increased labour costs and declining productivity were the major causes of food price rises.

MS 1/10/75 pA2 c1

Company profits not to blame.

The Board, in an earlier report, stated that food company profits, both in processing and distributing were lower than in other corporate sectors of the economy. This report also stated that the higher costs were caused by a higher price for raw materials.

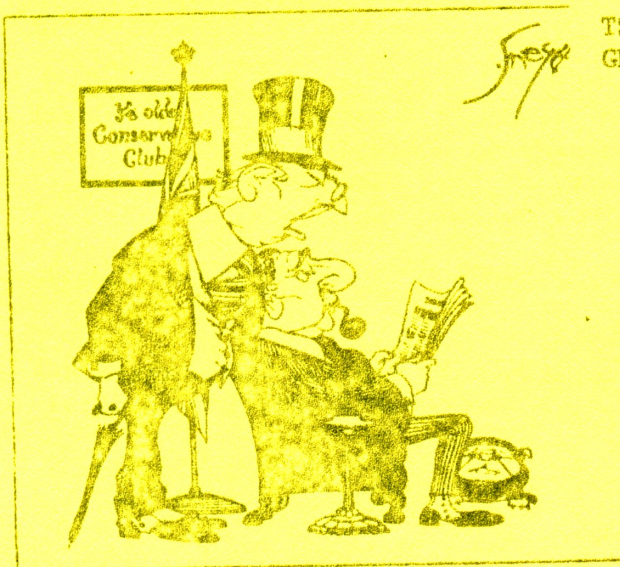
GM 25/10/75 p10 c6-8

Plumtre "irresponsible", claims NFU

William Miller of the National Farmers' Union claimed that statements made by Beryl Plumtre of the Food Prices Review Board were "inaccurate and irresponsible". Miller said that criticisms of farmers and market structures served to draw attention away from the processors and retailers, the groups that the NFU feels are causing high prices.

TS 8/10/75 pA7 c1-4
GM 8/10/75 p9 c5-6

"It's frightfully
bad taste
putting our
economic
news on the
obituaries
page"



US. 6-10-75 p. 4

Vol III No 8

HIGHLIGHTS

Workers came under heavy attack this month as evidenced by the proposed UIC restrictions, the B.C. back-to-work legislation, injunctions, the defeat of asbestos workers on health issues, introduction of wage controls, and government intransigence in negotiations with the postal workers and the native peoples. The reaction of the workers has been swift and vehement. Unions have condemned wage controls and back-to-work legislation, the public sector seems determinedly militant, and native people are enlarging their claims. Whether these reactions will be followed by more concrete, direct action is yet unknown.

Labour - General

INTRODUCTION

Unemployment levels remained virtually unchanged this month; UIC benefits rose 43 per cent in the past year; the federal government proposed drastic cutbacks for unemployment insurance recipients.

Unemployment Rate Down Slightly

Unemployment declined .1% in September to 7.2%. The rate was still above 7% for the seventh straight month, the worst period of unemployment in 14 years. Unemployment was up in Quebec, B.C. and Nova Scotia; it remained the same in Manitoba; in other provinces it dropped.

EJ 14/10/75 p.18 c1-6

HCH 15/10/75 p. c1-2

Unemployment in Quebec Rises

The unemployment rate rose from 8.9% to 9.3% from mid-August to mid-September. In September 1974, there were 149,000 unemployed in Quebec; this year there are 203,000.

LJ 15/10/75 p.7 c1-3

UIC Costs Up by 43% over 1974

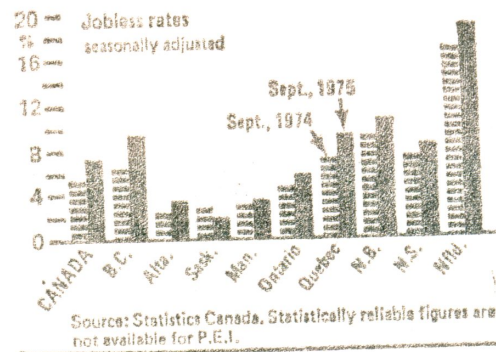
Net unemployment insurance benefits payments to the end of July totalled \$2 billion, an increase of 43% over last year. The average weekly payment rose to \$82.77 over \$73.11 for last year. 636,000 people made claims to the end of July.

GM 1/10/75 p.1 c3-4

EJ 1/10/75 p.34 c4-8

CNSP NOTE: Reasons for increased cost include higher unemployment rate and increased payments because claims are based on higher average wages

How jobless rates differ



Further Restrictions on UIC Proposed

According to a cabinet source, the government is considering two important restrictions on unemployment insurance qualifications. Benefit weeks would be tied to the number of weekly contributions--one week of benefits for one week worked. Benefits would be more closely geared to regional unemployment rates. Low unemployment areas would be entitled to fewer benefits.

OC 10/10/75 p.33 c3-5

CNSP NOTE: Federal cut-backs will mean increased costs to provincial welfare agencies. The move aims to lessen some of the public criticism of rising UIC costs. These proposed changes add to those already announced for Jan. 1, 1976. See CNSP June and July, 1975 Labour section.

LABOUR RESPONSE TO WAGE CONTROLS

Introduction: The response of organized labour to the federal government's wage control guidelines was swift and vehement. Almost all labour spokesmen labelled the controls as unfair and biased towards workers. Particular emphasis was placed on the plight of the low-income earner and the unorganized who will be forced to carry most of the load in the fight against inflation.

No Way We'll Accept 10% Wage Limit Morris Says

Joe Morris, President of the Canadian Labour Congress (CLC) which represents 1.8 million organized workers, stressed the CLC will not support the government's 10% limit on wage increases. Morris says the CLC wants to cooperate to fight inflation but "the guidelines are not the type of mechanism necessary to solve the problem." He said, "the cure must achieve equity for all Canadians." He noted that the controls bear harshly on low income groups and do nothing to solve the problem of unequal distribution of national income."

MCH 14/10/75 p2 c1-2

TS 14/10/75 pA4 c1-3

WFP 14/10/75 p.15 c1-2

Labour Leaders Announce Fund to Fight Wage Controls

The CLC's executive council, made up of the heads of Canada's 30 biggest unions, announced the formation of a nation-wide education and publicity campaign to force the federal government to withdraw its "unjust" price and income controls program. The CLC will set up a special committee to mount the campaign and a national fund to pay for the fight. The CLC advised its affiliates to continue bargaining as if the controls did not exist since they are not yet law. The CLC plans to challenge the legality of the proposed Bill C-73 in the courts. The CLC position is that "(the program) will not be able to control prices, corporate profits"

corporate income or professional fees, nor does it intend to control interest rates...Wage controls without corresponding price and profit restraints will reduce the purchasing power of the wage and salary earners throughout the country...Controls are unfair, inequitable and unworkable."

TS 24/10/75 pA1 c7-9

25/10/75 pA3 c1-2

16/10/75 pA2 c3-5

GM 24/10/75 p1 c5-8

25/10/75 p11 c1-8

THE OUTCASTS



Saskatchewan Labour Federation Rejects Controls

The Federation said the programme was designed "to use workers as the cannon fodder" in the fight against inflation. They argue that labour relations come under provincial jurisdiction thus the federal government has no business there.

GM 23/10/75 p1 c1-9

CUPE Rejects Controls

The National Convention of the 210,000 member Canadian Union of Public Employees passed a resolution condemning wage and price controls and told its members to seek whatever wage and fringe benefits they need. Outgoing President, Stanley Little, called the controls a trade-union War Measures Act of 1975. He said that to control the wages of working Canadians without some effective freeze on prices would doom the program to failure. CUPE members along with striking postal workers and members of the Canadian Brotherhood of Transport and General Workers joined 1000 demonstrators to protest the controls before Prime Minister Trudeau in Toronto.

GM 21/10/75 p5 c5-9

TS 20/10/75 pA1 c3-7

24/10/75 pA3 c7-9

" pA1 c7-9

Munro Jeered Over Controls by CUPE Convention

Labour Minister John Munro told the CUPE conference in Toronto, the government's anti-inflation measures are not anti-union. He said the government is committed to the program as it stands and would not be budged by labour opposition. He asked CUPE to reconsider its opposition or be faced with the possibility of much more rigid and comprehensive controls. During his speech Munro was continually barraged with cries and questions from the floor.

OC 22/10/75 p49 c1-5

QUEBEC REACTIONS TO WAGE CONTROLS

Claude Ryan, influential editor of Le Devoir, called the controls a heavy burden but a necessary one and praised Trudeau for having the courage to call workers to account. He argued that wages played the most important role, greater than any other factor, in causing inflation during the past few years. LD 15/10/75 p.4 edit.

Norbert Rodrigue (CSN) denounced the controls stating that they demonstrate clearly that the Trudeau government is hand in hand with the companies and an enemy of workers.

Louis Laberge (FTQ) denounced the controls and wondered why there were no controls on speculation or measures to ensure that those on fixed income did not suffer as a result of the restraint program.

Yvon Charbonneau (CEQ) felt that the measures were unjust because they paralyse the gains made by workers, while allowing corporations to continue profiting.

The FTQ attacked the guidelines stating that the measures will centralize labour relations under federal jurisdiction.

LD 15/10/75 p.1 c1-5

LJ 15/10/75

Questions raised by the Guidelines

The administrator of the new law on wage and price controls will have immense power and will be responsible directly to the cabinet rather than to Parliament; the director will have the power to send in RCMP with the permission of a judge, at any time, in all places, to obtain documents.

LJ 17/10/75 p1

LJ 20/10/75 p5

CNSP NOTE: It remains a serious question how such sweeping powers will be used by the Trudeau government; the other use of sweeping powers during October 1970 is not reassuring.

Trudeau Warns Labour

On his western tour the Prime Minister warned labour that it will be striking for nothing if it uses walkouts to win wage settlements of more than 10%. He said the anti-inflation board will roll back any increases beyond the limit and tax away any excess in wage gains.

TS 22/10/75 p.A1 c7-9

Munro: Unions Not to Blame for Economic Situation

In Hamilton John Munro insisted that other groups in society must recognize the legitimate role of unions. He also said labour must have more say in government economic policies.

OC 2/10/75 p.5 c2-4

CNSP NOTE: Compare this speech with the one Munro made to the CUPE C-convention.

INCREASED ACTIVITY IN DEPARTMENT OF LABOUR

The Federal Department of Labour has decentralized to five regional offices in Toronto, Montreal, Winnipeg and Vancouver in order to be closer to labour disputes. Regional offices will have the mandate to make their own decisions and implement their own programs.

IS 10/10/75 p? c3-6

Social Democrats Order Workers Back

B.C.'s NDP government passed legislation ordering 60,000 workers back to their jobs for a 90-day "cooling off" period. The legislation guarantees workers their jobs but allows employers to lay off and requires "good faith" bargaining. The bill abruptly ended the 2½ month strike in the forest industry, the strike and lock-out at Vancouver's supermarkets, the Teamsters strike against propane distributors and rotating railroad strikes. 3 NDP backbenchers opposed the bill. Barrett said the strikes were threatening the economic stability of the province and the legislation gives B.C. a chance to get back on its feet.

HCH 8/10/75 p3 c1-8

EJ 8/10/75 p1 c1-6

TS 8/10/75 p.A1 c8-9

VP 9/10/75 p10 c1-6

GM 13/10/75 p9 c6-9

Workers Return Defiant

After discussion and the threat of fines of \$1000 per day for individuals and \$10,000 per day for unions, the legislated workers decided to return. The B.C. Federation of Labour plans to continue the struggles against the bill by contesting the nomination of NDP MLA's in the next election.

GM 10/10/75 p12 c1-4

CNSP NOTE: Barrett's move in B.C. which the Vancouver Province called "the most massive intrusion into the private rights of labour and management that B.C. has seen in 30 years", is of key importance. The favourable public reception has opened the way for further interventions into the collective bargaining process. Strategically, the move regained Barrett some of his flagging support, left the opposition parties open-mouthed and labour with no other official party to turn towards in recently announced December election.

Labour Relations Board Unhappy with Industry-Wide Bargaining

Labour and business representatives on the LRB reacted strongly to John Munro's glowing public statements about industry wide bargaining.

OC 10/10/75 p.11 c1-3

Labour Struggles

Introduction

The major news item this month was the postal strike. This postal strike is particularly interesting because of the management tactics used by the Post Office. Knowing the workers had no strike fund and offering a considerable back pay to postal workers who have been without a raise for 18 months, the Post Office held firm on key demands, thereby forcing the strike. The Post Office by-passed the union, going directly to the employees with literature, maligned the leadership and accused CUPW of being manipulated by Montreal (a blatant attempt to stir up anti-franco-phone sentiment). These tactics suggest the Post Office is attempting to divide, weaken and destroy CUPW

Press Analysis

Press coverage of the postal strike was extensive. In general, articles presented only one view of the strike--that of a disgruntled public. No comment or analysis was placed on management's role and tactics in negotiations. As usual, the press picture was of a demanding, powerful, obstreperous and unbending union confronting a mild, good hearted, fair and disinterested employer. CUPW, by its negotiating tactics, forced press coverage of issues other than wages--an unusual step for the press. One writer, Rosemary Speirs, TS deserves commendation for her balanced reports. She presented union as well as the Post Office position.

Events

- | | | |
|--------|--|--|
| Oct. 1 | Fines to businesses not using postal code introduced. | TS 3/10/75 p? |
| Oct. 7 | Report of Moisan, conciliator, is released as is the minority report of the labour representative on the conciliation board. | GM 8/10/75 p1 c3-8 |
| Oct. 8 | CUPW rejects majority report; Mackasey accepts the report, in principle. | EJ 9/10/75 p1 c6 |
| Oct. 9 | CUPW requests resumption of talks; Mackasey is unwilling to go beyond the conciliation report | TS 9/10/75 p.A1 c8- |
| Oct.13 | Wage and price controls announced | TS 14/10/75 pA1 c1- |
| Oct.14 | Mackasey states CUPW will be exempt from controls. | |
| Oct.16 | Postal workers vote to support leadership rejection of the conciliation report and to allow leadership to call a strike. | TS 16/ p.A1 c7-9 |
| | Donald MacDonald states CUPW is not exempt from controls | MG 16 p.1 c6-8
M8 17 p.A1 c1-6 |
| Oct.17 | Talks resume | |
| Oct.20 | CUPW lowers wage demand
Mackasey demands CUPW accept conciliation wage offer "or else". | MS 20 p.A1 c1-3
OC 21 p1 c2-6
GM 21 p.1 c5-9 |
| Oct 21 | CUPW is given 15 minutes to accept wage offer
Postal strike begins | TS 24 p.A1 c6-8
TS 24 p.A3 c2-7 |
| Oct 23 | CUPW requests resumption of talks | |
| Oct 24 | letter carriers are laid off | |
| Oct 25 | Post Office agrees to resume talks and Mackasey is ill | TS 25 pA3 c7-9 |

IssuesWages

The CUPW initial demand was for a 70% raise over 1 year; the Post Office offered 38% over 2 years which was the conciliation report proposal and the wage settlement accepted by the letter carriers. After wage controls were announced CUPW lowered its demand to 51% over 23 months but privately admitted it would settle for 38%.

GM 9/10/75 p1 c5-9
 TS 16/10/75 pA1 c7-9
 OC 20/10/75 p1 c1-3
 GM 23/10/75 p2 c1-9

Automation

The introduction of the postal code has been a long-term source of dispute in the Post Office. Technological change has not been considered a negotiable item for public servants. However, the conciliation report recommended that technological change be negotiated and jobs and pay secured during the life of the contract. Both parties accepted these proposals.

TS 9/10/75 p1 c1-3

Casual Workers

Use of casual, nonunion labour has caused wild cat strikes in the Post Office. CUPW insists that this is a major strike issue and must be resolved before the strike ends. CUPW claims the Post Office refusal to deal with this issue lead to the strike.

TS 21/10/75 pA1 c9
 TS 22/10/75 pB3 c5-9

Other

CUPW stated that issues such as a reduced work week, protection of part-time workers, transfers, assignments and electronic surveillance are important unresolved issues.

GM 22/10/75 p1 c1-2

Reactions

Editorials, comment and letters to the editor all carried a common theme: the conciliation report was the best CUPW members could get and the CUPW leadership was 'stupid' 'hot-headed' and 'cowardly'. Citizen reaction was particularly virulent with suggestions ranging from firing all postal workers to organizing citizen scab labour.

TS 10/10/75 pB4 c1-2
 GM 11/10/75 p2 c1-4
 OC 16/10/75 p6 c2-5
 TS 15/10/75 pB5 c1-2
 GM 23/10/75 p6 c1-2

Pulp Workers out coast to coast

The month began with 23,000 of the 55,000 member Canadian Paperworkers Union (CPU) on strike. Virtually all primary production pulp and paper mills were shut down in B.C. and Ont. and 5 of the 15 Que. mills. By Oct. 9 more Que. mills were shut down and by the end of Oct. workers were out in N.B. as well. Although strikes cut pulp production in Canada by half, pulp users (mainly U.S. newspapers) had been warned of the strike and have stockpiled up to 70 days worth of pulp. This is the CPU's

first strike. The union was formed last year when the Canadian division of an international union decided to disaffiliate. There is no strike fund and the union suspects management of refusing to negotiate in order to break the militant CPU.

VS 27/9/75 p14 c1-2
 GM 14/10/75 pB6 c4-5
 TS 4/10/75 pA1 c3-5
 GM 15/10/75 pB9 c1
 EJ 23/10/75 p59 c3-4

Toronto teachers hit by anti-inflation review board

The 12,000 Metro elementary teachers and 4,000 separate school board teachers have ratified new contracts giving wage increases of over 40% over 2 years. A special factfinder has recommended that metro's 3,300 secondary school teachers receive a raise of 44% over 2 years. All 3 proposed settlements exceed the wage guidelines. School board negotiators insist raises must be approved by the review board. The chief negotiator for the board with the secondary teachers insists he expects teachers to receive raises of 12% and 10% not the recommended 44%.

TS 15/10/75 pA2 c4-5
 TS 17/10/75 pA3 c8-9
 GM 23/10/75 p5 c7-9

Seagrams Boycott

Workers at a Seagram's plant in B.C. have been locked out since February. An order to reinstate workers has been ignored. Provincial government employees unions in B.C. Sask. and Man. are (with the support of their employers) refusing to handle Seagram products.

EJ 2/10/75 p64 c6-8

Quebec nurses ordered back to work

Nurses in Quebec walked off the job to protest the lack of an offer from the government in 7 months of bargaining and to halt management abuse of their offer to provide emergency services. Four hospitals obtained injunctions stopping the nurses' call-in-sick campaign. The nurses returned with no settlement. They are asking parity with Ontario nurses who earn close to double Quebec nurses' wages.

TS 13/10/75 pA1 c2-4
 GM 14/10/75 p8 c1-4

Workers die

One worker died and 16 were injured in an explosion at a Vancouver grain elevator. Grain dust exploded shortly after a small fire started on the top floor of an elevator. In Montreal 8 workers died in a CIL plant that manufactures explosives. A CIL explosive manufacturing plant in Calgary blew up last April, killing 6 workers and injuring 3. On the day of the inquest into the Montreal blast, a CIL plant in Brownsberg Quebec, exploded injuring 3 workers. A union spokesman at the plant said the union has been warning management of unsafe conditions for 2 years.

TS 2/10/75 pA1 c1-3
 TS 4/10/75 pA3 c4-5
 TS 22/10/75 pB15 c1-4

Quebec Labour

Introduction

For Quebec workers reaction to the wage guidelines see Labour General. The guidelines' announcement has already affected two sets of workers in Quebec. Union leaders in the Asbestos strike ended their strike before the guidelines come into effect. In the public sector the 165,000 workers in the Common Front are seeking a new contract with the Quebec government. Although the Que. gov't is not bound by the guidelines, unionists argue that the government refused to make public their offer before the guidelines were announced therefore increasing the pressure on the public sector workers to abide by the guidelines.

Seven month Asbestos Strike Ends

Workers will receive \$1.39 an hour over a two year period; before the strike they were receiving \$3.73 an hour. Since the raise is above the guidelines, union leaders accepted a settlement hours before the guidelines came into effect.

EJ 15/10/75 p59 cl-4

What did the Strike Achieve?

Workers cited the following gains from the strike:
55¢ an hour more than the workers at Johns-Manville, who settled without going to strike last spring.
law 52, giving more protection to workers who are afflicted with work-related diseases, the direct result of political pressure on the gov't.
the support for the strike from other workers and communities in Quebec.
The CSN however, representing 2,500 of the 3,500 strikers said the following demands were not achieved:
controls on pollution within the mines, comparable to Ontario standards;
the government argued for a delay of at least 3 years to bring in higher standards of safety.
the right to stop production if pollution in the mines rises to to unacceptable levels.

LJ 15/10/75 p18 full page

LJ 16/10/75 p5 cl-6

The Common Front Negotiations

Introduction: In 1972, the common front of CSN, FTQ and CEQ led some 200,000 workers in a general strike asking for a minimum salary of \$100 per week. Bourassa ordered workers back to work and jailed 3 presidents of the centrals. In 1975 the climate is quite different as negotiations go on. Now the government is on the offensive, being deliberately provocative; and union officials are notably cautious and concerned to avoid the public arena.

Negotiations affect some 275,000 employees, although only 185,000 are grouped in the common front.

LJ 18/8/75 p3 c2-7

The key demand this time is a minimum wage of \$165 a week or \$4 dollars per hour. The government is likely to want the minimum wage rate to remain at 2.60 an hour or \$104 a week, so as not to put undue pressure on private industry who use minimum wage rates. LD 6/10/75 p4 edit.

The Common Front will maintain its wage demands despite Trudeau's controls. Negotiators argue the Quebec government is not bound to observe the guidelines for workers under its jurisdiction. Union officials accuse the

Vol. III No.8

government of delaying negotiations in order to use the guidelines as a weapon against the common front. LJ 11/10/75 p9 c5-6

There has been a further delay in announcing the government wage offer in the public service negotiations; the new date is near the end of October. LD 18/10/75 p1 c1-6

UNITED AIRCRAFT

The negotiations throughout the summer followed a pattern seen before in the strike, company delays in the scheduling and number of employees to be reintegrated when the strike ended. Towards the end of July, the company offered to take back about 400 workers within 3 months; the remaining 400 would not receive any guarantee of employment (LJ 24/7/75). In response, Bourassa proposed a compromise whereby the company would reintegrate 504 workers within 3 months, and another 203 within six months. The Laporte report had recommended that workers be reintegrated within 15 days. (LJ 18/8/75 p3). On August 28th, the union agreed to sign a new collective agreement with United Aircraft on the basis of Bourassa's compromise. LJ 29/8/75 p3

CNSP NOTE: The strike at United Aircraft ended in a bitter defeat for workers; they had to face the strong-arm tactics of the company, and virtually no help from the Quebec government, had to give in on important demands such as the Rand formula, and saw their numbers continuously eroded as the strike dragged on for 20 months. In another way, however, the strike was a victory; it became a cause celebre very much like the asbestos strike of 1949. It brought a new consciousness of the role of multinational corporations to workers, not only at Longueuil but across the province. Commentators predict it will result in new tactics and strategies when workers in Quebec again confront MNC's in future strikes.

Andre Choquette Acquitted

Andre Choquette, the former director of the United Aircraft strike was found not guilty of causing mischief in a violent demonstration, Oct, 1974 at United Aircraft. He still faces charges surrounding the occupation of the factory in May, 1975. He has been held in prison since that occupation; 33 other workers also face charges. LJ 17/10/75 p34 c1-3

Construction

The number of workers in construction has declined since 1972. The growth rate then was 8.7%; in 1974 it was .8%. Similarly in 1972 salaries increased 24.9%, in 1974 the increase was 11.9%.

OC 18/10/75 p12 c6-8

The official recruitment campaign begins today in the construction industry, a time when workers opt for the central of their choice. It will be the first real test of the effectiveness of the Cliche enquiry. In 1973 72% of workers were affiliated with the FTQ, 23% with the CSN and 5% with the CSD. Results will be known in Nov. LJ 1/10/75 p3 c4-6

Native Peoples

Introduction: Mercury pollution and land claims were the two issues that dominated press coverage of the Native Peoples this month.

Mercury Pollution

The seriousness of mercury pollution is being forced upon people in a way that makes it difficult to ignore. A Japanese medical team has tested native people in the Grassy Narrows area and confirmed the existence of mercury poisoning (Minimata disease). Japanese victims of Minimata have toured Ontario discussing their condition and the need for a public outcry with many groups including government ministers. Members of the Grassy Narrows and White Dog bands have travelled to Japan to see for themselves the impact of mercury pollution on communities there. It is evident from this month's coverage that without public pressure the government and business will continue to ignore the problem and treat native peoples with insensitivity. Thus the "genocide" will continue. The geographical spread of mercury poisoning indicates that it is no accident but a logical by-product of our entire system.

More Mercury contamination found

Federal testing for mercury contamination in the Lake Temiskaming area has been accelerated in the wake of results that show the situation is worsening.
GM 2/10/75 p9 cl-2

"Indian people reported finding dead fish floating on the lake (Pinchi Lake about 100 miles northwest of Prince George, B.C.) and in 1968 we got up a petition asking for a biologist to examine the fish but we were ignored". Mr. Prince said, "we tried to bring the situation to the attention of the authorities but the white people wouldn't listen."

WFP 16/10/75 p14 cl

Dryden Chemical Co. discharged more mercury than originally reported into the English-Wakigoan River system in northwestern Ontario last year, a federal environment official confirmed yesterday. But the discharge was still within federal limits. Mr. Buffa said the company had not reported all of the discharge because of a misunderstanding.

TS 7/10/75 pA4 cl-4

Travelling Troubadours

Leo Bernier, Minister for Natural Resources and M.P.P. for Grassy Narrows called the visiting Japanese medical team a group of "travelling troubadours" and criticized them for not following proper protocol.

GM 4/10/75 p5 cl

Stop Smoking not Mercury

Ontario Health Minister Frank Miller is tired of people complaining about health hazards facing Indians in Northwestern Ontario while the complainers go on killing themselves with what he calls diseases of choice (exercising too little and smoking too much).

GM 16/10/75 p9 cl

About 30 members of the North American Indian Movement demonstrated outside Queen's Park yesterday, demanding an end to mercury pollution in northwestern Ontario and the resignation of Judd Buchanan, federal Minister of Indian Affairs. The protesters demanded that "the federal and provincial governments change their values to make human lives more important than industry."
MS 1/10/75 pE10 c7-8



Land Claims

The question of land claims is extremely complex and not fully understood. However certain things are clear. Native people have historically been in confrontation with the development of the capitalist economy. They are a labour force that was disposed of when the fur trade ended and wage labour began. For employers it was simply much cheaper to import new workers rather than re-train native peoples. Thus native peoples became a reserve labour pool. Their present struggle over land claims is a continuing of the basic conflict over who will control their lives.

Indians Claim Oil Sands

Since proposals to ensure Indian participation in the oil sands development seem to have been scrapped, native unemployment in the area exceeds 90%. The Indian Association of Alberta has launched a suit to gain "full and total" control of the development.
WFP 1/10/75 p10 c5-8

Quebec Inuit Dissent

Nearly a third of the Inuit population of Northern Quebec has quit negotiation between native people and James Bay Development Corporation. They are angry the agreement does not replace their hunting and fishing land. They also feel they will not benefit from the 25% royalties since there will probably be little development in northern Quebec within the 50 year time frame.

MG 16/10/75 p1 c1-6

Buchanan Doesn't Care for Whales Either

Inuit Tapirisat, a second national native organization, has told Indian Affairs Minister Judd Buchanan that it no longer has confidence in him. The letter was a reply to Buchanan's decision not to grant a temporary freeze on drilling and seismic work in two areas near Tuktoyaktuk, N.W.T. The people of the area asked to have the work stopped to protect migrating whales and nesting birds.

VS 30/9/75 p7 c6

Indians Told Their Business

The Indian and Metis of the N.W.T. should get on with the job of making a land claims proposal, says Judd Buchanan, Indian Affairs and Northern Development Minister. "Just keep your nose to the grindstone, do your job and come forward with a proposition, which the federal government is funding you to do" he said in an interview. "Why they feel the necessity to keep drawing red herrings across the path before they've finished their work, I don't know."

OC 9/10/75 p43 cl-2

How To Build a Pipeline

Judd Buchanan said yesterday that the federal government would be prepared to approve a northern gas pipeline that is in the Canadian public interest even if the contentious land claims issue is not resolved. Native people won't have a veto even if they own every square inch of the MacKenzie Valley.

ME 17.10.75 pAll cl-2

Ottawa's willingness to trade off environmental standards for pipeline investments in the North is documented in confidential records of the Task Force on Northern Oil Development, a committee of senior civil servants and in confidential documents of the Cabinet and other government bodies. The Task Force strategy was to get the pipelines built quickly before native groups could organize. The Department of Indian Affairs and Northern Development was the chief architect of this policy.

MS 21/10/75 pE1 c3-6

P O L I T I C A L - Federal

Cabinet Shuffle

Prime Minister Trudeau's cabinet shuffle in the wake of John Turner's resignation is no more than a first, technical step in restoring the country's confidence in its economy and its leadership.

Donald MacDonald was moved from Energy to Finance; Don Jamieson to Industry, Trade and Commerce, Otto Lang to Transport, Ron Basford to Justice, and Marcel Lessard to head of the Department of Regional Economic Expansion. Alastair Gillespie was moved to Energy.

HCH 30/9/75 p6 cl-2

VS 27/10/75 p4 cl-2)

Conservative Leadership Race

So far in the running are:

- Brian Mulroney, Montreal labour lawyer who sat on the Cliche Commission. Little known outside Quebec, he has been a top organizer and fund-raiser.
- John Horner, from the party's right wing, he has stated opposition to price and incomes controls, support for capital punishment and for reduction in immigration.
- Flora MacDonald, former party secretary and first woman to seek leadership.
- Heward Grafftey
- John Fraser, self-described as a tough-minded moderate. He has been quietly building a country-wide campaign organization during the past months.

- Sinclair Stevens, finance critic for the opposition and considered a strong contender.
- Joe Clark

GM 16/10/75 p13 c3
 TS 21/10/75 pA13 c12
 MS 9/10/75 pA8 c1-3
 VS 3/10/75 p16 c1-2
 TS 25/10/75 pA11 c1-3

Liberals lose by-election

The liberals lost their first election in Hochelaga riding in 50 years when Communications Minister Pierre Juneau's budding political career suffered a defeat to Jacques Lavoie's (PC) victory. Juneau, a handpicked Trudeau candidate, left the Chairmanship of the Canadian Railway and Transport Commission to accept the communications portfolio, vacated by Gerard Pelletier.

GM 16/10/75 p1 c1-6
 EJ 15/10/75 p1 c1-2

P O L I T I C A L - Provincial

Provincial reaction to wage and price controls:

Quebec: Will bring in legislation to set up its own price and wage review board, to prevent what Bourassa called "a constitutional precedent". The Premier said he would not cut back government spending and that justifiable wage catch-ups may be allowed.

MS 17/10/75 pA8 c1-6

Ontario: will join the national restraint program for at least two years, but wants the Federal Government to toughen its controls to ensure there is "an absolute minimum abuse of exemptions and loopholes".

OC 22/10/75 p1 c1-5

British Columbia: Premier Barrett vows to fight Ottawa's program unless major changes are made and "we.../begin/ to talk about redistribution of wealth and of opportunity". B.C.'s main objections are failure to impose controls on interest rates and weaknesses in controls of prices and profits.

MG 14/10/75 p10 c7-8

Newfoundland: Premier Moores announced support, in particular by cutting back on current and capital account expenditures.

MG 14/10/75 p10 c7-8

Prince Edward Island: Premier Campbell stated that PEI will withhold full support until assurances are made that regional disparities are taken into account.

OC 14/10/75 p47 c5

Saskatchewan: is watching to see whether Ottawa will really enforce price controls. Premier Blakeney feels that limits set at the lower income end were too low.

OC 14/10/75 p47 c1

Housing

35

Rent Controls

Premier Davis promised to give rent review boards the interim power to roll back unacceptable rent increases when the new legislation was announced July 30. The review boards would have to seek court action against unfair increases.

OC 1/10/75 p1 c3-5

The Supreme Court of Canada reserved decision on a case which is testing a simpler, cheaper way for Ontario tenants to challenge their landlords in court. No date was set by Chief Justice Boro Laskin for a ruling on an appeal by Pajelle Investments Ltd., owner of a Toronto apartment against a lower court decision granting a tenant a rent rebate of \$120. The case is the first to go to the Supreme Court. The Ontario Landlord and Tenant Act permits tenants to make summary application to a county court judge when they want their leases broken or restitution made after a landlord has failed to keep their premises in a good state of repair. This allows tenants to argue their own cases without lawyers and gives judges freedom to bring in matters that are not entered as evidence.

OC 15/10/75 p46 c3-4

Education

Labour studies for trade unionists will be offered in three schools across Canada. Courses range from collective bargaining, labour leadership development, labour history and politics to industrial hygiene. Niagara College, one of the participating institutions, will also sponsor workshops and conferences.

GM 3/10/75 p5 c7-9

The Media

Opposition by U.S. broadcasters to Canada's moves to restrict U.S. broadcasting is growing on a major scale. The furor was caused by Canada's plans to substitute Canadian commercials for American on U.S. T.V. signals picked up by cable in Canada. T.V. stations in Buffalo are threatening to jame their signals, subject to Federal Communications Commission (U.S.) approval.

GM 10/10/75 p17 c1-2

See also report of Kissinger's visit in Intenational Section.

POLITICAL JURIDICAL

Introduction: A proposed "Peace and Security" bill is to be put before the House of Commons soon. It will include tighter security measures and the abolition of capital punishment. The bill will probably not be passed until mid-1976 and public reaction will have a chance to cool before the Liberals face another election. The Federal justice department's attempt to abolish the Quebec Police Commission seems to indicate growing centralization of judicial power by the Federal Government.

"Peace and Security" Crime Package

Prime Minister Trudeau and Solicitor General Warren Allmand have indicated that a new crime package is under consideration by the Cabinet. The package is believed to include the following:

- an enlarged National Parole Board better equipped to decide on the release of prisoners into the community.
- abolition of statutory parole which allows reduction of a prisoner's sentence by 25% for good behavior behind bars.
- substantial increases in the number of prison guards.
- more money for the RCMP whose budget has already climbed by \$50 million.
- reduction in the size of prisons to improve contact between prisoners and staff.
- licensing of gun owners rather than the weapons themselves. Licenses would be granted only after thorough screening.
- Abolition of capital punishment.

OC 17/10/75 p13 c5-7

TS 10/10/75 pA1 c1-6

Stay of Execution

A nine-month stay of execution has been granted to Rene Vaillancourt, Real Chartrand and John Francis Connery.

TS 23/10/75 pA1 c1-2

Quebec Police Commission

The Federal Justice Department asked the Supreme Court of Canada to abolish the Quebec Police Commission inquiry into organized crime on the grounds that the "province is not empowered to conduct such inquiries."

MS 10/10/75 pA1 c1-6

For more information on Canada's defence industry see Trade Section of this publication.

Aircraft Industry

Proposals for re-structuring Canada's aircraft industry have been submitted by the Boeing Corp. which has a bid to manufacture a new long-range patrol aircraft (LRPA). Lockheed is also competing to build the LRPA. McDonnell Douglas, owners of Douglas Aircraft Co. of Toronto is making a restructuring proposal and bidding on the provision of 127 F-15 fighter planes to Canada. The McDonnell Douglas proposal is to form one firm called Canadian Aerospace Ltd. with about 7,400 employees. This firm would include Douglas Aircraft, the government-owned de Havilland Aircraft of Canada and Canadair Ltd. The new firm would build the F-15's at a cost of \$1.5 billion and employ 2,000 in Montreal and 500 in Winnipeg. The Grumman Aerospace Corp. is also willing to participate in a restructured industry with an equity purchase of up to \$10 million over three years with operating managerial assistance if Canada buys Grumman's F-14. The company wants to build 300 fighter planes.

WFP 3/10/75 p6 c1-6

VS 30/9/75 p1 c1

MS 11/10/75

LATIN AMERICA NEWSFILE

ARGENTINA

Inflation in Argentina was 257.7% for the last 12 months. (VS 4/10/75 10 c5)

Acting President Luder ordered the armed forces to lead a renewed anti-terrorist campaign. (VS 4/10/75 43 c1-2)

A well-coordinated attack on the infantry barracks on the city of Formosa near the Paraguayan border was led by Montonero guerillas. Twelve battalions cooperated in this effort to capture arms and 50 automatic rifles were secured. As many as 40 soldiers and insurgents were killed. The guerillas fought their way to the airport, boarded a previously hijacked airliner and landed at Rafaela, escaping in waiting cars.
(LJ 9/10/75 17 c1-6) (EJ 6/10/75 8 c1-2)

The "fight against subversion" will be directed by a new internal security council, led by the President, and eight ministers along with the commanders of the armed forces. Anti-subversive campaign is thus taken out of the hands of the Argentina federal police. (WFP 7/10/75 15 c3-4)

The Left Peronist Montoneros announced that they will increase attacks against military units. There were several attacks yesterday in Cordoba, Argentina's second largest city; and two guerillas were killed and a third arrested in confrontation with police at Corrientes 1000 kms north of Buenos Aires. (LJ 9/10/75 17 c1-6 af)

Security forces have detained more than 130 people in the 24 hours since the armed forces were authorized to wage war on left-wing guerillas. The campaign was previously confined to Tucuman where the ERP group had been under heavy pressure. (MS 10/10/75 A8 c5-6)

Chilean refugees protesting their living conditions in Argentina, seized 14 hostages at the U.N. High Commission for Refugees office. The Argentine government guaranteed safe passage out of the country if a third country would receive them. Algeria agreed to receive these Chilean and Brazilian refugees and they flew to Algiers Friday night.
(MS 9/10/75 A12 c5-6, LD 9/1075 p9, c3-6
06 11/10/75 19 c1-2)

At a rally of 40,000 people marking the 30th Anniversary of her husband's rise to power, President Isabel Peron made her first public appearance since resuming her official duties on October 16. She called for dialogue among all political sectors, respecting ideological pluralisms but asked for a unified fight against terrorism.
(LD 18/10/75 c5-6 afp, OC 18/10/75 33 c1-3)

BRAZIL

Brazilian security officials have arrested at least 64 more people, including 20 members of the opposition Brazilian Democratic Movement (MDB), in Sao Paulo state. Also arrested was the president of the metal worker's union in Sorocaba, and the vice-president of the union in Sao Cautano do Sul. The union represents the most skilled workers in industry and is one of the few which has continued to resist government attempts to repress union freedom. (MS 22/10/75 pC21 c3)

Britain and Brazil are negotiating joint ventures in the oil, steel and railway industries. A subsidiary of British Steel Corp. and the state-run Brazilian Petroleum Co. will construct an off-shore exploration platform. (GM 22/10/75 pB5 c1)

CHILEBilateral agreement on consolidation of Chilean Debt:

Chile has signed with the U.S., Spain, West Germany and Japan, bilateral agreements on the consolidation of its external debt. Similar agreements are about to be signed with Canada. These countries total 80% of credits allocated to Chile.

These agreements were interrupted after the failure of negotiations of the Club of Paris, which composed all Chile's creditors. Several countries, among them Britain, Sweden and the Netherlands had refused to negotiate with the military junta which had overthrown President Allende.

The conditions on consolidation were slightly more severe than in the previous agreement. West Germany made a statement calling for the establishment of human rights by the junta.

The new agreement applies to 65.3 million marks. The amount payable immediately was raised from 20 to 30 %. Interest rises from 3 to 4.5% for capital aid and from 7.25 to 7.75% for commercial aid.

(LD 15/10/75 8 c1-2 afp)

London demands Chile pay total debt:

Britain has asked Chile to pay its total commercial debt (capital & interest) falling due in 1975, which amounts to about 17 million pounds. The entire debt which Chile owes Britain is 110 million pounds. This year the British government has received only 4 million dollars in interest on the debt. (LD 17/10/75 8 c3-4 afp)

Chile entered its third year of military rule with record unemployment, declining industrial production and growing unrest. The drastic Economic Recovery Plan, with its huge cuts in government spending and in note issues, has sent industry into recession and created a staggering "social cost" that even Pinochet has publicly indicated may be too high. Nearly 17% of the Labour force is unemployed; cost of living increases in the first eight months of 1975 were 221.2%; and production in May was 26.4% down from the previous May. Simultaneously, the government has been

Housing

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Rent Controls

Premier Davis promised to give rent review boards the interim power to roll back unacceptable rent increases when the new legislation was announced July 30. The review boards would have to seek court action against unfair increases.

OC 1/10/75 p1 c3-5

The Supreme Court of Canada reserved decision on a case which is testing a simpler, cheaper way for Ontario tenants to challenge their landlords in court. No date was set by Chief Justice Boro Laskin for a ruling on an appeal by Pajelle Investments Ltd., owner of a Toronto apartment against a lower court decision granting a tenant a rent rebate of \$120. The case is the first to go to the Supreme Court. The Ontario Landlord and Tenant Act permits tenants to make summary application to a county court judge when they want their leases broken or restitution made after a landlord has failed to keep their premises in a good state of repair. This allows tenants to argue their own cases without lawyers and gives judges freedom to bring in matters that are not entered as evidence.

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GM 3/10/75 p5 c7-9

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GM 10/10/75 p17 c1-2

See also report of Kissinger's visit in Intenational Section.

hit by the slump in Copper prices, which finance minister Cauas claims cost the nation \$1 Billion; and the Central Bank has denied an ECLA report that Chile would have a 1975 trade deficit of \$900 million.

(MS 1/10/75 pA18 c1-8)

Former vice-president Bernardo Leighton and his wife were shot in Rome. Leighton was a founder of the Christian Democratic Party and was vice-president before Allende came to power. He was in voluntary exile in Rome and had been openly critical of the military regime.

(MS 7/10/75 B3 c1-2)

The United Nations on Chile

The principles proclaimed by the Universal Declaration on Human Rights have not been applied in Chile with respect to civil and political rights, freedom of opinion and expression, freedom of conscience and the right to privacy.. So concludes the report presented to Kurt Waldheim, Secretary General of the United Nations, by a special work group of 5 members empowered by the Human Rights Commission's Feb. 1974 resolution to investigate the situation in Chile.

The Santiago government has refused the working group access to Chile, but has received many written communications and oral testimony from Chileans, some of whom came to Geneva from Santiago to speak. The report underlines that "Chilean citizens cannot exercise their right of participating in the public affairs of their country; that they cannot vote and finally "only those who support the military government can express themselves".

(LJ 16/10/75 p15 c4-5 afp)

The Chilean Ambassador to the U.N. rejected charges of torture, but acknowledged that "appropriate measures had been prudently applied" to deal with "domestic commotion".

(MS 18/10/75 pA5 c7)

Dagoberto Perez, a leader of MIR, was killed by security forces in Santiago.

(MS 17/10/75 pD1 c3)

CUBA

There were both plots and assassination attempts on Premier Fidel Castro during three U.S. Presidencies, the Chairman of the Senate Intelligence Committee has advised. Richard Helms, former CIA director, told Senator Frank Church's committee that there were attempts on Castro's life under Eisenhower, Kennedy and Johnson.

(WFP 6/10/75 p11 c1-6)

The U.N. World Food Program has approved a \$ 31 million food-aid project for Cuba -- the first grant by the Agency to that country.

(EJ 7/10/75 p13 c3)

DOMINICAN REPUBLIC TEN YEARS AFTER

(The author of this article, Edward Morin, a Foreign Missions priest, was one of the members of an Ad Hoc Committee comprising citizens of the U.S. and Canada, who went to the Dominican Republic Sept. 7 to 11, 1975, to

verify on the spot numerous accusations of violations of human rights by the regime of Dr. Balaguer. In addition to Mr. Morin, who represented the Canadian churches (Anglican, United and Catholic), the committee was made up of Philip Wheaton, advisor to the U.S. National Council of Churches; Mirta Vidal of the American Committee for Justice to Latin American Political Prisoners; and William Davis, Director of the Bureau of social ministers of the U.S. Jesuit Conference. Also participating as members of the committee were: Leonard Woodcock, president of the United Auto Workers; Ida Langman, representative of Women's International League for Peace & Freedom, and James & Margaret Goff of Noticias Aliadas & Latin American Press).

- The year 1975 marks the 10th anniversary of the intervention of the U.S. army in the Dominican Republic. In April 1965, 42,000 "marines" landed on this small Caribbean Island and took an active part in struggles against the popular forces who were allied to the "constitutionalist" sector of the army. The marines had come to contain "communist subversion" and to prevent ex-president Juan Bosch from taking over his functions as head of State, and to put in his place a former and faithful servant of the dictator Trujillo, Dr. Balaguer.
- In the last 3 years of Balaguer's government, the cost of living has risen 50%. More than 35% of the population is unemployed; half the island's inhabitants suffer from malnutrition and 40% are illiterate. Balaguer's regime is developing the tourist industry to make the island the "paradise of Americans". But hundreds of thousands of Dominicans have had to immigrate to the U.S. in order to survive.
- Those who protest or resist are harshly repressed, tortured or assassinated. Since 1966, nearly 2000 Dominicans have been killed by extreme rightist groups or the National Police, trained in the U.S. Hundreds of political prisoners stagnate in prisons, and lately, in June 1975, harsh repression came down on trade union, political and peasant organizations. Our Ad Hoc Committee went to the Dominican Republic at the request of Dominican union peasant and political organizations. We went as observers with the frank intention of opening a dialogue with the different sectors of Dominican society on violations of Human Rights. We had conversations with hundreds of Dominicans and their union & political leaders. We realized that these testimonies were not rumors or opinions but reflected "a generalized system of social & political repression".
- All possible means are used to prevent workers from forming trade unions. Democratic elections in the workplace are difficult because of intimidation and legal bureaucracy. These tactics have brought about the destruction or illegal dissolution of the unions. Union leaders are threatened with firing. Several leaders and union militants have been assassinated by their employer's agents. Legal mechanisms, the present government repression, and bosses have joined efforts to make strikes difficult. Union leaders who have been silenced by intimidation are imprisoned under false accusations and frequently without charge.
- The peasants are harshly repressed on lands that are threatened by expropriation. Peasant leaders who defend their friends' rights to remain on the lands that they have tilled for years are brutally killed.

Trade unions, political parties, families and lawyers of political prisoners are unanimous in affirming that habeas corpus does not exist in the D.R. We learned how political prisoners are treated. Beatings, lack of food and poor quality of food are common. Frequently, prisoners disappear; the police always give the same explanation: killed while attempting to escape. Other prisoners have testified that they witnessed public executions in broad daylight.

Several leaders of political parties have affirmed that the present regime of Dr. Balaguer prevented them from holding public outdoor meetings, except for brief periods preceding presidential elections (every 4 years): They are forbidden to speak on radio and t.v.

(LD 4/10/75 p5)



MEXICO

Mexico asked the U.N. to impose a trade and diplomatic boycott on Spain leading the way by cutting off all trade, news, communications and other links with Madrid. Additionally all persons connected with the Spanish government were ordered out of Mexico. These measures follow President Echevarria's call for an urgent meeting of the U.N. Security Council following the execution of 5 Spanish extremists. (HCH 30/9/75 p12 c1)

PARAGUAY

Paraguay is one of those countries in Latin America where life has the characteristics of survival. Next to Haiti, it is among the poorest

nations of the continent, according to U.N. statistics.

Each year, 30,000 people abandon the nation looking for employment in the bordering countries. The population increases 4% on the demographic level and decreases 1% because of emigration.

These circumstances are desperate if we consider that Paraguay was more prosperous 90 years ago than today. Since General Stroessner took power 22 years ago, funds spent on repression absorb a fifth of the national budget. In 1965, taxes paid by low income consumers represented 58.8% of the total income, whereas large landowners and property owners paid out only 15.9% according to official figures. The situation of wage earners with respect to taxes worsened in 1974, as their proportion of taxes surpassed 62.40% while the large landowners, the upper class and foreign investors contributed 3.94% as opposed to 4.8% in 1970.

The "Bank of London and South America Review", in its March edition this year, revealed that the cost of living increased 14.1% in 1973 and 25.2% the following year, but indicated that these calculations are considered inaccurate and much higher than the reality in Paraguay. The daily minimum wage for an urban worker is 285 guaranis (2.26 dollars) and for a peasant 26 centimes, about \$7 monthly.

Statistics from international organizations show that 47% of the inhabitants consume less than 2200 calories per day, barely the minimum for survival. In fact, about 30% absorb between 1500 and 2000 while 17% consume less than 1500, subjecting them to death from malnutrition.

The U.N. Children's Fund (UNICEF) states that for every 1000 children born, 80 to 90 die from lack of attention, and of these 11% die from gastroenteritis and several parasitical illnesses. Meanwhile, oriented by the U.S. Agency for International Development, the Ministry of Public Health has unleashed an intense advertising campaign to convince the population that most of its problems are due to over-population or the rapid increase in birth rate. But this argument is countered by the fact that there are only 6.3 inhabitants per square kilometre.

In the present socio-economic panorama, the young are the ones who have the least opportunity and perspectives over the next 5 years. In 1980 355,000 will swell the ranks of the unemployed. And the government is doing nothing to change this situation. (LJ 11/10/75 p18 c1-6)

VENEZUELA

President Carlos Andres Perez has urged OPEC to establish a fund of \$1.5 to \$2 Billion to ease the effect of OPEC's 10% price increase on its Third World customers. Perez proposes the fund make outright grants instead of loans. (VS 2/10/75 p37 c3-4)

The Investment Fund of Venezuela (FIV) is planning to establish a merchant bank in London. The FIV was set up in June 74 to prevent the influx of foreign reserves from having an inflationary effect on the economy. Presently, 85% is invested in the U.S. FIV's intention is to operate more extensively in the European market in an effort to break its undue dependence on the U.S. (WFP 7/10/75 p.52 C3-6)