

canadian news

synthesis

project



NOVEMBER
1975

volume
III
number

9
\$1.00

canadian newssynthesis project

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

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

clipping service

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

newspapers used

Toronto Star	TS
Globe and Mail	GM
Financial Post	FP
Ottawa Citizen	OC
Montreal Star	MS
Vancouver Sun	VS
Halifax Chronicle Herald	HCH
Winnipeg Free Press	WFP
Le Devoir	LD
Le Jour	LJ
Hamilton Spectator	HS

special publications

Chile and the Canadian Press	50¢
The Resource Question: Whose Priorities	25¢
GAI: "Only Solution" or Welfare Jungle?	50¢

subscription rates

**box 6300
station 'A'
toronto 1**

\$10.00 per year for individuals; \$20.00 per year for institutions. (Add \$10.00 per year for Air Mail Service; add \$5.00 extra in Canada for First Class.) Back issues are available at \$1.00 per copy. The Canadian News Synthesis Project publishes monthly, except August.

NOVEMBER HIGHLIGHTS

New international monetary arrangements, as industrialized countries try to deal with inflation has worsened the position of underdeveloped countries.

Canada is suffering from the decline in commodity prices for her exports and increased prices for manufactured goods imported.

Ottawa and Alberta agree on a Natural Gas price pegged at the Toronto wholesale price; Saskatchewan announces nationalization of 50% of its potash industry.

In the wake of wage controls, labour bargaining has stalemated as employers quite willingly obey the wage guidelines, refusing to grant increases over the guideline level.

The native peoples agreed to a settlement of their land claims in James Bay with the understanding that they will drop any court action against the James Bay Corporation.

The Liberal party convention is highlighted.

A new defence spending program is announced.

In the Latin American section, we highlighted a summary of recent events in Chile produced by the Latin American Working Group in their December 1975 Lawg Letter.

CNSP'S FIRST VENTURE INTO PUBLISHING IS NOW A REALITY WITH OF DUST AND TIME AND DREAMS AND AGONIES: A SHORT HISTORY OF CANADIAN PEOPLE now available!
--see attached flyer and order form.

INDEX:

CANADA-INTERNATIONAL	pp 1-3
FOREIGN INVESTMENT	3-5
TRADE	5-6
ECONOMY GENERAL	7-8
PRIMARY PRODUCTION	
agriculture	9-10
fishing	10-11
mining	11-12
oil and gas	12-14
hydro	14-16
SECONDARY MANUFACTURING	16-17
TERTIARY	18-19
LABOUR GENERAL	20-22
LABOUR MOVEMENTS	23-27
QUEBEC LABOUR	28-29
WOMEN	30
NATIVE PEOPLES	30
GOVERNMENT-FEDERAL	31-33
SOCIAL WELFARE	34-35
MILITARY	36
MEDIA, CULTURE, EDUCATION	37
LATIN AMERICAN NEWSFILE AND CANADA-LA RELATIONS	38-



goes to Third World nations. The U.S. pays one quarter of FAO's annual \$50 million budget. Canadian Agriculture Minister Eugene Whelan told delegates not to relax just because there was a short run gain in the world food situation this year. (MS 17,10,75 pD1; MS 12,11,75 pE8; MS 24,11,75 pA6; OC 12,11,75 p66; OC 24,11,75 p17)

The United Nations estimates that there are 400 million starving or mal-nourished people and that the demand for food will continue to grow at a rate of 2.4% a year during the 1970s and 1980s. Scientific data indicates that in the northern hemisphere the temperature has dropped an average one half a degree since 1930. This has trimmed about a week from the growing season in the chief growing areas. World food buffer stocks, depleted in 1972 by heavy Soviet purchases, amounted to 26 days consumption, in the summer of 1975. 1975 harvests will be only about 3% better than the last good harvests of 1973, and below intervening population growth. The temptation to use food as a diplomatic weapon by the U.S. runs up against the fact that oil countries have relatively small import requirements and huge cash resources. Developed countries with 30% of world population consume more than 50% of world food. (GM 10,11,75 p5 cl-3 feature Lydia Dotto; TS 3,11,75 pC4 feature)

CANADIAN TRADE WITH DEVELOPING COUNTRIES

In 1974 Canadian exports to the main recipients of its foreign aid amounted to \$1.5 billion; Canada imported .75 billion. Development country exports to Canada (1974) were:

India	\$60 million	
Nigeria	85 million (petroleum)	
Brazil	75 million (1st half of 1975--coffee, auto parts and textiles)	
Cuba	34 million (1st half of 1975--raw sugar, fish and cigars)	
Malaysia	60 million (timber, rubber, tin)	
Jamaica	25 million	
Trinidad		
& Tobago	14 million	(OC 4,11,75 p63 cl-8)

CANADIAN AID TO DEVELOPING COUNTRIES

Canadian contribution to the UNDP is up \$4.5 million in 1975 for an overall total of \$24.5 million. (OC 6,11,75 p40 cl)

CIDA will spend \$900 million on programs in developing countries. Of this, \$600 million is spent on Canadian goods and services. Almost a thousand Canadians are working abroad on contract to CIDA and many hundreds of firms hold CIDA contracts. (GM 14,11,75 pB9 cl-2)

CANADA-INTERNATIONAL RELATIONS

WORLD ECONOMIC INDICATORS

The position of non-industrialized countries worsened in trade in 1975, according to the report of the secretariat of the General Agreement on Tariffs and Trade. Except for a rise in the price of oil, commodity prices declined, but manufactured goods exported from industrial countries increased in price. (OC 29,10,75 p8; GM 8)

GATT members fear growing restrictions on international trade, following Sweden's move last month to cut imports of footwear, and Britain's plans to cut imports, in order to protect home industries. European producers are worried by protectionist trends which could lead the U.S. to restrict European cars, shoes and other imports to the value of \$3 billion. (MS 25,11,75 pC3 c3-6)

The U.S. trade surplus continued in October following surpluses in August and September with a monthly surplus in merchandise exports over imports of \$1.08 billion, the third highest ever. Oil imports are down and corn exports, along with machinery and auto shipments account for increases in the export column.

(TS 16,11,75 pC10 c3-7)

Canadian oil analysts expect a reduction in the constant dollar cost of OPEC oil by 1980, because of an increase in non-OPEC production, and to rapid increases in Saudi Arabian oil production. There is currently a world oversupply of refined oil products.

(EJ 20,11,75 p35 c5-8)

SUMMIT

The leaders of France, Japan, West Germany, Italy, Britain and the U.S., following their conference in France issued a 17 point statement of agreement aimed at encouraging economic recovery. The document placed emphasis on expanding the energy sources available to industrialized nations, and energy conservation at home. Germany opposed U.S. State Secretary Kissinger's attempt to have the summit group meet regularly. France backed down from their previous emphasis on a return to fixed exchange rates. Finance ministers pledged to stabilize currency markets with more central bank intervention, to avoid sudden oil price increases, and to avoid trade protectionism. (EJ 17,11,75 p1; MS 17,11,75; OC 18, 11,75 p39 c1)

AID

Finance minister from 13 OPEC nations worked on an agreement to set up a \$5 billion aid and development fund to help poor countries hurt by quadrupling oil prices. The proposal was a Venezuelan/Iranian initiative. It calls for a self-tax of 10¢ on a \$11.51 barrel of oil. OPEC countries have already given significant aid. Seven Arab members have pledged more than \$5 billion since 1973, mostly for less developed Moslem countries. Venezuela has given extensive aid to Latin American countries.

(MS 17,11,75 pD6 c3-6; OC 18,11,75 p56)

FAO

The 21 day annual meeting of the Food and Agriculture Organization saw Lebanese nominee Edouard Saouma elected as director general for the next 6 years. He defeated David Hopper, Canadian president of the International Development Research Centre, the nominee of the U.S. and the other western powers. Western diplomats predicted cuts in financial support from the U.S. and industrial countries as control in FAO

EXTERNAL AFFAIRS

Introduction: Press coverage of the issues surrounding conflicts between Zionists and the Palestine Liberation Organization was extensive and pro-Zionist. The U.N. came under attack. Only one article presented evidence of Israel's treatment of Arab and Palestinian residents-- AN ARAB VIEW (TS 20,11,75 pB3). Discussion of Habitat was also extensive but related entirely to the question of admission of the PLO. Only one article dealt with the issue (housing and land policy) on which the conference is organized--PRIVATE LAND CONTROL CAUSES URBAN SPRAWL, POLLUTION AND CHAOS (GM 21,11,75 pB3).

The UN general assembly voted 72-35 with 32 abstentions to approve a resolution condemning Zionism as "a form of racism and racial discrimination." Canada, U.S. and Europe were among those who opposed the resolution.
(GM 11,11,75 pl c8-9)

Representatives of the Jewish community called on Canada to reassess its role in the U.N. and mounted opposition to Canada holding the U.N. conference on housing (Habitat) here next year. Editorials in the Toronto Star (Nov. 12) and Montreal Star, (Nov. 22) condemned the U.N. resolution and the PLO. The House of Commons and the Ontario Legislature also condemned the U.N. resolution. Leaders of the five major Christian churches in Canada also condemned the resolution.
(TS 12,11,75 pC15; p B4 c1-2;
MS 22,11,75 pB6; TS 13,11,75 pA14;)

Vancouver City Council voted 10-1 against holding the Habitat conference in Vancouver. Ottawa over-rode Vancouver's objection and plans to give agreement to the U.N. within a few weeks. (GM 26,11,75 pl c1-3)

FOREIGN INVESTMENT

Multinational firms are responsible for a good proportion of the \$1.5 billion tax loss expected this year by the Canadian government, according to James Gourley, A REvenue Canada spokesman. He said that the multinationals are good at evasion because they can afford to hire the best tax brains in the world, can work out international schemes to juggle profits and costs back and forth through subsidiary firms. He stated the need for an international audit body.
(TS 31,10,75 pA2 c2-4)

FIRA

The annual report of the Foreign Investment Review Agency claims that more than \$500 million of new investment and 7000 new jobs resulted from the first year of government screening of foreign takeover proposals. A total of 92 cases were resolved this year, of which 63 foreign takeovers were allowed, 12 were disallowed and 17 were withdrawn by applicants. The agency decided that only 150 of a total of 230 applications in all needed to be reviewed. Of the 150, 94 were by U.S. firms, and 23 by British. 65 were for manufacturing, 63 in construction and 22 in primary industry. (GM 28,11,75 pB6; MS, OC and TS same day.)

FIRA decisions announced during the month include: recommendation that takeovers be allowed in: Universal Fastening Devices Ltd; and W.S. Bate Ltd of Edmonton, by Inchcape Canada Ltd. controlled by Inchcape of London, England; Powell Foods (1973) L-t-d, tea and soup operations by Standard Brands of Montreal, a subsidiary of Standard Brands of N.York; and the lease of portions of the nickel-iron refinery of Falconbridge Nickel mines Ltd in the Sudbury area by Allis Chalmers Corporation and the National Steel Corporation. A bid by U.S. controlled De Laval Turbine Inc. to take over two Canadian firms was rejected. (GM 21,11,75 pB6 c7; EJ 21,11,75 p24; (TS 27,10,75 pB20; TS 29,11,75 pD9)

Talks continued through November in an attempt to preserve 2,300 Hamilton jobs at the Westinghouse plant, recently bid for by General Steel Wares of Canada, following a FIRA refusal regarding a White Consolidated Industries Canada Ltd bid to take over the plant along with similar plants in the U.S. White filed suit in U.S. federal court to prevent GSW from using the Westinghouse trademark in Canada. The Federal government has asked the GSW's bid for the plant be extended, and has talked to unions and to various corporate parties involved. On alternative for government action would be new legislation controlling the use of patents and trademarks in Canada making it impossible for White to prevent the use of Westinghouse name on products produced at the Hamilton plant following the GSW takeover. (TS 21,10,75 pC8; TS 10,11,75 pB9; TS 14,11,75 pC9; GM 15,11,75 pB1; HD 15,11,75 p1; HS 18,11,75 p13; GM 18,11,75 pB16; HS 19,11,75 p13; HS 20,11,75 p75; TS 28,11,75 C4)

CNSP NOTE: One of the reasons the FIRA refused White's bid was that the corporation had been responsible for closing a Kelvinator appliances division in London, Ont. in 1969 at the cost of more than 500 Canadian jobs.

Otis Elevator with about 1,100 employees in the Hamilton area, is being taken over by United Technologies Corporation, better known as United Aircraft. (HS 12,11,75 p7 c8)

FOREIGN CONTROL OF CANADIAN LAND

Prime Minister Trudeau has told Provincial premiers that the federal government is willing to grant them the power to prohibit foreigner from buying Canadian land. In June, 1975, the Supreme Court of Canada upheld a PEI law allowing the province to limit to 10 acres the amount of land non-residents can own. A total of 6.3% of all PEI land and 11.5% of all shore footage is owned by non-residents. Even with restrictions it is predicted that one quarter of PEI land will be owned by outsiders by the year 2000. (GM 7,11,75 p2 c6-9; GM 27,11,75 p11 c2-3)

In a series of five large articles in the Montreal Star, Maurice Cutler, Ottawa editor of Maclean-Hunter business publications, summarized his articles earlier published in the Canadian Geographic Journal. Of the total Canadian land area of 3.8 million square miles, only 411,276 square miles are in private hands. The rest is crown land. Pressure on these tracts from the heavily populated U.S. is increasing. A confidential report to

Trudeau and the premiers by a federal-provincial committee indicates foreign and non-resident ownership of land has aggravated the following problems;

- restriction of residents access to prime recreational beaches and shorelines;
- limits on public recreational land,
- acceleration of subdivision of agricultural land and removal of productive farm land from production;
- rising property values and higher taxes for residents;
- changes in the character of communities.

Mr. Cutler attacked the myth of the 'independence' of Canadian subsidiaries of foreign firms in other fields. Referring to a court case in which Imperial Oil was appealing a decision of the Nova Scotia board of commissioners of public utilities which had ordered price increase rollbacks in April 1974, Mr Cutler points out that Imperial's decisions about how much foreign oil it buys, at what price and why it buys are all tightly controlled by the U.S. parent firm, EXXON,; Exxon instructed Imperial to raise prices in June 1973 to coincide with OPEC increases, but adding a market adjustment of their own, Imperial used a token Bermuda company to clear \$35 million in profits on Venezuelan crude oil over a five year period, and then transferred the profits to Canada, tax free. Exxon avoided taxes on the profits by transferring them to Imperial.

(MS 22,11,75 p1 and pA6; MS 25,11,75 pA1 and A2; MD 27,11,75 pB10 c1-6)

TRADE

Introduction: This month's coverage included evidence of a further decline in Canada's trade situation for September and October. Higher costs for machinery, equipment and raw materials as well as international monetary arrangements were cited as causes. Debate on the free trade option continued and Canada and Europe are moving closer to agreement on a trade link.

Canada had a trade surplus for September of \$53 million. Exports were \$2.89 billion and imports were \$2.84 billion. Trade deficit for October is \$89 million, resulting from a decline in exports of metal ores, minerals, forest products and auto goods.

(GM 22,11,75 pB3 c4-5)

Canada's trade deficit from January through September 1975 is \$1.8 billion.

(TS 27,10,75 pB10 c2-4)

EXPLAINING CANADA'S TRADE DEFICITS

Mr. Arthur J.R. Smith, president of the Conference Board of Canada said higher costs for raw materials, higher prices for machinery and equipment as well as increased labour costs all contributed to weakening Canada's trade competitiveness.

(EJ 21,11,75 p63 c1-3)

The U.S. and France reached a monetary agreement at the Paris summit that may seriously affect Canadian exports. The Rambouillet agreement may signal a return to fixed international exchange rates from present floating exchange rates. The Canadian dollar is high and this means exports are more expensive and therefore less competitive.

(TS 18,11,75 pB4 c1-2)

FREE TRADE

In today's world of multinational corporations, trading blocks, tariffs and quotas, immigration restrictions and controls on capital flows, the advocacy of free trade for Canada cannot be taken seriously. The real beneficiaries of free trade would be the multinationals who would be free to rationalize their operations to make higher profits according to two economists, Arthur Donner and Fred Lazar. (GM 28,10,75 pB5 c1-6)

Spokesmen for small manufacturing Canadian industries:- textiles, electronics, pulp and paper, and furniture, argue "We would be wiped out by free trade." Spokesmen for large resource exporting companies, Alcan, Noranda, Inco and Stelco on the other hand, welcome free trade. (TS 22,11,75 pD7 c1-9)

CANADA EEC LINK

Actual negotiations on an economic agreement between Canada and the EEC are not expected until January or February 1976. The EEC commission has been given the power to negotiate an economic agreement with Canada. (GM 30,10,75 pB9 c1-2)

New defence purchases of \$1 billion plus were announced Thursday in a re-equipment program for the Canadian armed forces, aimed at reinforcing the European link, economically and military. (EJ 28,11,75 p1 c1-8)

CNSP NOTE: see Military for further information on this deal.

Finance Minister Donald Macdonald confirmed that Ottawa intends to impose an export tax on companies which sell internationally at the world price when this is higher than the controlled Canadian price. The collected funds will be made available to the companies only if they use them to expand or improve their Canadian production facilities. Exporters of copper, newsprint and nickel will be affected as may zinc, lumber and potash exporters. (MS 21,11,75 pB9 c1-6)

CANADA TO CUT CRUDE OIL EXPORTS TO THE U.S.

Energy Minister Gillespie announced that in 1976 exports to the U.S. will drop to an average of 460,000 barrels a day; (the 1975 average was 700,000 barrels a day). This cut will reduce our total exports by \$1 billion for 1976. (MS 26,11,75 pB9 c5-6)

EDC

The Export Development Corporation now finances about 41% of all the capital goods trade by Canadians outside the U.S. according to EDC president John A. MacDonald. Major transactions include loans of \$500 million to the USSR; \$300 million to Peru; \$300 million to South Korea and \$200 million to Indonesia. (GM 7,11,75 pB3 c1)

ECONOMY GENERAL

WAGE AND PROFIT CONTROLS

Last month business continued to blame government and labour for Canada's economic problems. Most business analysts called for a reduction in government spending combined with a policy of greater investment incentives.

Don't freeze dividends - INCO Chief

L.E.Grubb Chairman of INCO says that the controls will cause declining profit margins which will discourage investment. He also said that INCO has many small shareholders on fixed incomes who would be hurt by declining profits. He also said "We must moderate the private demands on our economy", and he called for increased business earnings in order to expand production.

(TS 28/10/75 Pg* C 1-6, G&M 28/10/75 Pg4 Col 3-7)

Note: Grubbs statements contain several myths. Firstly he conjures up the image of business being shared in by the "little people" who put their savings into a few shares and who are now being threatened by government controls. He doesn't mention the fact that control of corporations like INCO is in the hands of a tiny minority of the country. The "little people" have no control and do not share significantly in profits. The "little people" in our society share in the wealth through wages and salaries. This brings up the second myth. Grubb says that we all must moderate private demands. This implies everyone will cut back on income increases. However, he then calls for profit growth to encourage investment. If profits keep going up and wages are controlled then the workers will suffer, while the large shareholders will benefit from profit increases.

CNSP

Buisness calls for Reduced Government Spending

- The Canadian Federation of Independent Buisnessmen called for cutbacks in government bureaucracy and for "a tougher line on payments to unemployment insurance recipients to eliminate the drain of funds to those who will not work". (OC 19/11/75 Pg (col 1-6)
- A.F.Diamond of the Candian Institute of Public Real Estate Companies for restraint in fiscal and monetary policies effecting the rate of expansion of the money supply in the economy. (TS 12/11/75 PA3 Col 8-9)
- John Grant of Wood Gundy Ltd. said that market forces would have reduced escalation of wages and what is really needed are monetary and fiscal policies. (EJ 13/11/75 Pg74 C1-2)

.....over

Business Calls for Reduced Government Spending (Contd.)

- J.A. Armstrong of Imperial Oil blamed Canada's economic woes on increased government intervention in competitive markets. He called for lessening of controls and a return to competition.
(G&M 5/11/75 PB5 C1-6 , TS 5/11/75 PC 10 C1-3)

Note: The existence of large oligopolists like Imperial is one of the main reasons why the myth of the "free market" is self contradictory. As a company expands, its share of and control over the market increases because only the few largest companies can stay in business.

CNSP

- Ian Macdonald, president of York University called for a reduction of government spending, through restriction of public services.
(G&M 20/11/75 P B13 Col 1-2)

Fiscal and Monetary restraints Not the Answer

Toronto economists A. Donner and F. Lazar said that fiscal and monetary restraint would only create massive unemployment because the economy would be slowed down too much. (G&M 25/11/75 P B Col 3 - 7)

CNSP Note: This last article helps explain why business statements that Government should cut back are fallacious. Firstly, the article points out that restrictive controls of the money supply would halt the growth in production that business sees as the key to the situation. Secondly much of government spending is on transfer payments to cushion the workers from the worst effects of capitalism. Thus, while government is a necessary ally for business, the nature of its spending often seems opposed to business goals. This apparent opposition makes government an obvious scapegoat for industry to attach in the press.

More Canadian Multinationals needed - Scientists

J.J. Sheppard of the Science Council of Canada said " We must reward and not penalize those sections or individuals who are willing to provide risk capital and entrepreneurial effort". "We need more Canadian Multinationals because they represent our best chance to open up foreign markets in accord with our national strategies" he added.

CNSP Note: Shepard claims that Canadian multinationals would best serve the long range interest of the Canadian consumers and taxpayers. However, the history of the presence of American and Canadian Transnation als to date shows that they don't benefit anyone except for a small elite in our society.

Bryce Commission

The Bryce Commission inquiring into the concentration of Corporate power in Canada began public hearings on Nov. the 3rd. Hearings would be held across Canada in 1976. The Commission was instituted after an attempted merger of Argus and Power Corp. of Canada. The Commission will make recommendations concerning "The nature and role of major concentrations of corporate power in Canada, the economic and social implications for the public interest of such corporations and whether safeguards exist or may be required to protect public interests. (OC 6/11/75 Pg.9 C 1-5)

PRIMARY

AGRICULTURE	FISHING	MINING
OIL & GAS		HYDRO

This month looks at rather conservative resolutions passed by the Ontario Federation of Agriculture (OFA) at its convention themed "Farmers and Consumers: Partners for Progress". An interview with its president looks at why farmers need marketing boards. Then a look at the Canadian Egg Marketing Agency (CEMA) raises questions about the structures of a particular board and the problems it poses to Ottawa's wage and price control program.

OFA Convention

The OFA speaks for 250,000 farmers, a mixture of county organizations, farm marketing boards, and other agriculture groups. At their recent conference they adopted the following resolutions: acceptance of wage and price controls; condemned strikes as disruptive to the food industry; and called for curbs on corporations and labour unions; contracts that pay migrant workers minimum or local wage should be changed since this is inflationary. In addition they want a farm income stabilization program to help through bad years and ensure that farmers can stay on the land. The Ontario government wants a federal program first before expanding into the field of price supports and guaranteed incomes.

(OC 27/11/75 p49 c3-5)

NOTE: *As owner/producers the majority of OFA members are concerned primarily over their own security, even at the expense of a poverty stricken labour pool such as Canadian and imported migrant labour. Their reaction against union and corporation disruption may be legitimate, but labour organizations may also one day be an important ally against larger corporations.*

OFA President on Supply Management.

"In a supposedly free market, the bargaining position of individual farmers is hopeless. They have to take what powerful buyers offer. Unlike factories, farmers can't easily control output to avoid surpluses, nor can they skip around middlemen and sell directly to consumers. Regulations and purchasing habits prevent it." He argues for farmer organized, government watched marketing boards. It is a selling organization standing up to big buyers, it may slap quotas on products, or take them off the market for storage.

(TS 15/11/75 p10 c1-4)

A brief history of one marketing board

CEMA formed in 1972 to end provincial egg wars that threatened the existence of marginal producers. The agency regulates supplies to control prices. The Ont. quota for Canadian production was set at 38% which holds this province from 30 to 62% of capacity. The present national quota is 428 million dozen. Last year CEMA came under criticism when it attempted to control a surplus and 28 million eggs went rotten in storage. This month it increased Grade A eggs one cent a dozen at the time when the major costs of production, feed corn, has dropped 10-20%. This should have reduced the price 2 cents a dozen. Another separate problem is Quebec's failure to force its producers into quota guidelines, which affects Ont producers.

Jean-luc Pepin, chairman of the Anti-Inflation Board, said he will look at agricultural marketing boards to see if their power over production and prices are in the public interest. Finance min

ister MacDonald acknowledged that CEMA cannot be controlled by the anti-inflation program but that the government might force a rollback under its agricultural stabilization policies.

(TS 13/24/31 Nov 75 pgs B4, A20
A6, Clms 1-2, 1-3, 1-3)

Note: Ottawa's failure to control food prices, a daily cost necessity would prove labour's point that price controls are more effective than those over wages. A problem facing marketing boards is whether they can develop markets for the excess production they hold back. It is important that farmers get equitable returns, yet hungry populations require low cost food.

FISHING

Canadian officials are concerned over the development of U.S. legislation for unilateral declaration of a 200-mile fisheries limit. In Ottawa Federal Fisheries Minister is seeking an increase in his budget, for the depressed fisheries. At that time he expressed no concern about selling mercury contaminated fish to foreign markets.

Law of the Sea

The House of Representatives have passed a 200-mile bill. Supporters of a similar bill in the Senate say theirs could be approved by December. President Ford says he will veto it because he prefers the multilateral approach of the Law of the Sea Conference. However, with an election year coming up he may sign a bill popular to fishing states, or Congress could override his veto with a two thirds vote.

Canadian officials say this could force them to similar action, when they hoped to achieve the same through their current bilateral negotiations that would be easier to enforce.

(GM 24/11/75 P33 C2-7)

Fisheries Budget

Federal fisheries minister is seeking \$44 million to boost his departmental spendings to \$252 for 1975-76. \$14 million would go to processing plants that guarantee to pay fishermen at least the same price as last year. \$1/7 million would go to Nova Scotia fishermen who lost income this year when the International Commission for the North West Atlantic Fisheries cut the haddock season to conserve stock. The industry is being adversely affected by the economic downturn declining fish stock, rising costs and market slowdowns
(TS 26/11/75 PB-17 C1-9)

Contaminated Swordfish

The \$4 million a year Nova Scotia based swordfish industry was shut down in 1970 because the fish was contaminated by more than 5 parts per million of mercury, the acceptable limit for consumption in Canada. L. Crouse, a Nova Scotia M.P. (Conservative who caught swordfish commercially campaigned to open the fisheries again. Now the fish is sold on international markets. When asked about this, Minister LeBlanc said he had no qualms: "If some nations want to accept a high level of mercury....I have no spiritual problem." He drew an analogy with people who smoke cigarettes, saying they are fully aware of the potential dangers.

(MS 26/11/75 PA-19 C5-6)

MINING

This month Saskatchewan's N.D.P. premier Allan Blakeney announced plans to nationalize its \$500 million a year potash mines, saying that the province is determined not to become a "spectator to the development of our own resources." Legislation provides for negotiation or expropriation from 50% to all of the mines which account for 40 per cent of the world's reserve, a quarter of the world's production and which employs close to 4000. The equivalent in terms of concentration of resource industry within a single province are Asbestos in Quebec and Oil in Alberta. Eric Kierans predicts that "political pressure on other governments to do the same is going to be tremendous." Liberal Transport Minister Otto Lang said the move would discourage investments in provinces with NDP governments. Saskatchewan Liberal Opposition Leader Stewart said such a move would produce a negative cash flow over twenty years.

Potash Nationalization

The plan outlined in a Throne Speech gave four reasons: 1) to ensure expansion and increase employment; 2) regulate production for provincial interests; 3) ensure revenue flow to the province and 4) repatriate control now dominated by multi-national corporations, to the province, including senior management and research positions.

In depressed markets of the early 1970s (\$20/ton in 1969) companies had to accept quotas and were given royalty rates which expire in 1981. In 1972 the province increased its revenue by a fee of \$1/ton and this was doubled in 1973. In 1974 when potash sold for \$40 a ton, the government introduced a reserves tax increasing the provinces

income by \$18 million in 1974-75 and to an estimated \$120 million for 1975-76 with prices now at \$75/ton. With world pressure to increase food output and potash being a basis for fertilizer, source prices are expected to rise to \$100/ton.

The Canadian Potash Producers Association maintain this and Ottawa's refusal to allow deduction of provincial royalties from federal income tax means almost 90 per cent of pre tax profits are going to the two governments. As a result the companies deferred \$204 million in expansion plans this year and are challenging in court the constitutionality of the quota and reserve tax.

Blakeney said the companies haven't given the province any meaningful financial information since his government introduced the reserve tax which could continue for years; Blakeney viewed this as tantamount to holding the province to ransom.

(GM 13/11/75, PB-1, C2-7;
TS 15/11/75 PC-1, C5-7
TS 20/11/75
GM 20/11/75 PB-2 C3-5)

OIL AND GAS

The Canadian Royalty Tax System is under attack by the Oil industry. Imperial Oil is mounting a campaign that unless the oil industry is left with a larger portion of the fixed \$8 a barrel price, it cannot finance sufficient new supplies. For Canada, this means conservation incentives for exploration through fiscal policy, building additional tar sands plants, developing new technology for coal gasification or liquefaction.

The Royal Commission on Corporate power was told there appears to be no significant concentration of corporate power in the Canadian Petroleum Industry even though the top 10 oil companies control 65% of the total domestic oil production.

Canada has moved from being a net oil exporter in 1974 to a net oil importer in 1975. (see trade).

Minest Resource Minister Calls for Conservation: Alastair Gillespie asked Canadians to reduce energy demands from 5% to 4% by 1985 -- thus saving Canada \$30 Billion or the current cost of 15 Syncrude plants. The rising cost of pipelines, oil sands plants, uranium, coal mines, power lines, oil and gas wells are estimated to be \$100 Billion by 1985.
EJ 29/11/75 P89 C2-8

Exports to U.S.A. to be Cut: By Jan. 1976, exports of oil to U.S.A. will be reduced from 700,000 barrels per day to 500,000 barrels with NEB expectations of an oil shortage by 1982. Canada imports 800,000 barrels per day. We would still need to import 300,000 bbl per day with the cut in exports. The export revenue is used to subsidize oil prices for domestic users in Eastern Canada (East of Ottawa Valley) (\$3.00 per barrel in compensation). At \$12 a barrel (World Price) our present oil deficit in balance of payments is \$438 million to \$500 million a year. (GM21/11/75 pE1 C2-7: TS 21/11/75 PA10 C1-5)

Public Petroleum Association of Canada Conference:

A lobby group trying to counterbalance the oil industry has demanded the federal government appoint a Royal Commission to study foreign-controlled petroleum industry in Canada. Bruce Wilson (former Union Gas, Chatham President) claimed Hudson's Bay Oil and Gas Co. Ltd. (53% owned by U.S.A.) and Mobil Oil Canada Ltd. (100% owned by U.S.A.) dropped exploration drastically as prices and profits rose. And Tommy Douglas advocated nationalization of Imperial Oil (70% owned by Exxon Corporation, U.S.A.)

(GM 1/12/75 p4 c2-8, also
TS 29.11.75)

Alberta's strategy is to increase gas production in the province and bridge the gap between supply and demand until Arctic supplies become available. Improvement in the gas well-head price is the main reason for the sudden surge in exploratory and development activity in the province.

In an effort to widen its industrial base, Alberta will be playing an increasing role in the petro-chemical industry (one of Canada's most rapidly developing sectors) being supplied by natural gas from Alberta fields and Mackenzie Valley Delta.

Federal and Alberta governments have reached agreement on development of an estimated 1.3 trillion cu. ft. of natural gas under the Suffield, Alberta military base. The province has mineral rights to the area while federal government has surface rights.

(TS 30/10/75 pC12 C1-3)

The Alberta Energy Co. (AEC) - 50% government 50% publicly owned company will be offering shares to the public. AEC holds part of Alberta Government investments in Syncrude Oil Sands Project and Suffield natural gas reserves.

(GM 11/11/75 pB5 C3-8)

g
Alberta Oil Sands Research Technology Authority is inundated with private petroleum industry proposals to begin jointly funded field experiments in underground production technology (in situ) in oil sands extraction and Synthetic oil production.

(GM 11.11.75 PB3)

Domestic gas price agreement between Ottawa and Alberta:

Natural gas shipped to Eastern Canada is pegged at \$1.25 per 1000 cu. ft. at Toronto wholesale price effective November 1 (about 50% higher) and the same gas exported to U.S.A. will cost \$1.60 per 1000 cu. ft. from the current \$1.40.

(GM 14/11/75: EJ 21/10/75 p55 c1-4)

Gas prices are tied to oil prices on the domestic and export markets, which in turn are tied to international prices. Ottawa collects export tax on crude-oil exports but retains it to use in keeping the price of imported crude oil to the domestic crude price level. In case of gas, Ottawa retains collection control but does not keep the proceeds -- the province distributes the differential export revenues to the gas producers.

National Energy Board Hearing of MacKenzie Pipeline:

CARC, an environmental group, and other public interest groups claim Marshall Crowe, Chairman of the NEB and of the hearing, may be biased because of his past involvements as first president of CDC, which was one of several companies participating in studies setting up Canadian Arctic Gas and planning the pipeline. The Consumers Association says only a Federal Court of Appeals could determine objectively if there is "apprehended bias" on the part of Mr. Crowe.

(MS 28/10/75 pc3, c6-7)

The U.S. El-Paso Scheme: A report favouring an "All-American" natural gas route through Alaska - the El Paso scheme - is before U.S. Congress. The conflict is between the State Department (which favours the Arctic Gas Pipeline - Canadian route) and the Interior Department (which favours the El Paso scheme to run Prudhoe Bay gas across Alaska, liquify it and ship to California by tanker). The report includes financial implications by Treasury Dept; National Security and risk factors by the Pentagon; Foreign Policy and legal questions by State Department.

,S 17/11/75 PD5 C2-8)

U.S./Canada Pipeline Treaty: A treaty is being negotiated by Canadian and U.S. governments. It will only be ratified by U.S. when it is obvious that a joint Canadian-U.S. northern natural gas pipeline will go ahead. The treaty calls for both countries to take whatever steps necessary to prevent interruption of pipeline service and to get interrupted pipelines back into service as quickly as possible. The treaty is obviously designed in anticipation of proposed MacKenzie River Valley Gas Pipeline.

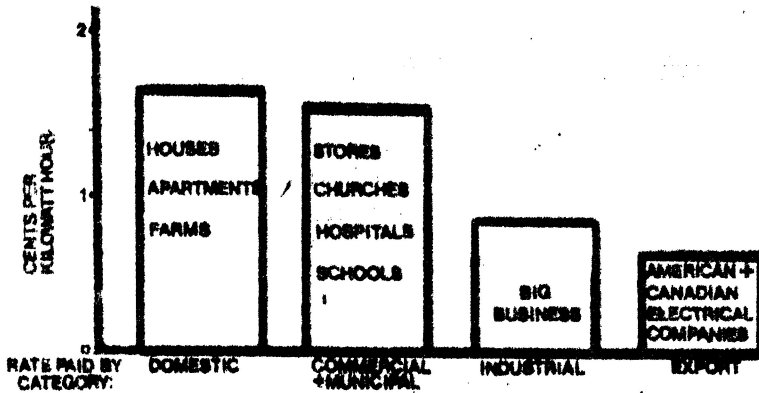
(GM 19/11/75 pB1 C3-4)

HYDRO

Hydro Quebec, along with Ontario Hydro (through the Ontario government, have borrowed three billion dollars for capital construction. Hydro Quebec has half of this sum to finance James Bay Construction. (see also 'Native People's section).

(MS 27/10/75 PC6 C-7)

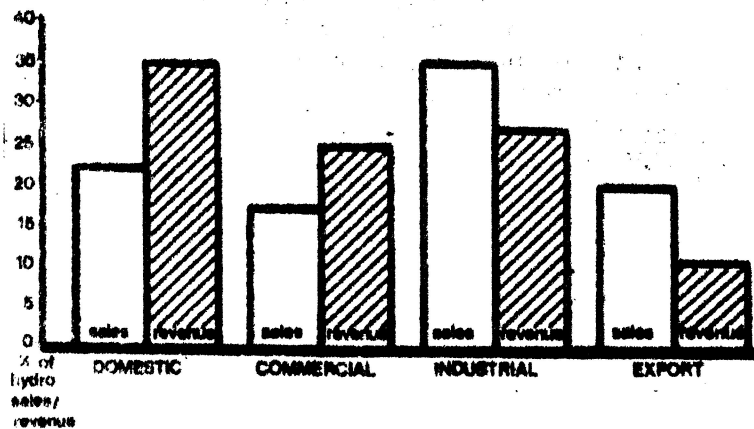
CNSP Note: Hydro Quebec will raise its rates 20% by 1977 with the goal of 50% increase in 5 years. Hydro Quebec is publicly owned and should be accountable to the people. But when its 5 commissioners ask for rate increases the government grants them without question.



dollars and cents? Hydro charges its large Industrial users \$4.47—Consolidated Edison bills them at \$26.38 per 100,000 Kilowatts. Or 5 times what Hydro charges. Quebec consumers pay more so that Consolidated Edison can make big profits!

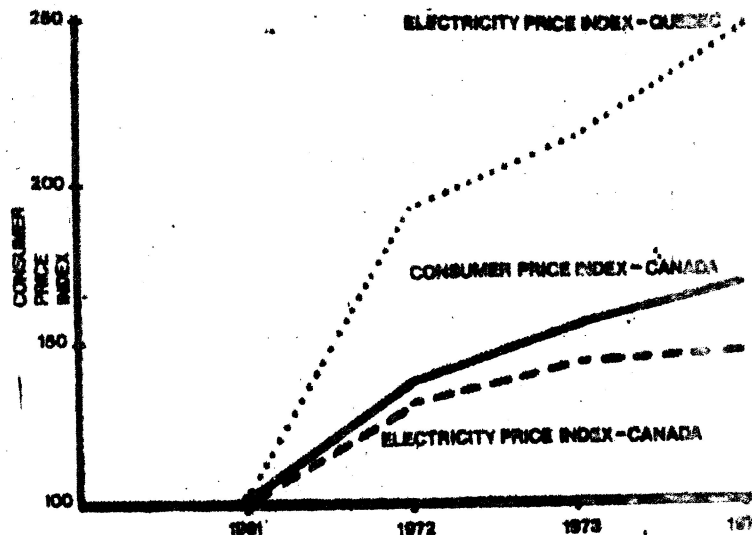
The above chart clearly shows that the rate structure of Hydro-Quebec benefits large Industries and American utilities. Residential consumers pay most and benefit least from a utility company which we all own. Old people, unemployed, welfare recipients and all working people are discriminated against by this rate structure.

Residential consumers pay 2 times the Industrial Rate!
Residential consumers pay 3 times the Export Rate!



The second chart clearly shows that in 1974 residential consumers more than paid their share. Industry and foreign utility companies pay less than their share. We are subsidizing both the Industrial and Export rate.

For example--Consolidated Edison is a big American utility company. Hydro-Quebec sells its energy to Consolidated Edison at a cheap Export Rate. They turn around and sell it to New York City consumers at a big profit. What does this mean in



Quebec electricity rates have continued to grow more than twice the consumer price index and as the Canadian electricity index. Hydro-Quebec backed by the Provincial Cabinet now wants 50% more!

Ontario Hydro Commission: a Public Corporation was persuaded by Ontario Cabinet to drop the rate increase applied for from 30% to 25%. The Ontario Energy Board says 27% is alright. An all-party committee is to decide. Hydro officials maintain that cutting the proposed rate increase would force more borrowing -- which has been limited for next year.

(TS 12/11/75 pA4 c1-4, also
OC 24/10/75 Editorial)

CNSP NOTE: A 1970 Consumers Report in USA stated that the consumer is seldom represented at hearings. He winds up paying 3 ways: through his electricity bill he pays the higher rates thus imposed; through it too, he pays the fees of the attorneys and experts hired by utility companies to prepare and argue rate increases; and through his taxes he pays the expenses of maintaining the public utilities commission for not representing him.

(GM 13/10/75 p5 c1-3)

SECONDARY

MANUFACTURING

Auto-Pact: Faced with an increasing auto trade deficit with the U.S., the Federal Government is establishing a special task force to deal solely with Canada-U.S. auto pact and its effect on the Canadian auto industry, including the automotive parts industry. The trade deficit with the U.S. is expected to total between \$1.5 billion and \$1.6 billion this year, compared with \$1.2 billion last year.

(GM 28/10/75 pB1 c5-7)

Sales of North American built cars in Canada hit record levels in October, which marked the start of the 1976 model year, according to the Big Four Car makers. Sales totalled 93,011 cars, up 28% from 72,534 sold in the corresponding month last year. Truck sales totalled 27,318 units, up 30%. The car makers credited the Ontario provincial sales tax rebate for much of the sales spurt. Sales of cars by General Motors of Can. Ltd. accounted for 48% of the total.

(GM 5/11/75 p31 c2-3)

The independent automotive-parts industry, one of the largest employers in Canada with \$2.5 billion in sales, is in serious trouble. The more than 1000 companies, all independent of the car manufacturers, although they rely heavily on the Big Four for their sales -- have been squeezed out of the domestic market, and are losing ground rapidly in the U.S. market also.

Their immediate prospect:

1. a continuing decline in investment
2. a further decline in productivity
3. a return to last winter's 20%-25% layoff levels.

(F.P. 15/11/75 pl c3-6)

A report prepared by the Ontario Dept. of Industry and Tourism states that "decision-making in the essentially foreign-owned auto industry has become even more centralized in the U.S. than it was prior to the autopact." "The possibility of reduced U.S. investment in Canada also exists".

(TS 27/11/75 np.)

Massey-Ferguson:

Massey-Ferguson Ltd. of Toronto has reported preliminary sales figures for the year ended Oct. 31 of \$2.5 billion, a 40% increase from 1974. It expects fourth quarter profit to exceed that of a year earlier.

The price of shares fell when the anti-inflation controls were announced, but has regained investor interest since 92% of its sales are outside Canada and therefore it is virtually unaffected.

(GM 15/11/75 PB4 C1-6)

TERTIARY HOUSING

TRANSPORTATION AND COMMUNICATION SYSTEMS

WHO OWNS CANADA ???

Almost every province has conducted recent studies or legislative inquiries into the land ownership question. The dramatic increase in foreign holdings in the past 20 years has led to stricter controls on the sale or lease of Crown or government controlled acreage which constitutes 90 percent of Canada's territory.

Recently dramatic increases in the demand and price of agricultural products for a food-hungry world has stimulated a demand for farmlands, particularly in areas close to the urban centres. This trend has been accentuated by the reorganisation of agriculture into larger units and the impact of "agribusiness" corporations, often controlled by foreign money.

(MS 24/11/75 p.A1 o.5-6 Maurice Cutler)

LAND OWNERSHIP

William Teron, a former developer, and now president of CMHC, says "public land ownership, is not a panacea in itself". Mr. Teron says government planners haven't shown they can do a better job than private developers, the major urban land owners in Canada. But Jane Jacobs, a noted urban author, briskly chopped down the case for comprehensive large-scale development of ownership: "You can't tell the difference between private and public ownership because the same people do the developing Land banking by private speculators or public authorities is inherently very expensive and wasteful. Whatever is there already must decline in real use and value until it's ready for a new scheme".

(OC, 17/11/75, p.9 c4-6 Jennifer Lewington (FT News Service)

BELL CANADA

Against the wage and price control guidelines Bell Canada is asking for more than \$102 million a year in rate increases.

The company is arguing that it must increase its income in order to be in a better position to borrow money to pay for needed expansion and replacement of equipment. If the rates are approved by the Canadian Transport Commission, they will be effective January the 1st and will include a 6.5% increase in basic monthly residential and business phone charges. They will also include

- i) a range of higher long distance tolls
- ii) a 10% increase in some service charges
- iii) a \$10 charge for suspending service, changing telephone numbers and removing listings from the directory.

The increase would effect 4.5 million Bell subscribers in Central and Northern Canada.

.....over

BELL CANADA (contd.)

The NDP accused Bell Canada of practicing highly dubious accounting procedures. The NDP have asked the commission to nationalize the shareholder owned Bell Company and to order Bell Canada to put a freeze on outside investment and advertising.

Bell Canada reported that it expects to save about \$53 million in its 1976 labour costs as a result of the federal income control program.

(M.S. 27/11/75 Pg A2 Col 1-6, M.S. 27/11/75 PgA4 Col 1-2, O.C. 30/10/75 Pg 4 Col 2-8)

TRANSPORTATIONAir Canada

Yves Pratt's 7 year reign as chairman and chief executive of Air Canada was terminated on December the 1st because of the controversy that has surrounded the Govt.-owned airline.

Transport Minister Otto Lang made it clear that the Quebec City corporation lawyer was given no encouragement to remain in his position, but he stopped short of confirming that he had asked for Mr. Pratte's resignation.

(G&M 28/11/75 Pg 10 Col 3-7 , O.G. 28/11/75 Pg 39 Col 1-4)

LABOUR GENERAL

Introduction: Unemployment continued at high levels this month. The government acted to cut down its contribution to unemployment insurance by tightening up the legislation and curbing benefits. Labour's reaction to the federal anti-inflation program intensified as more union leaders came out in support of the CLC fight against Bill C-73.

UNEMPLOYMENT RATE REMAINS HIGH

The national unemployment rate remained at 7.2%, the eighth consecutive month it has been above 7%. One year ago the rate was 5.3%. In New Brunswick the rate jumped to 12.6%; in Newfoundland to 19.6%. Alberta had the lowest rate of 3.4%.
(GM 13,11,75 pB9 c5-8)

In a brief to Welfare Minister Marc Lalonde, the National Anti Poverty Organization said businesses will likely cut employment to reduce costs and lower-paid workers will be forced out. (MS 13,11,75 p16 c1-8)

One employer that is increasing its number of employees is the Canadian Armed Forces. The 1975-6 target of 12,900 recruits is the highest in 10 years and this year the forces estimate there will be twice as many applicants as openings.
(TS 28,11,75 p1 c3-8)

FEDERAL GOVERNMENT TO RAISE MINIMUM WAGE

A decision is expected soon to raise the federal minimum wage to between \$2.85 and \$3.00 an hour from the present \$2.60. About 13,500 workers are covered by federal rates.
(OC 29,11,75 p11 c1-6)

CNSP NOTE: At the \$3/hr rate, one's annual gross salary works out to \$6,240; the revised Statistics Canada poverty line for a family of 4 is \$7,608.

UIC CHANGES

A bill to amend the UIC Act proposes 12 changes including the elimination of people over 65 from jobless benefits, the reduction of the special benefit rate (from 75 to 66 2/3% for unemployed people with dependents) and a cost sharing formula to make both employers and employees foot more of the bill. The bill, supported by Andras who said removing the elderly from the roles will save Ottawa \$120 million a year, is now at the committee stage having been given approval in principle in the House. (GM 30,10,75 p9 c6-9;
TS 6,11,75 p22 c5-6)

CNSP NOTE: About 17,000 of the 600000 people receiving benefits now are 65 or over.

James McGrath (PC, St. John's East) said that cutting off benefits to the aged and reducing benefits to the poor is "unjust, unfair and cruel". Reduction of the unemployment rate for workers with dependents would give unemployed with children the same amount as single people and a disproportionately higher amount of income would have to be paid out to compensate. (GM 30,11,75 p9)

The CLC said the high cost of UIC is due to the high rate of unemployment. "If the government acted to reduce unemployment by only 1%, it would save the taxpayer three times as much as the proposed saving of \$125 million."

(TS 21,11,75 p2 c5-6)

The Canadian Manufacturers Association feels the UIC act is overly generous and should cut the benefit level even further to 60% instead of the present 66 2/3%, for single people since "if the benefit level is too high, it tends to induce unemployment." In addition the CMA recommended cutting off benefits to all after 26 weeks.

(OC 19,11,75 p9 c1-3)

The Edmonton Journal commented that the government is "tacitly accepting a new normal rate of unemployment at almost 6%. The onus should be on working people to support the others who are without jobs, rather than on government contributions.

(EJ 30,10,75 p4 c1-2 editorial)

Unemployment payments have jumped from \$892 million in 1971, a year prior to the present act, to an estimated \$3.5 billion this year. Weekly payments have averaged \$83.74 this year compared to \$73.21 a year ago. The government share has increased from \$890 million last year to \$2.2 billion this year. The government's implicit pledge to take responsibility for unemployment over 4% has now been revised upwards with the effect that the government is to have less responsibility for the scheme and individual Canadians are to pay more. Taxpayers this year will pay \$175 each, above their regular premium payments towards unemployment insurance. (MS 8,11,75 pB2; OC 25,11,75)

LABOUR AND BILL C 73.

CLC LAUNCHES AD CAMPAIGN

90 affiliated union of the CLC have agreed on action to prevent the anti-inflation legislation from becoming law. The program includes a \$500,000 advertising and promotion campaign in two parts, the second to include some tv advertising. After a meeting with Prime Minister Trudeau, CLC leaders emerged convinced that the government cannot control price increases. United Steelworker president William Mahoney said, "Trudeau doesn't have a clue how to control prices."

(GM 5,11,75 pB1; MS 31,10,75 p1 c2-6)

OFL TO FIGHT CONTROLS

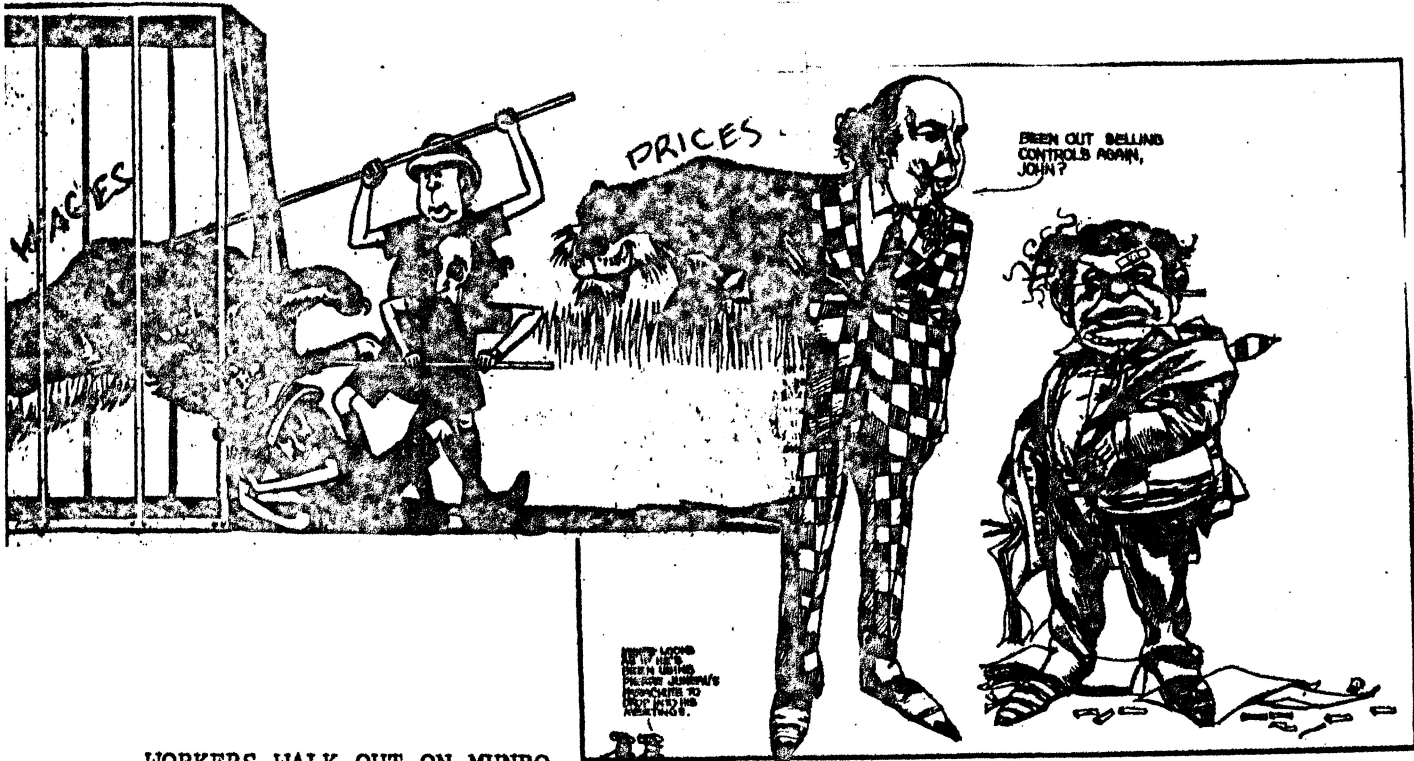
Delegates to the 800,000 member Ontario Federation of Labour convention endorsed the CLC position on the controls. The OFL also said wage controls will intensify industrial conflict and increase the number of strikes. President David Archer said any trade union leader worth his salt should defy the wage restraint program. Penalties for disobeying the proposed law could mean stiff jail sentences and fines up to \$10,000. (GM 3,11,75 p11, MS same day)

PSAC JOINS THE FIGHT

Claude Edwards, president of the Public Service Alliance of Canada, (the 168,000 member public servants union) said his union will contribute to the CLC fund. Mr. Edwards said that 73,000 federal public servants now negotiating for new contracts will continue bargaining as if the legislation did not exist.

(GM 12,11,75 p8 c3-9)

TS 19/11/75 p84



WORKERS WALK OUT ON MUNRO

Delegates at the B.C. and Newfoundland Federation of Labour conventions jeered, heckled and finally walked out on Labour Minister John Munro as he attempted to justify the price and wage control legislation. The B.C. F.L. also announced support for the CLC in its fight against the controls. (FP 15,11,75 p3; TS29,10,75)

MUNRO: WE DON'T WANT TO ELIMINATE PROFITS

Munro warned that the CLC would lead Canada to economic disaster if it continued to oppose the anti inflation program. In a meeting with the T-oronto Labour Council, Munro said if profits were curtailed too strictly unemployment would rise because companies would not be able to expand. "A free collective bargaining system is tied to profits, so we don't want to eliminate profits." Council head Sam Fox said no amendments will alter the "basic nature of Bill C 73 and its false assumption that wage earners have created inflation." (EJ 20,11,75 p10)

The Toronto Star and Financial Post pointed out the dilemma facing workers: if the present controls don't work, the government will be forced to tighten the program even more and labour will be singled out as the main opposition that made them unworkable; the public backlash will induce a climate which would be opportune for the government to introduce anti labour measures and further curtail the right to strike; if the controls do work, it will be largely at the expense of workers' wages and not prices which labour insists can't be controlled under Bill C 73.

(FP 15,11,75 p3; TS 3,11,75 p10)

LABOUR MOVEMENTS

INTRODUCTION: The effects of last month's imposition of wage controls on collective bargaining are becoming clearer. Most employers are simply refusing to bargain wages claiming compliance with the law of the land. More sophisticated employers are using the anti inflation board as an arbitrator, giving immediate 10% raises and putting the remainder of the wage package before the mercy of the board. It is becoming obvious that, in practice, the board will supersede the hard-won collective bargaining process. The Metro Toronto teachers' strike shows that the board's role in collective bargaining will be far more active than that of a final arbitrator. The board interfered in the midst of the negotiating process itself.

Highlighted this month, as well, are the postal strike, the forestry strike, the Falconbridge settlement.

TEACHERS ON STRIKE

Under Ontario's new legislation, guaranteeing strike rights to teachers, a long series of procedures are outlined before a legal strike is possible. Metro Toronto Secondary teachers embarked on this program last February. The final pre-strike stage, a "fact finder" came down with his report recommending a salary increase of 43% to the school board. The report is based on wage parity for Toronto teachers with those in Windsor, Ottawa and Thunder Bay (all of whom went on illegal strikes last year). The board's offer is 39%. The fact finder report became the OSSTF position with the school board sticking with 39%. Neither side moved, negotiations ceased and the teachers walked out on November 12. All secondary schools in Metro Toronto are closed and junior high schools disrupted. (TS 10,11,75 pC1 c7-9; TS 12,11,75 PA1 c6-9)

CNSP NOTE: Although class size and improved conditions for immigrant students figure prominently on picket signs teachers are carrying, the press concentrated solely on the issue of wages in reporting on the dispute.

Metro Board of Education went to Ottawa to clarify the position of its negotiation re: wage controls. Specifically the school board requested a ruling on whether teachers are exempt and whether cost of living and annual increments are included in the 12% ceiling. OSSTF representatives refused to attend the meeting claiming the anti inflation board (AIB) had told them it would "not advise on offers or counter offers." (TS 20,11,75 pA1 c1-2)

The AIB requested both the school board and the teachers to present their negotiating positions to it in order to provide information to both sides about how the AIB will treat the eventual settlement. However the AIB did say that the teachers are not exempt from the guidelines but may be "entitled to special consideration". Pepin advised that the AIB will make its decision on the basis of possible future claims for parity. Until the AIB has clarified its position, the Metro board will not negotiate. (GM 21,11,75 p1 c2-5)

The school board and teachers met for 17½ minutes on November 22. The teachers claim the board is refusing to bargain in good faith and have filed a complaint against the board. The teachers offered to withdraw this

complaint and settle for less than the 'fact finder' report if the board would begin negotiating. The Metro board replied that no negotiations were possible until the complaint was settled through the legal processes.

(GM 24,11,75 p1 c6-9) (TS 26,11,75 pA1)

Federal Labour Minister John Munro suggested that the teachers ask the AIB "what would be a suitable raise for them and then get back to work". He also stated that teachers should not have the right to strike because they are professionals. He said "if they want the right to strike they should join a trade union movement and become part of the CLC." (GM 27,11,75 p5 c7-9)

The AIB ruled that the board's offer to Metro teachers is excessive and will not be approved.

(TS 29,11,75 pA1 c2-8)

DEHAVILLAND WORKERS

The UAW at DeHavilland has been on strike since September. The union and employer (the federal government) have tentatively agreed on a wage settlement of 20% in the first year, 11% in the second and 10.9% in the third year. However, this settlement exceeds the wage controls. The AIB indicated that if the employer pays this wage, it could later be ordered to pay the extra monies to the government or it could be deducted from the workers. The employer has suggested that workers return since "nothing can be gained from prolonging this work stoppage." The company has offered to pay workers an immediate 10% increase and put the other 10% into a trust fund until the board has ruled on the acceptability of the settlement.

(GM 12,11,75 p4; TS 12,11,75 pA7; TS 20,11,75 pA5)

GLOBE AND MAIL

The Toronto Newspaper Guild has tentatively agreed to a one year contract giving a 15.3% increase in wages. Members will be paid 12% immediately and the further 3.3% after approval by the AIB. (TS 11,11,75 pA2 c2-3)

NATIONAL STEEL CAR CORPORATION WORKERS

U.S.W.A. members accepted a contract from the National Steel Car Corporation giving them a 25% wage increase over two years. This contract was approved by the AIB. Prior to board approval, workers had twice rejected this same contract, arguing it was insufficient. (GM 19,11,75 p8 c2-3)

STEINBURG WORKERS OUT

Workers at Miracle Mart and Steinberg stores in Montreal have walked out rejecting the company's final offer. Steinberg maintained that their "offer reflects the maximum increase permissible under the federal government's new anti inflation wage guidelines." Management suggested workers not strike since the company has always abided by the laws of the country and it is not our intention to change its policy." (MS 24,11,75 pA1; MS 26,11,75)

NORTH YORK FIREMEN

An arbitration award of a 16.8% increase to North York firemen has been turned down by North York Borough Council. The council will pay only a 12% increase. Mayor Mel Lastman told the firemen: "You should have your money but there's nothing I can do about it. I will not break the law of the country."

(TS 11,11,75 pB2 c7-9)

THE POSTAL STRIKE

Introduction: Press coverage of the postal strike has, perhaps for the first time, allowed the general public to gain some insight into the process and techniques of collective bargaining. Following press reports day by day one can see the negotiating strategies, positions and the process of compromise. CUPW has charged that the press actively cooperated in a campaign along with the federal government (the bosses of the post office) to break the union's credibility among the rank and file and general public, in effect to destroy the union. Was there validity to this charge?

- Oct. 23: CUPW requested resumption of negotiations. Outstanding issues include use of casual labour, hours of work, seniority, shift premiums, holidays, injury compensation. The union maintains its position that non-wage issues be settled before the wage package is negotiated. (OC 24,10,75 pl c5-6)
- Oct 27: Talks resume. CUPW negotiators walked out claiming the Post Office was taking back some agreed upon offers and had not considered union counter proposals. (GM 28,10,75 pl c6-8)
- Oct. 31: The Post Office and CUPW were optimistic that the strike would soon end. Non-monetary issues of the use of casual labour, electronic surveillance and hours of work remained unsettled. (TS 31,10,75 pA1)
- Nov. 4: All but monetary issues had been resolved. (MS 4,11,75 pA1 c4-5)
- Nov. 6: CUPW negotiators rejected the Post Office's wage offer. (EJ 6,11,75 p16)
- Nov. 7: Mackasey walked out of negotiations and declared the talks off indefinitely. (MS 7,11,75 pA2 c5-6)
- Nov. 11: Lou Murphy, president of the Toronto CUPW local called upon the national executive to put the Post Office offer before the membership. (TS 11,11,75 pA1 c3-4)
- Nov. 14: Mackasey asked the CLC to persuade CUPW to put the Post Office offer to its membership. CUPW remained adamant that issues of a shorter work week, more money for mail handlers (who earn less than sorters) and equal hourly pay for part time workers be resolved before the general wage settlement. (TS 14,11,75 pA1 c7-9)
- Nov. 15: CUPW members to receive strike pay. (GM 15,11,75 pl c7-9)
- Nov. 15: CUPW requested Treasury Board to give the Post Office a broader mandate to negotiate on wage issues. (GM 15,11,75 p11 c1-8)
- Nov. 17: Postal supervisors began sorting government pension cheques. (TS 17,11,75 pA1 c7-9)
- Nov. 17: Mackasey rejected an NDP demand that a mediator be appointed with a three day mandate to find a solution. If the impasse were not resolved in the three days, the mediator's recommendations could

- be put to the CUPW membership. (GM 18,11,75 pl c3-6)
- Nov. 20: Mackasey agreed to resume negotiations and indicated he was willing to bargain on part-time workers' wages, injury compensation and the wage differential between handlers and sorters. A shorter work week was rejected for this contract. (GM 20,11,75 pl c5-9)
- Nov. 20: Trudeau declared the Postal strike could go on "til Kingdom come!" (EJ 21,11,75 pl c6-8)
- Nov. 22: Joe Davidson, president of CUPW, renewed pleas that negotiations begin. Mackasey replied that he saw "nothing to negotiate". (TS 22,11,75 pA4 c1-2)
- Nov. 25: Mackasey, Patrot (of CUPW) and Shirley Carr (CLC vice-president) met in secret. (TS 26,11,75 pA1 c7-9)
- Nov. 28: Mackasey said the government may legislate a secret vote on its latest offer, perhaps made through third party negotiators (reputedly Shirley Carr and Bernard Wilson, former deputy minister of Labour Canada.) (TS 29,11,75 pA1 c1-2)
- Nov. 29: Talks resumed. Mackasey agreed to bargain on part-time wages and a reclassification of mail handlers. (OC 29,11,75 pl c1-2)

CNSP NOTE: The papers carried numerous stories of CUPW workers going back to work, ie. scabbing. Many stories carried headlines such as the following: CRACKS BEGIN TO APPEAR IN POSTAL UNION (EJ 29,10,75) GROUP IGNORES STRIKE TO SORT OTTAWA MAIL (OC 10,11,75 pl) followed by stories indicating less than 2% of CUPW members returning to work. The actual number of workers returning to work is impossible to determine through press reports since Post Office and CUPW estimates diverged considerably. It does seem clear that the number grew as the strike lengthened and solidarity broke in many small towns.

FORESTRY WORKERS

IWA

The International Woodworkers of America have reached agreement with the B.C. forest industry on a two year contract giving a salary increase of \$1.55 /hr and a cost of living allowance of 12¢ /hr in the last six months of the contract. (OC 26,11,75 p34 c1)

CPU

About 25,000 members of the Canadian Paperworkers Union are on strike in Ontario, Quebec and the Maritimes. Attempts to get negotiations underway between the CPU and Abitibi in Ontario ended in failure. The CPU claimed Abitibi refused to negotiate because it wants to run down inventories in order "to maintain artificially high prices." In Nova Scotia, striking CPU workers requested support from local businessmen. The request was withdrawn in the face of opposition but some businessmen "are actively supporting the union" whose members pour millions of dollars into the

Liverpool area community. John Munro accused the forest industry of hiding behind the wage controls in its refusal to negotiate. He suggested the AIB would accept a 15% yearly wage increase. Abitibi has offered 8%.

(TS 10,11,75 pA11 c1; GM 25,11,75 pB6 c4-6; TS 26,11,75 pA10 c5-9)

CNSP NOTE: Since Abitibi is the largest forest products company in Canada, agreement reached between the CPU and Abitibi is expected to be the basis for other agreements (and those agreements are likely to await settlement at Abitibi.)

INTERNATIONAL SUPPORT

The pulp and paper division of the International Chemical Federation has agreed to support the CPU strike by asking affiliated workers not to allow production increases designed to fill Canadian orders; and to persuade transportation and graphic workers to ban imports and use of Canadian paper. Workers employed by the struck firms in other countries have agreed to try to force the companies back to the Canadian bargaining table. (GM 27,11,75 pB11)

FALCONBRIDGE

3,500 Mine Mill and Smelter Workers voted to accept a contract with Falconbridge, giving a 90¢ /hr. raise in the first year, 20¢ in the second and third, plus a cost of living clause. This is virtually the same agreement that the Steelworkers reached with INCO in July. Until the agreement is approved by the AIB, workers will receive only 20¢ /hr. of their wage increase. (TS 3,11,75 pA12 c1-3)

Less than a week after settling the 73 day strike, Falconbridge announced it would be laying off between 300-400 workers because of "greatly reduced demands and increased costs. (TS 8,11,75 pA7 c1-3)

CNSP NOTE: Mine, Mill representatives fear the lay offs may go as high as 800 or 900.

NON UNIONIZED WORKERS

QUEBEC WORKERS MAY GET PROTECTION

Labour minister Gerald Harvey suggested the Quebec government was considering introducing labour standards guaranteeing non unionized workers: a minimum wage tied to wages reached through collective bargaining, time and a half for overtime, maximum work days, weeks and years, paid statutory holidays, two weeks notice of firing or lay off, and maternity leave. (MS 5,11,75 pA1 c2-6)

UNION OF INJURED WORKERS

The Union of Injured Workers, recently organized to press for improved compensation for workers injured on the job, carried its demands to the Ontario legislature on opening day. They were met by Toronto police. The resulting melee ended with four workers being taken to hospital. (TS 29,10,75 pA2 c1-6)

QUEBEC LABOUR

Introduction: Because of the postal strike, CNSP did not receive Le Jour during November; Le Devoir was on strike most of the month. Therefore, Quebec labour this issue, is confined to English language coverage.

The major issue was the effect of the wage guidelines and workers' response.

In the construction field, the Quebec Federation of Labour succeeded in gaining sole right to bargain for workers in the industry.

REACTIONS TO WAGES AND PRICE CONTROLS

A common front of the three Quebec union federations with a combined membership of 525,000 plans a campaign against the federal anti inflation measures. Pepin of the CNTU said: "a general strike is not out of the question. There have been meetings of many union locals to discuss strike action and so far the response has been affirmative." (GM 15,11,75 p11)

The Montreal Council of the CNTU, representing 55,000 unionists, called for a 24 hour general strike against wage controls yesterday. At a two day convention they proposed a Canada-wide strike in cooperation with the CLC. The Quebec Federation of Labour has started consulting its membership on the question and will decide strategy at the federation's convention the first week in December. (MS 17,11,75 pA3 c1-9)

Laberge of the QFL, speaking in Hull denounced Bill C 73: "the time has come for all workers, union and non-union, to forget their me-first attitude and join together to fight these damned laws...which serve only to protect the huge profits of the multinational corporations, the real bosses in Canada." (OC 26,11,75 p20 c1-4)

15,000 Montreal workers protested against wage controls Wednesday night. The marchers largely from teacher and public service locals, marched on City Hall. Jack Johnston, spokesman for the Provincial Association of Protestant Teachers declared: "Bourassa can find money for grand spectacles like the Olympics and James Bay but he can't find money for the workers." (OC 27,11,75 p19 c2-8)

TEACHERS BARGAINING IN QUEBEC

The Quebec government has offered an 8% increase in the first year, 8% in the second and 6% the third, an offer representative of 90,000 teachers find "disgusting and insulting". A teacher with a BA starts at \$8,232; the government is offering \$10,413. (MS 8,11,75 pA1 c5-6)

NURSES BARGAINING

Social affairs Minister Claude Forget told newsmen the government's long awaited wage offer to 20,000 unionized nurses will be "not far off the 44% range. The promise was made as Bourassa's Liberal government faced the fall session

worried by a public opinion poll showing it trailing the Parti Quebecois in popularity for the first time since 1970. (TS 5,11,75 p A3 c5-6)

The Quebec government has offered nurses a 44% increase the first year; the increase includes a 17% cost of living bonus received last year. Currently nurses starting salary is \$136 a week (half the wage Ont. nurses start at); under the proposals this will rise to \$201 retroactive to July 1975; rise to \$217 in July 1976 and to \$263 in July 1977. The average annual wage currently is \$8,735. (MS 7,11,75 pA1 c1-6)

LE DEVOIR CLOSED BY STRIKE

One of the central issues in the dispute is a journalists' demand for limited control of the newspaper's editorial policy. The workers have been without a contract since December 1974. Claude Ryan, chief editor, refuses to consider an proposed editorial committee composed of 4 reporters, 4 unionized editors, and 2 management staff; he insists on final say on all editorial policy matters. (MS 15,11,75 p A10)

THE CONSTRUCTION INDUSTRY

The QFL obtained 50.5% of the final vote; the CNTU received 14.88%. Quebec law gives exclusive bargaining rights in the construction industry to any single union organization that puts together 51%. (GM 14,11,75 p47; MS same day)

CNSP NOTE: The Cliche commission had recommended changing the law so that an organization had to have 75% to be the sole bargaining agent; the Quebec government did not act on this proposed change. Despite the heavy criticism it received during the Cliche hearings, the QFL emerged as the sole bargaining agent when the votes were counted. Last month the three federations campaigned vigorously to gain new affiliations and the right to represent workers at the industry wide bargaining table. It was a serious blow to the CNTU who in 1968 had the majority of construction workers under its wing. The \$400,000 advertising campaign mounted by the QFL which neither the CNTU or CSD could match is partly credited with the success of the QFL. Other commentators argued that the publicity about QFL violence may have intimidated workers into voting for the QFL rather than against. Before voting, the QFL held 72% of construction workers; the CNTU 22% and CSD and other independents the remainder.

WOMEN

MOTHERS GO OUT TO WORK TO KEEP FAMILIES AFLOAT

One of the fastest growing sectors of the work force today is mothers leaving home to help keep their families afloat. The phenomenon reflects more than the process of female emancipation. It is clearly a response to the financial battering that family incomes are taking because of inflation. Between 1964 and 1974, the number of married women in the Canadian work force increased by nearly a million, a rise of 88.6%. In the same decade the number of married men in the work force increased only 20.3%. Shirley Carr, vice president of the CLC said "this is going to become more evident in the future with continuing inflation and wage controls eroding real income." Married women who once relied on their husbands' pay will have to take a job

outside the home no matter what the salary. The availability of good day care and its cost is a major problem of women now in the work force. At present, only 7% of the children of working mothers are in supervised day care in Ontario. Employers, Shirley Carr added, are paying lip service to women's liberation, in order to attract women into low-paying jobs.

((TS 29,11,75 pB1 c1-7 John Doig)

WOMEN ON WELFARE CAN'T BE VOLUNTEERS

Women on welfare in Quebec aren't allowed to do any volunteer work, even if it means helping others in similar circumstances, a representative of a group called Montreal Low Income Women has reported. Women on welfare in Quebec are expected to be at home unless they can justify their absence by doctor's appointments, shopping or visits to banks. Day care is not available to non working mothers. "The investigators ...don't mind if a man on welfare goes to a bar or restaurant to watch colour tv. But a women isn't allowed to do a few hours' volunteer work or she will lose her benefits."

(GM 18,11,75 p17 c3-7 Pat Bell)

NATIVE PEOPLES

LAND CLAIMS

The James Bay settlement dominated the news this month. In contrast to previous agreements (ie. in the treaties) native people were able to analyze their situation and develop a coherent position with respect to demands for access to natural resources. As a result while the settlement was hardly a result, while the settlement was hardly a victory, neither was it an outright usurpation as in the past.

The Cree get a total of 2,158 squares miles and the Inuit, 2,250 square miles of category one lands--land set aside for the exclusive use and benefit of the Cree and Inuit. The Cree and Inuit will enjoy exclusive hunting, fishing and trapping rights on category two lands but the province retains full powers to develop these lands. If Quebec takes category two lands for development purposes, it must compensate the Cree and Inuit in cash or in other lands. The Cree are allotted close to 25,000 square miles and the Inuit over 31,000 square miles of category two lands. Category three lands, most of the territory, will be accessible to all Quebecers but the Cree and Inuit will be allowed to hunt there year-round and will have certain species of furbearing animals reserved for their exclusive use. The financial compensation totals \$225 million. (MS 12,11,75 pA14 c1-6)

Under the terms of the agreement the Cree and Inuit agree to drop all court action to stop James Bay Power project or any other development in northern Quebec. An appeal to stop James Bay is pending in the Supreme Court of Canada.

(MS 12,11,75 pA14 c1-6)

Indians in the Northwest Territories have no right to claim an interest in 450,000 square miles of land, the Northwest Territories Appeal Court ruled yesterday. The court overturned by four votes to one a decision last June by Mr. Justice William Morrow for allowing the Indians to file a caveat claiming an interest in the land. (MS 13,11,75 p13 c8)

FEDERAL

Introduction and Analysis:

While last month saw the Conservative leadership race making headlines, this month the Liberal party convention had its day. A good deal of space has been devoted to outlinging the convention, for a number of issues arising from it deserve some attention, if only because it is the supposed policy-making body of the party that has controlled Canada for almost all of the last 40 years.

The theme was to have been policy directions for the 1980s, but what emerged was essentially a re-affirmation of the present Liberal position. There was an obvious attempt to draw support from as wide a base of voters as possible.

Overshadowing everything else was the longstanding dissatisfaction from within party ranks of Trudeau's leadership and his tendency to operate in isolation. It was the election of the president of the party which illustrated this discontent. Senator Keith Davey, a top ranking strategist and regarded as the PM's closest advisor, was Trudeau's personal choice for the position. An indication of the internal struggle was the unexpected and abrupt withdrawal of Davey just 24 hours after the announcement that Senator Graham would seek the presidency. Graham was regarded within the party as the favourite against whoever might emerge as Trudeau's candidate. To have Davey defeated was a risk Trudeau was apparently unwilling to take.

Funding was also a concern. There have been financial difficulties since the passage of the Election Expenses Act. The suggestion to introduce a permanent voter's list would in effect reduce accampaign by half the time, resulting in a substantial saving. Other resolutions indicate an attempt to influence the decentralization process and to increase the flow of information. It can be noted that the Party was not in a 'save money' mood, and as a general rule defeated most resolutions that called for substantial cutbacks in present government activity. Considering the emphasis on wage and price controls, this attitude seems at best contradictory.

GRAHAM: NEW PRESIDENT

Senator Alasdair Graham from Dominion, Nova Scotia, became president of the Liberal Party, riding a wave of grass-roots discontent at Trudeau's apparent isolation from party views and feelings. (TS 8,11,75 p

Graham was named to the Senate in 1972 after holding jobs as special assistant to two Cabinet ministers and as executive secretary of the Cape Breton Development Corporation. Senator Graham indicated the party faces the 'vitally important' tasks of expanding its membership, improving lines of communication and broadening the base of financial support under the new fund-raising and campaign spending rules. The new party executive includes vice-presidents Marie Gibault and Bernard Deschenes of Quebec, Lorna Marsden of Ontario and Mike Webb of Alberta, secretary Kyle Mitchell of B.C.; treasurer Gordon Dryden of Ontario; policy chairman Paul McRaie, MP for Fort William and communications chairman Colin McCraig of Ontario. (MS 10,11,75 pA8 c4-5)

SUPPORT SLIPS FROM TRUDEAU

Even though he won an 80% endorsement, the 19.2% vote for a review of party leadership indicated a serious drop in Trudeau's popularity. Before the voting, party officials had said that more than 20% support for a leadership review would amount to a serious rebuke for the PM and in the last few hours before ballot boxes closed, Trudeau and a team of cabinet ministers and party supporters lobbied heavily to drive the vote below 20%. There is no chance Trudeau will consider the vote justification for a leadership convention; but aides say he now intends to turn more to the party for advice and less to his personal staff.

(TS 10,11,75 pA1 c7-9)

Prime Minister Trudeau urged more than 2000 Liberals to help swing the country behind his price and income controls program; and to back him up when he introduces government spending cuts 'that will hurt'. His speech to delegates in Ottawa was part of a concerted, but low-key campaign by the PM to rally support behind both the controls program and his leadership of the party. Trudeau was greeted with enthusiastic applause before he delivered his speech. Later, he spent 40 minutes in what had been promoted as a free for all with delegates. The crowd left the ballroom at the Chateau Laurier after giving little more than polite applause.

(TS 8,11,75 pA1 c8-9)

COMMENTARY

The rumour had it that the heralded 'accountability session' where Trudeau was to answer for his record in office, was going to be rough. Just by change, the convention organizers decided it would be a good idea if all regions got an opportunity to ask their fearless, hardhitting questions. So provincial delegations were told to draft questions in advance and submit them, along with the names of the questioners, to the convention organizers. The Ontario caucus, however, in a heated meeting, denounced the screening system as manipulation; and later led a brief but bitter floor battle which resulted in the abrupt cancellation of the screening procedure. In the end, Ontario need not have bothered. Most of the speech and most of the 11 questions (only one of which had even a mild implication of any criticism) were about wage and price controls.

(OC 8,11,75 pl c3-5)

RESOLUTIONS:

- capital punishment: Allmand received a vote of support when 2/3 of the party voted for a resolution combining the abolition of capital punishment with proposals to tighten bail and provide longer jail sentences.
- abortion: a motion that abortion be removed from the criminal code received a tied vote in committee and under convention rules could not go before the full convention. (MS 10,11,75 pA8 c6)
- DREE: it was urged that a comprehensive review of DREE be undertaken. A separate resolution urged that DREE direct its efforts towards small and intermediate industries in depressed areas.
- urged that the government 'endorse the concept of multilateral

- or bilateral elimination of trade barriers with the EEC, Japan and the U S.
- guaranteed pensions equal to 75% of pre-retirement earnings by 1985.
 - establishment of a Canadian merchant marine.
 - establishment of a passenger rail transportation corporation.
 - a public inquiry into the hazards and benefits of nuclear energy.
 - legislation guaranteeing the rights of children.
 - an increase in foreign aid to .7 % of the GNP.
 - a unilateral declaration of a 200 mile limit if next year's Law of the Sea conference should fail to adopt the proposal.
 - a national land-use policy.
 - a royal commission to initiate a 'new industrial democracy' (ie replacement of the present labor-management adversary system)
 - secret ballots in union strike votes.
 - conflict of interest regulations for senators similar to those applicable to cabinet ministers. (TS 10,11,75 pA7 c1-3)
 - to allow public servants (other than those involved in the formation and administration of government policy) to participate fully in political activity.
 - establishment of a permanent voters' list.
 - the broadcasting of proceedings in the House of Commons.
 - that the emphasis in the Senate be shifted to an investigative role (ie royal commissions).
 - that MPs have access to all information not necessary for national security.
 - numerous resolutions calling for a variety of energy developments: East Canada power grid; Fundy tidal power; development of the Lower Churchill in Labrador; increased research; energy as a standard of value for federal projects.
 - established that the petroleum industry be Canadianized and that priority be given to Northern development schemes that are "all Canadian".
 - that Petro-Canada 'become a true competitor to the private sector';
 - that parts of the public service be moved out of Ottawa;
 - that senior public servants meet directly with local citizens groups and individuals to discuss policy. (OC 10,11,75 p37 c4-6)

COMMENTARY

The delegates made clear they are willing to be more than a collective weathervane. Faced with meaningless pretences of accountability and ludicrous claims of attentiveness to their previous efforts, they should have been ready to give up the ghost of policy participation. The flag of participatory democracy--institutionalized as a cliché, has been increasingly abandoned as a workable vehicle of policy formulation. Genuine participation is far more difficult to achieve than proponents realized. The availability of adequate information and the opportunity for adequate dialogue around that information are the two essential prerequisites of participation that have seldom been met. The effort of rank and file Liberals to make participation work within their party deserves better than the condescending treatment accorded it by the party hierarchy. (OC 15,11,75 p30 c3-5)

SOCIAL WELFARE

GROWTH IN SOCIAL WELFARE AT AN END

Prime Minister Trudeau has said that an unprecedented era of new social welfare legislation and heavily funded government schemes to improve the lives of Canadians is coming to an end. He sees the Guaranteed Annual Income plan as the last step for awhile. At the same time, Health and Welfare Minister Lalonde has indicated that due to lack of agreement with the provinces, the proposed welfare schemes, including GAI will be delayed until at least 1978. (TS 10,11,75 pA1, c7-9)

PENSIONS:

Revenue Canada has announced the ceiling on pensionable earnings under the Canada Pension Plan will be increased to \$8,300 from \$7,400 this year. (EJ 26,11,75 p17 c1-2)

SOCIAL WELFARE--HOUSING

HOUSING SUBSIDIES PAY FOR TRIP TO BAHAMAS

80 new home owners who qualified for the \$1,500 provincial first time home buyers grant purchased homes worth more than \$100,000. Another 279 recipients bought homes worth \$75,000 to \$100,000; Housing Minister for Ontario, John Rhodes admitted: "It happened that people were buying \$125,000 homes and getting this grant and the money was probably used for a quick trip to the Bahamas". Following question period in the legislature, Rhodes refused to answer further questions. (OC 28,11,75 p5 c1-6 Bert Hill)

RENT CONTROLS

Rent controls, wherever they are imposed, have had a negative effect on housing starts; investors put their money into more profitable ventures, less housing is produced and there is greater competition for existing housing which pushes rents up. When a ceiling is imposed, landlords tend to take it as the expected increase; the maximum becomes the minimum. (GM 31,10,75 p6 editorial)

TRENDS IN SMALL CONSTRUCTION FIRMS

Small construction companies face extinction if the current trend in the industry continues, the Economic Council of Canada says. 80% of the 80,000 companies in construction have assets of less than \$250,000. Construction, one of the most unstable of all industries, was the only sector in the economy to show decline in profits in the 1953-1970 period. Large firms, however, took more share of the sales in the same period. More than 40% of construction companies reported losses in 1970. (GM 29,11,75 pB2 c5-6 CP)

INFLATION CONTROLS TO HIT MORE SMALL CONSTRUCTION FIRMS

Urban Affairs Minister Danson said the government is considering tightening its anti inflation controls over the construction industry because the current program exempts about 80% of the industry. This could be done by making more small companies subject to mandatory controls. The current program calls for direct controls to apply only to construction companies employing 20 or more. (OC 25,11,75 p23 c1-8)-

HOUSING POLICY MORE HARM THAN HELP

Barney Danson's method of solving Canada's housing crisis is now based on several plans for the future: extending the assisted home ownership plan; expanding the accelerated rental housing program; getting private mortgage lenders to put an additional \$750 million into the mortgage market. One million new units will be built by 1980. The problem with the government's method of coping is that it too often deals with one aspect of the problem and in the process makes the other aspects worse. Consider, for example, that between 1972 and 1974, the average price of housing increased by 54%; including interest and property taxes, the real increase was 74%. As this was happening, builders shifted out OF THE construction of rental dwellings and into ownership units; rental units became scarce. Rent controls continued to keep developers uninterested in building rental units. The imposition of wage and price controls adds yet a newer twist: the prices of new housing is controlled in the sense that wages in the construction industry are controlled. But the wages of old houses are not controlled. The government has also failed to coordinate its housing policies with monetary ones. The governor of the Bank of Canada explained that he would restrict the supply of money, and expected interest rates to rise. The federal government obviously knows that it should be stimulating long term increase in supply, but it keeps introducing expedient policies which cancel out the effects of the longer term policies. (OC 10,11,75 p9 c1-4 Dian Cohen)

HEALTH

Ontario will choose some hospitals and reduce services in others to curb rising health costs, Treasurer Dacry McKeogh and Health Minister Miller said. Miller said the closing of some hospitals will be unpopular "but the seriousness of the present dollar challenge must take precedence." Miller added that the health ministry has cut its own costs drastically, reducing staff from 15,200 to 14,100. It has cut the number of hospital beds and is holding the line on the number of doctors in the province. In Ontario medical visits per person are 20% higher than four years ago and hospital admissions are growing at double the rate of the population increase. He told the news conference deterrent fees have been considered but are not imminent. (TS 29,10,75 pA5 c1-9)

MILITARY

INTRODUCTION

Canada is in the process of purchasing new long-range patrol aircraft from the USA. One reason given by the press for Trudeau's new interest in updating the armed forces for NATO is a result of pressure from Europe at a time when Canada is seeking a new link to the European Economic Community. There is one report that another reason for the purchase is pressure from the USA who is attempting to reduce its defence deficit which resulted following the end of the Vietnam War.

Because the purchase is being made as a "total package" no Canadian designed and manufactures acoustic processing equipment will be used for the aircraft which will seriously damage the reputation of Canadian Companies and their ability to continue to sell to NATO countries, Australia and Japan.

But the purchase has more serious ramifications. Although there has been talk of industrial benefits of 570 million to Canada, Defense Minister Richardson did not elaborate on what they would be, and many of these benefits cannot be regarded as military. In addition to receiving a deadly blow to the Canadian owned aerospace industry, Canada may also show a substantial deficit under the arrangement.
(See Trade Section)

New Defence Purchase

Canada will purchase 18 new-long range patrol aircraft from the Lockheed Aircraft Corp. of the USA at a cost of almost \$1 billion. Richardson said that capital expenditures will be permitted to rise up to 12% a year in real terms for the next five years. The current defense budget is about \$ 2.5 billion.

The Lockheed P-3 which is based on the U.S. Orion will replace 26 Canadian built Argus aircraft, but not until 1980 when deliveries will be completed . The cost of the Lockheed was estimated at \$950 million.

(G&M 28/11/75 , p 1 C4)

At least \$686 million will flow to the Canadian aerospace industry over the next 15 years as a result of the new purchase from Lockheed.

In addition about 6,000 new jobs will be created which will involve about 2,500 workers in direct programs placed in Canada by the Company and about 3,500 in supportive services.

Mr. Childs of Lockheed California Co. was not able to give a complete analysis of how the work will be placed in Canada. He also said that Canadair Ltd of Montreal will be involved in manufacturing.

Sperry-Univac which will provide acoustic equipment for the new plane, will build a computer plant in Canada.

(G&M 28/11/75, p. B1 C 4-7)

MEDIA

The Time-Digest debate has been on the press for a year. After closure of the debate in the House of Commons, the issue has been referred to the broadcasting committee of the house. The discussion apparently indicates that the Canadian magazine industry all along used the Canadian content issue as a pretext for getting a larger share of the advertising market.

Paul Zimmerman of Reader's Digest ruled out the possibility of complying with the 80 per cent Canadian content ruling. He said the very essence of his publication is material that has appeared elsewhere. Loyd Hodgkinson, publisher of Macleans argued that any weakening of the content rule "will open the door to more foreign magazines competing for domestic advertising revenues by merely republishing editorial matter to support an advertising structure". Doris Anderson of Chatelaine, another MacLean Hunter publication felt that Canadian editions of foreign magazines should not be allowed in Canada at all

(G&M 26/11/75 p B9 C 1-6)

CULTURE

Andre Fourtner recently resigned director of the Canada Arts Council, predicts disaster for the arts. Council grants of \$35 million accounted for the explosion in the arts. This growth is now threatened by lack of money to satisfy present expectations due to restrictions in Federal spending. The result may be a complete collapse of Canada's present cultural life.

(EJ 22/11/75 p 2B C 1-8)

EDUCATION

Many academicians feel that cost cutting due to inflation will erode academic standards. Cuts in non-teaching services have reached their limits and class sizes will have to increase next year. Several institutions are considering a moratorium on hiring - Most are looking to strict enforcement of the federal wage and price control guidelines.

(EJ 26/11/75 P 58 C 4-8)

LATIN AMERICAN & CARIBBEAN NEWSFILE

BELIZE

BRITISH TROOPS SENT TO PROTECT BELIZE FROM GUATEMALA

Britain began flying troops and planes into the Central American colony of Belize (formerly British Honduras), saying that neighbouring Guatemala is building up a military threat against Belize. The British government statement said "serious public concern" has arisen in Belize because of the Guatemalans who want to incorporate it into their own country. Under the Guatemalan constitution Belize is regarded as part of Guatemalan territory. Successive attempts under the sponsorship of the United Nations for a negotiated settlement have failed.

The 650 man British garrison is being reinforced with an undisclosed number of troops, jet fighters and vertical take-off aircraft. The British government reports that Guatemala has sent 10 armored troop carriers plus infantry and supplies to Polvora, 65 miles from the Belize border.

(OC, 5/11/75, p.1, c.5-6 AP; OC, 6/11/75, p.5, c.1-2 AP)

BRAZIL

BRAZILIAN NEWSMAN TORTURED TO DEATH

Brazilian journalist Vladimir Herzog, news director of Sao Paulo's cultural television station, died in a military prison here this weekend after being interrogated about his alleged link with the illegal Brazilian communist party. Newspapers and lawyers called for an independent investigation with Herzog's death. More than 30,000 university students struck in protest at the past 2 weeks. The second army said he had committed suicide in his cell. Herzog was the 11th journalist to be arrested in Sao Paulo in just over a week in a wave of imprisonments that has now topped 200.

Those arrested include leaders and members of the opposition Brazilian Democratic Movement (MDB) at the state level, doctors, students, university professors, lawyers and trade union leaders. Most were released and many calimed they had been tortured.

(HS, 11/11/75, p.5 Reuter; MS, 27/10/75, p.c12, c.1 Latin American Times)

CANADA-LATIN AMERICA ECONOMIC RELATIONS

VENEZUELA OIL PROFITS AID CANADIAN INTERESTS

The President of the Venezuela Investment Fund said Thursday that the government agency currently has about \$180 million (US) invested in Canada, mostly in short term money markets. It also has placed \$5 million each in 5-year bonds of the Newfoundland government and Seagram Corp. of Montreal.

The agency was established last year to handle the billions of dollars accruing from oil-price increases. It plans to hold the money in investments abroad, repatriating it as required for massive industrial development projects at home.

CUBAN CONTRACT FOR SNG

A contract has been signed between SNG group, a Canadian firm, and Construccion Industrial de la Republica de Cuba, to build a stainless steel mill which will produce 50,000 tons per year. The mill will enable Cubans to make use of their vast nickel reserves, one of the 5 largest in the world. The bulk of the product will be for export. Much of the equipment, perhaps up to \$100 million worth of goods, services and equipment, will be purchased in Canada. (MS, 12/11/75, p.G3, c.4-7)

CANADA COULD LOSE \$96 MILLION IN NUCLEAR SALE TO ARGENTINA

The President of Atomic Energy of Canada Ltd., John S. Foster, has said the Canadian government could lose at least \$96 million in the sale of a Candu nuclear reactor to Argentina, because of inflation. When the contracts were signed in 1974, they included a clause for inflation to a maximum of 24%, but inflation in Argentina so far, totals between 30 and 35%. This means that Argentina money is worth far less than when the original negotiations for purchase took place, and Canada is now seeking a renegotiation of the contract. The reactor is needed for a plant in Cordoba province to produce nuclear energy. Construction started last year and was expected to be completed by 1980.

(TS, 29/11/75,p.A8,c.7-9 AP)

CHILE

The last public defences of human rights in Chile are under heavy military attack. Among political events relating to Chile during the past few months are:

--The increasing attack on the Committee for Peace, and related groups of Christians, Jews and others who have acted for human rights in Chile. With public discussion at a height in July regarding the 119 "disappeared", the Committee for Peace (COPACHI) came under severe press attacks for its work in presenting most of the cases concerned in habeas corpus actions in Chilean courts. The clear documentation and work of COPACHI with the families of the disappeared was an embarrassment to the junta, and its propagandists in Chile's highly censored press. With heightened repression during the anniversary period in September, COPACHI Secretary Gorgina Ocaranza was arrested. After a press campaign against him, Lutheran Bishop Helmut Frenz, co-President of COPACHI, was forbidden to re-enter Chile when he left it for a World Lutheran Conference in early October. Also in October there were numerous arrests of Committee personnel in the provinces, and early in November the pressure was focused on Santiago. In the first two weeks of November, the police chased of MIR leaders, and arrests of priests and doctors who were alleged to have assisted them, Committee personnel were also arrested. On November 11, General Pinochet wrote Catholic Cardinal Silva Enriquez stating that COPACHI was an agency for the marxist-leninists, and that its dissolution would be "convenient". On November 14, Cardinal Silva replied that COPACHI was doing the work of the Gospel and that its dissolution would bring damage to Chile, but complying with the General's demand nevertheless. While Silva asked for protection for Committee workers, early in the morning of November 15, police came for leading Committee officials, including Jose Zalaquett, instrumental in its relations with other countries, the COPACHI chauffuer, lawyers who had worked most closely with the families of the disappeared and others. Although the papers announced the COPACHI dissolved, the staff met in Santiago November 17 and decided to continue their work until the police close the doors.

The military and press pressure on this vital work has increased tensions within the Catholic Church. While official statements refrain from a break with the junta, and individual rightist bishops speak in long press articles against those Christians who help subversives, there is evidence that more progressive bishops have had enough with maintaining an official facade of

unity in the church. Bishop Camus, Secretary of the Episcopal Conference of the Church in Chile has remarked publicly about the levels of cynicism and manipulation in Chile, and likened the present situation of Christians in Chile to that of the Catacomb Christians of repressive Rome. While Cardinal Silva finds public prayer for the disappeared and imprisoned embarrassing, many communities of Christians, priests and a few bishops continue these vital acts.

--In the United Nations, the progress report of the Ad Hoc Working Group of the Commission on Human Rights, has been received. A motion of censure against Chile's junta was passed by a large majority (88-11 with abstentions). Canada and the US voted for censure. The Commission's report is a further catalogue of the excesses of the Chilean junta. The final report of the commission should be released in February 1976.

--In the streets of Chile, the campaign against the resistance has reached new levels. By November 8th, Andres Pascal Allende and Mary Anne Beasire had asked for "asylum" in the embassy of Costa Rica, and Nelson Gutierrez, Maria Elena Bachman, and an American Holy Cross Priest John Devlin, had taken asylum in the Embassy of the Holy See. A further six MIR members were detained on November 11, the Chilean authorities allege, including two Italian priests. With Andres Pascal and Nelson Gutierrez escaping from arrest, the junta's police agencies have become wilder in arresting people even remotely or possibly connected with them. A number of American nuns and priests have been arrested and expelled from Chile, and one of Santiago's most respected priests, Father Rafael Marotto, Vicar of the Central Zone of Santiago, has been arrested.

An international campaign for safe conducts out of Chile for Andres Pascal and the others in asylum is under way, as is a campaign for the release of the arrested priests, sisters, doctors and social workers of the Committee for Peace and related agencies.

On November 27th, in Ottawa, 150 Canadians marched from Parliament Hill through heavy snow to the Chilean embassy on Sparks Street Mall. There, they held a prayer service in intercession and protest against the repression of work for human rights in Chile and for the disappeared, the imprisoned and the hungry and unemployed. The demonstration was organized by the Inter-Church Committee on Chile and supported by Catholic, Anglican, Lutheran, Presbyterian, Quaker, United and other bodies, together with Amnesty International and Oxfam Canada. (LAWG Letter, December 1975)

CUBA BUILDS MERCHANT NAVY

Since Fidel Castro came to power 16 years ago, Cuba has increased its merchant fleet 9-fold. The island depends heavily on foreign trade and needs its own merchant fleet to maintain its independence. This will also be heightened by its membership in the newly-created multinational Caribbean Shipping Company which has been set up to boost trade between Central America and Caribbean countries, while reducing their shipping bill to foreign countries.

(OC, 30/10,75, p.34,c.1-8 Reuter)

VENEZUELA

VENEZUELA TO IMPORT LABOUR

The Venezuelan government is ready to initiate a program to bring thousands of skilled Europeans from Portugal, Italy, Spain and also from other Latin American countries, and from the U.S.--to Venezuela to work. Under the proposed program, the Intergovernmental Commission for European Migration which helps European emigrants find jobs, would supply Venezuela with about 2000 trained personnel a year, beginning in 1976. It is intended to ease the shortage of technicians in Venezuela and to fill specialized jobs created by industrial growth. To meet the demand, the government has also tried to improve technical training schools here and has sent about 8,000 Venezuelan students to study in foreign universities. (GM, 3/11/75,p.2,c.6-7 NY Times)

FOREIGN OIL FIRMS ACCEPT VENEZUELA TAKEOVER OFFER

All foreign oil companies have accepted the Venezuelan government's offer of compensation for their nationalized assets. They will be paid a total of \$1.018 billion, of which 40% will go to Creole, a subsidiary of Exxon Corp. Other large companies involved are Royal Dutch Shell, Atlantic Amoco Sinclair and Mobile. Most of the oil concessions had been due to expire in 1980, and the compensation is being made for profits they would have earned up to that time. The Venezuelan oil industry is the 5th largest in the world.

(MS, 29/10/75,p.A23,c.1-3, Eduardo Gomez)

OIL TAKEOVER NOT SECURE

While the Venezuelan government will control the onshore refineries now owned by the Creole Petroleum Corp., a subsidiary of Exxon and the Royal Dutch Shell group, then two oil companies will continue to own their own offshore refineries in the islands. The offshore refineries have a capacity of 900,000 barrels a day, roughly 100,000 barrels less than the onshore facilities. (MS, 10/11/75,p.B7, c.2-3, H.J. Maidenby NY Times)

The October 28 deadline for appealing the compensation passed without a murmur of protest from the companies. For many oil executives, nationalization will mean little more than a change in the name of their employer. "The government will need our technical and managerial help for a long while" said Gustave Colonel, manager of commercial relations for Shell of Venezuela, who has been named one of the 10 directors of PETROVEN, the new name of the state-owned corporation. "But more important, Petroven must rely on the multinational companies for market...."

Venezuelan Minister of Mines and Hydrocarbons, and the head of Petroven, say there are no immediate plans to insist on more refinery and processing of oil before export to North America. Nor is there any pressing urge by Petroven to bypass the multinationals and deal directly, say, with PetroCan, the new government oil company in Canada. It is the coziness between state and private companies that fosters skepticism, feeding suspicion, voiced by critics that the multinationals will wind up collecting as much in management and service fees as they have in profits and, by retaining tanker delivery systems and markets, will still control the business.

(MS, 24/11/75,p.A14,c.1-6 by Carl Mollins)