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# 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

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## HIGHLIGHTS

The Saskatchewan government's plan to nationalize the potash industry in the province and reactions to it was the main ~~story~~ story in foreign investment.

The wage and price control's effect upon the housing scene will be caution and retrenchment. The economic environment will not be conducive to the construction of much-needed rental and single-family units.

In Labour Struggles, the focus of attention is the Anti Inflation Board, imposing on many negotiations, and frequently forcing both parties back to the bargaining table, even after ~~it~~ a settlement has been reached.

Dave Barrett is voted out of power, but the corporations ensured his demise by financing huge newspaper ads to point out that BC's economy would be better without the NDP.

In response to questions asked by opposition parties, the federal government has confirmed arms sales to Israel, Saudi Arabia, India, Pakistan, Chile, Ghana, Uganda, Greece, Rhodesia and Zambia.

Revolts in Argentina, the military-church confrontation in Chile and the 1st Congress of the Cuban Communist Party are highlighted in the Latin American Newsfile.

## CANADA/LATIN AMERICAN RELATIONS

### PARIS TALKS ON TRADE

The two-day conference of 27 nations has established four commissions to deal with major problems in world economic relations. The commissions will begin work on Feb. 11, although still to be settled is how specific their mandates will be. The industrialized countries led by the U.S. want broad, unspecific directions to be given to the commissions. The developing nations led by Algeria want specific guidelines so that the commissions will deal with concrete proposals for constructing better economic relations. The co-ordinating commission is made up of 10 co-chairmen representing the overall body and the four commissions. External Affairs Minister Mr. MacEachen and Venezuela's Manuel Perez Guerrero chaired the meeting.

The U.S. and Saudi Arabia will chair the commission on energy. The EEC and Japan will chair the commission on finance. Japan and Peru will chair the commission on raw materials. The EEC and Algeria will chair the commission on development. Canada has a seat on the energy and development commissions; she had hoped for one on raw materials.

(GM, 19/12/75, p.3,c.3-4; GM 20/12/75,p.B3)

The UN General Assembly had adopted unanimously a declaration against torture.

(MS, 12/12/75,p.B17, c.1-2)

### DEPARTING AMBASSADOR PORTER ISSUES WARNING

The ambassador told reporters of "irritants" to Americans in Canadian policies. These included:

- legislation re: Time and Readers Digest and border TV;
- Canada's oil export tax and cuts in Canadian exports of crude oil to the American mid-west;
- B.C.'s two-price gas system;
- Saskatchewan's nationalization of potash mines;
- foreign investment legislation.

(MS, 15/12/75,p.A7,c.1-2)

*CNSP NOTE: The Toronto Star and the Ottawa Citizen carried editorials on December 16 stating that the so-called irritants were perfectly justifiable policies on the part of an independent nation and that the U.S. should get used to a new, more mature Canada. The Montreal Star, however, warned Canadians to ponder the ambassador's advice and not step on the toes of our largest trade partner (Dec.17th).*

### NATO

The 15 NATO ministers meeting stated that its members must maintain strong western conventional forces to line up against the growing Warsaw Pact strength in Europe. NATO members will aim to standardize arms and equipment. Some smaller NATO members, including Canada, approved the standardization goal in principle, but are worried that the policy will give the lion's share of business to a few highly developed countries, like the U.S.

(TS, 9/12/75,p.A1,c.7-8)

(HCH, 12/12/75,p.3)

**HABITAT**

Canada has signed an agreement with the UN to hold the UN conference on human settlements in Vancouver next June (May 31st-June 11).

(TS, 24/12/75,p.A12,c.1-7)

**TRADE****COPPER CARTEL**

Canada has refused to join the seven nation group of copper exporting countries known as CIPEC. Canada argues that CIPEC is a price-fixing cartel like OPEC, although CIPEC itself denies this. CIPEC members account for 75% of world copper production and Canada is the largest copper producing country who is not a member of CIPEC.

(OC, 12/12/75,p.9,c.1-2)

*CNSP NOTE: Canada's decision is likely influenced by the U.S. companies who hold large investments in Canadian copper production.*

**COFFEE AGREEMENT**

The 63 country International Coffee Organization approved an Agreement which will go into effect on October 1, 1976. Part of the agreement states that quotas will be suspended when there is a shortage in coffee production. Since 40% of the Brazilian coffee crop for 1976 is thought to have been damaged and there is uncertainty regarding Angolan coffee, prices are expected to rise.

(GM, 4/12/75,p.B1,c.7)

(OC, 4/12/75,p.9, c.5-6)

**EXPORTERS PLAN TO FIGHT TAX ON PROFITS**

The Canadian Exporters Ass. plan to meet with representatives of the Canadian Labour Congress to win their support against the federal policy of levying a tax on profits made on export sales. "We're convinced the responsible labour leaders understand and believe that profits are necessary to produce jobs for themselves and their children." CLC spokesman, Joe Morris declined comment until the meeting is held.

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

*CNSP NOTE: Also see Economy General*

**CANADIAN MANUFACTURERS LOSING GROUND**

In 1974 and the first half of 1975 Canada increased its exports of fully manufactured goods by 8% annually. In the same period Japan and the U.S. increased theirs by 40%. (GM, 9/12/75,p.B1,c.2-5)

**BERCHANDISE TRADE BALANCE FOR NOVEMBER**

Deficit: \$189 million. Exports: \$2.89 billion. Imports: \$3.08 billion. Exports of metallic ores, crude oil, pulp and petroleum products rose; exports of wheat, newsprint and autoparts declined.

(GM, 20/12/75,p.B3,c.6-9)

## FOREIGN INVESTMENT

## QUEBEC

An inter-departmental committee report, suggests that foreign investment stifles economic development in Quebec. The report suggests that the government give more encouragement to Quebec firms, and seek to integrate foreign branch plants into the Quebec economy. The report calls for stricter controls of foreign investment in natural resources, financial institutions, cultural affairs, public services and transport. Premier Bourassa and Industry Minister, Guy Saint-Pierre have said that foreign firms wishing to exploit Quebec's natural resources must do so in association with Quebec firms, and transform the whole product to the finished stage within Quebec. Transport Minister Mailloux introduced legislation last week to control foreign ownership in transportation and other public services. The report states, "the greater the foreign penetration, the more the host country develops a dependence mentality that undercuts the capacity for innovation."

(MS, 11/12/75,p.A20,c.1-5)

(WFP, 11/12/75,p.95,c.7-8)

In a press conference, Industry Minister Guy Saint-Pierre attempted to dispell worries regarding the decline in Quebec's economic performance in 1975. He admitted that Bill 22 had sent ripples of paranoia through much of the Canadian and American business community, and his speeches are laced with tranquilizing words.

(HCH, 22/11/75,p.28,c.1-8)

Stephen Clarkson of the University of Toronto told the joint congressional sub-committee on inter-American economic relations, that in Canada, where whole sections of the economy are under foreign control, the national capacity for technological innovation "is virtually castrated." 300 multinational corporations control 75% of the non-Communist world's industrial assets, and 40% of their foreign investment is in Canada.

(GM, 17/12/75,p.B2,c.3-4)

## WESTINGHOUSE

New guarantees of job security for the 2,300 workers in the appliance division of Westinghouse Canada have been made in the bid by U.S.-controlled WCI Canada for control of the factory. The FIRA is expected to make a ruling on WCI's bid for the appliance division in mid-January. It is being contested by General Steel Wares of Canada, a Canadian firm which wants to take over the appliance division.

(TS, 19/12/75,p.7,c.2-3)

## SASKATCHEWAN

Moss, Lawson and Co. Ltd., a brokerage firm on Bay Street calls Canada "politically unstable" and a worse place to invest than the floundering United Kingdom. European investors lack confidence in the ability of the Canadian government to control the economy. In addition, actions like the proposed nationalization of potash in Saskatchewan seem to show an atmosphere of confrontation in Canada. (TS, 16/12/75,p.9,c.1-2)

A.G. Kniewasser of Toronto, President of the Investment Dealers Ass. said that Canada needs more than \$500 billion in investment capital between now and 1985. Canada will have to seek more foreign money than ever before. Association chairman E.C. Lipait, said that there is little evidence that FIRA is scaring away foreign money. He said government indecision about resource revenue sharing, tax reforms, and the upcoming potash dispute in Saskatchewan create more problems than FIRA.

(HCH, 16/12/75,p.c,c.1-5)

The U.S. government, as usual, has issued a veiled threat that potash nationalization in Saskatchewan will discourage U.S. investment in Canada. In fact, the American-based corporations use mostly Canadian capital to expand investments here. The U.S. is off-base in asking the Canadian government to intervene in Saskatchewan's plans. Saskatchewan's aspirations are legitimate, and Saskatchewan has real grievances, however Blakeney's case for potash nationalization remains insufficient.

(EJ, 17/12/75,p.4,c.1-2, ed)

#### LAND

Canada is one of the countries most favoured by international real estate investors and foreign investment in real estate in the next 2-3 years could total \$3 billion. The Quebec government recently prevented a heritage property of the Grey Nuns in Montreal from being destroyed and made into a Swiss-financed commercial complex, but this news is an exception. Two British firms, Bramalea Consolidated Developments Ltd., and Slater, Walker of Canada have acted to "Canadianize" their shareholders. The regulation of land is a matter not only of use but of ownership. The Atlantic Provinces Economic Council has stated that "land-use regulation cannot provide a complete answer; no matter how well conceived...the issue of ownership cannot be ducked indefinitely....Land ownership and use are intimately interconnected...."

29 U.S. states restrict land ownership by aliens. Federal and provincial governments in Canada could take certain initial steps: 1)requiring disclosure of ownership to find the extent of foreign ownership; 2)they could eliminate obvious speculators by establishing minimum maintenance requirements. Yet, Ottawa may actually encourage more foreign investment in land in order to shore up Canada's balance of payments deficit, a "foreign investment at almost any cost" policy.

(MS, 28/11/75,p.11,c.5-7, Maurice Cutler)

Sidney Handleman, Consumer and Commercial Relations Minister, said that Ontario endorses a federal proposal to allow the provinces to bar foreigners from owning land. In April, 1974, Ontario enacted a land transfer tax, which doesn't limit amount of land an alien may own, but collects a 20% surcharge when property is sold. However, numerous exemptions have been granted foreign corporations.

(TS, 1/1/76,p.A12,c.1-5)

Some maritimers were pleased with the December bankruptcy of the Land Auction Bureau of Boston, which used to put Maritime land on the auction block in Boston. Its bankruptcy indicates a slackening in demand among Americans for New Brunswick land. This is seen as a product of some Maritime actions, the decision of spring, 1974, by the Nova Scotia government to expropriate over 5,000 acres of shore property on the South Shore, owned by an American woman; and the supreme Court of Canada action in fall, 1975, giving Prince Edward Island the right to limit the amount of non-resident land purchases. Registration laws regarding non-resident ownership have many loopholes, so it is hard to know who owns what. Yet figures gathered indicate that one million of the four million economically important acres of land in Nova Scotia are owned by non-residents. Maritimers now see their land as more important than they did 10 years ago.

(MS, 3/1/76, p.D3, c.4-6)

#### CANADA-LATIN AMERICAN ECONOMIC RELATIONS

##### ALCAN JOINS BAUXITE PROJECT WITH BRAZILIANS

Alcan Aluminum Ltd. and Companhia Vale Rio Doce of Brazil are co-sponsors of the Trombetas bauxite project in the Amazon region of Brazil. It is a \$280 million dollar project scheduled to start next month with production expected in 1979. Alcan will purchase 1.2 million metric tons annually for use in Canada.

(GM, 11/12/75, p.B5, c.3)

The new chairman of the Canadian Association for Latin America (CALA) is Thomas Bata, chief executive of Bata Ltd. in Toronto. In an interview he stated, "Latin America is more interested in technology than capital."

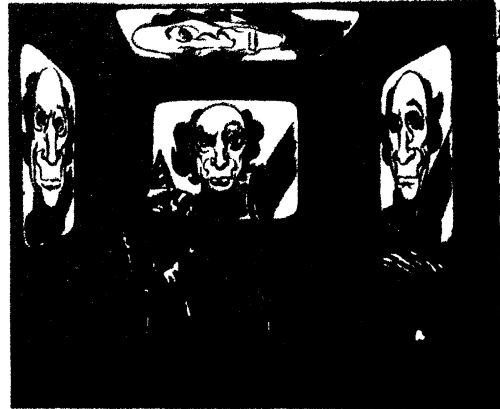
(EJ, n.d., p.59, c.2)

## **ECONOMY—GENERAL**

### **WAGE AND PRICE CONTROLS**

#### **STATE INTERVENTION TO GROW**

Prime Minister Trudeau said, "We can't destroy the unions and we can't destroy the multinationals, so government must take a larger role in running them, both at the present time and presumably after the controls end." (HCH, 29/12/75,p.1,c.6-8)



TS, 30/12/75, p.84

**Happy 1984!!**

#### **EXPORT PROFITS TO BE TAXED-- THEN RETURNED...**

Canadian companies covered by the guidelines whose export profits rise beyond domestic limits will be taxed at a rate of 100%. However, after the controls end, 75% of the tax will be refunded. This figure will rise to 90% if the companies will invest in job creation or energy conservation. (TS, 19/12/75,p.C7,c.1-9)

*CNSP NOTE: Government statements were often contradictory. There was also much editorializing in the press. However, the above articles might point to a trend. Instead of attacking the real problems of distribution or the causes of inflation, Trudeau announced that the government will play an as-yet-unspecified larger role in running the economy. He didn't give any details, but one clue about the direction policy will take is given by the announcement that export profits taken away during the program will be returned to the companies.*

#### **REGIONAL DISPARETY STILL WIDE**

Statistics for the period 1970-72 show that the gap between the rich and the poor regions of Canada narrowing. However, projections show that it will take the Atlantic provinces 70 years to reach the national average for personal income per capita.

In 1972, Ontario had a per capita income 16.9% higher than the national average, B.C. was 8.6% higher. In contrast, the prairies had a per capita income that was 91.9% of the average, Quebec had 89.1% and the Atlantic provinces 72.4%.

(MS, 23/12/75,p.A8,c.4-6)

(FP, 3/1/76, p.8,c.1)

#### **BRYCE COMMISSION OF CONCENTRATION OF CORPORATE POWER--NADEAU CHARGED WITH CONFLICT OF INTEREST**

Pierre Nadeau, one of the members of the Commission, is also a director of the Royal Bank of Canada. This bank backed the attempted merger of Power and Argus Corporations, the move that inspired the establishment of the Commission. When questioned about the possibility that Nadeau might experience a conflict of interest, P.M. Trudeau answered that persons serving on royal commissions should maintain some links with the interests they are investigating because that is what makes them experts in the field.





Statistics Canada said the rise in the Food Price Index was due mainly to higher prices for fresh vegetables, coffee, restaurant meals, beef and poultry. (CP Newsmag)

#### BIGNESS ESSENTIAL FOR CHEMICAL INDUSTRY

DuPont of Canada claimed that the small size of the Canadian chemical market meant that companies had to be large-scale in order to survive. Canadian Industries Ltd. (CIL) said the company was already constrained by existing legislation, competition, unions and public opinion to responsibly use its power. CIL said that the "assembly and exercise of corporate strength in ways beneficial to Canada" should not be inhibited. Both DuPont and CIL are controlled by foreign corporations.

(GM, 9/12/75, p.B4, c.5-9)

#### CANADA NEEDS MORE CONCENTRATION

Ian Sinclair, of Canadian Pacific, claimed that his company should grow bigger in order to achieve efficiency and to compete properly in world markets. Sinclair said that some other countries held greater prospects for private investment than parts of Canada. C.P., with assets of \$5.4 billion at the end of 1974, as well as its railway, airline, hotel, shipping, trucking and communications interests, owns Marathon Realty, Cominco Ltd., Algoma Steel, Great Lakes Paper, and has large investments in MacMillan Bloedel, TransCanada Pipeline, Rio Algom Mines, and Union Carbide Canada.

(OC, 12/12/75, p.9, c.1-8)

**PRIMARY**

**AGRICULTURE | FISHING | MINING**

**OIL & GAS | HYDRO**

**AGRICULTURE:**

*Cattle producers are becoming disgruntled because their costs of production are exceeding current average selling prices. Farmers in Alberta have called for government assistance programs. Reasons for agricultural problems include over-population of cattle, dependency on a continental market, and centralisation of slaughtering facilities.*



*"To get around my feed costs going up by 90%, I've been feeding them 90% less."*

**CATTLE PRODUCERS IN ALBERTA**

Alberta cattle farmers impatient with lack of Alberta government assistance occupied an Agricultural Building office. They demanded \$100 per head subsidy on a farmers first 75 head of cattle. One farmer complained he can only get \$25-35 a head when it should cost \$150-175. Police eventually evicted the demonstrators.

Dr. H. Harris, an economic and management consultant and former cattleman, said there is no price justice in the present marketing system, mainly because small producers lack market information and a strong bargaining position. He rejected the free stance of the Canadian Cattlemen's Ass. that calls for a North American market. In a continental model, meat policy would be decided by the U.S. He also does not support the supply-management approach of the National Farmers Union, which proposes a National Meat Authority to handle orderly marketing of beef. Such a rigid authority would lose too many alternatives, he said. Harris proposed a domestic or world market, but not a North American one that would support prices being paid to producers with up to 100 cows, but not to those with more to prevent conglomerate development; and that Canada set up a beef import policy because about 100 million pounds are coming in to compete with Canadian producers.

(EJ, 2/12/75,p.47, c.8)

(MS, 3/12/75,p.D19,c.6-8)

(WFP, 10/12/75,p.48,c.1-3)

**CANADA-US QUOTAS**

In August, 1975, Canada imposed world-wide quotas on trade in meat. The action was to protect Canadian producers, but the US imposed retaliatory quotas. The two have now agreed to drop beef quotas, a return to a traditional continental market.

(OC, 2/1/76,p.9,c.1-4)

**EASTERN ONTARIO BEEF INDUSTRY**

The local beef industry is in trouble due to a serious shortage in meat packing facilities. This is traced to Canada Packers' decision to close its Hull slaughtering operations five years ago. Now one of three remaining firms, Capital Meat Co. of Vanier, was expropriated for road construction. It was slaughtering 350 to 400 cattle a week. Only two firms, both of Ottawa, remain to take up the excess population of beef cattle. Farmers have been forced to accept lower prices than elsewhere in Ontario. An observer saw cattle sold in local markets for 20¢ a pound less than in Toronto. Thus local producers are shipping their cattle to Toronto markets. An economic consultant said far too many cattle are being shipped and Ottawa consumers will have to pay for the two-way transportation.

(OC, 22/12/75,p.15,c.1-2, G.Pitts)

## FORESTRY

Canada is one of the world's prime suppliers of world newsprint and related forest products. Exports bring vast sums of capital to the country. The picture has changed dramatically. Economic slowdown and labour unrest are now the norm. The Canadian Pulp and Paper Ass. has released performance statistics for this year that show Canada's eroding export sales to the U.S. (70-75%). For the first nine months of 1975, shipments were down 20%.  
(HCH, p.25,c.2-5, R.Russell)

It has been predicted that high costs will limit future capital investment in B.C. High cost for raw materials, labour and logging equipment, as well as incentives offered by other countries developing forest industry, is hindering development. B.C. forestry depends on its ability to compete internationally and to maintain its share of world markets. Many competing areas are in the tropics growing cycles.  
(VS, 2/12/75,p.40,c.3)

In early December, the Vancouver Sun ran an opposition campaign against the NDP government. In a  $\frac{1}{4}$  page ad, a group of concerned citizens and foresters quoted NDP Forestry chairman of the forest industry, Mr. Shelly. "He told the industry it would have to take second place to the government's expanding network of forest operations. The industry may have to accept a lower rate of profit on its operations, and small operators may have to go into partnership with the government to survive." The ad saw this as crippling to the industry and argued that the government should take the fair road to nationalization by fair price expropriation and not piecemeal actions that cripple the industry. It ended with the question: **WOULD YOU INVEST YOUR MONEY TO CREATE JOBS IN THE B.C. FOREST INDUSTRY UNDER THE NDP GOVERNMENT.** The ad did not question what would happen to small firms if there was no equal government ownership and control of the industry.  
(VS, 4/12/75,p.17,c.1-5)

## MINING

*A change of government in B.C. and expansion slowdowns and layoffs in the mining sector of Ontario are reasons for these provinces lowering their royalty and taxation rates in the industry. They hope to encourage development by giving incentives to the industry. The Saskatchewan government took a different tack to the question of royalties and taxation of companies in their potash industry. Rather than acquiescing to corporate pressure, they are taking steps to nationalize the industry.  
(See CNSP Nov. 1975)*

## B.C. SOCIAL CREDIT ON ROYALTIES AND TAXATION

Social Credit leader Bennett said his party will repeal the B.C. Mineral Royalties Act and replace this by a tax on mining profits. (Royalties on energy resources, like coal, would continue because of heavy and consistent demand). This act would apply to metal mining which has a highly cyclical marketing pattern. T. Waterland, believes that in view of the sums put out by companies in exploration and development, only the profits of metal mining should be taxed.

### ONTARIO EASES TAXATION RESTRICTIONS

In 1974 Ontario introduced a tax that disallowed deduction of offshore processing costs in determining profit subject to tax. Ontario wanted more processing of Ontario ores done within Canada. Now Ontario is defending this policy for five years and granting Falconbridge a further four years exemption from another requirement to process ores in Canada. L. Bernier, Ontario Minister of Natural Resources, cited reduced demand, heavy inventories and reluctance to embark on exploration and expansion as the reasons for the change. The change will cost the province between \$8-10 million a year. Most tax savings will go to Falconbridge which recently laid off 500 workers. Bernier admitted that concessions will not do anything for people laid off in Sudbury but hoped they would help prevent further layoffs.

(OC, 24/12/75,p.9,c.3-7)

(FP, 3/1/76,p.17,c.8-10)

*CNSP NOTE: The Saskatchewan nationalization of the potash industry promises employment of provincial workers and 50% controls to compete with the private sector of the industry. B.C. and Ontario on the other hand, gave in to private business. Once again Falconbridge escapes its commitment to work for the development of a base for processing minerals within the country. (See Falconbridge: LAWG)*

### OIL--GAS

#### INTRODUCTION

*The most sensitive area of public relations for the major oil companies is whether they have misled Canadians about available supplies. The Toronto Star (4/12/75) indicated that Canadians should take over Imperial Oil Ltd. The National Oil Corporation, PetroCanada, goes into business January 1st. (with the primary role of exploration and development of petroleum supplies and overseer of the government's \$300 million investment in Syncrude Canada Ltd.) The C.D. Howe Research Institute questions developing the Oil Sands as a means of achieving energy self-sufficiency due to high costs. Allowing the price of natural gas to rise to that of heating oil and also introducing a 25% resource exploration allowance brought increased exploration commitments at over \$600 million for 1976. The Lion's share of exploration budgets is earmarked for Alberta. Renewed investments anticipate wellhead prices will go up and provincial governments will further improve royalty and tax positions in the industry.*

Federal, Provincial Energy Ministers met to pave the way for a further rise in crude oil prices by July 1 and the principle of one national price should be maintained.

(WFP, HCH, TS, 13/12/75,p.A3,c.1-5)

The Anti-inflation Board (AIB) said major oil companies must give 30 days notice before raising prices for petroleum or petrochemical products. These increases will be limited to recovering higher costs incurred. The government's Energy Supplies Allocation Board (ESAB) will also monitor the prices.

(GM, HCH, 30/12/75,p.1,c.7-8)

The Canadian Development Corporation has bought 60% working interest and producing properties of Tenneco Inc. for \$102.2 million. Also included in the package is 51% of Athabasca Tar Sand leases and certain heavy oil lease-holds of Tenneco Oil and Minerals--the new company named CDC Oil and Gas Ltd will be based in Calgary.

(TS, 1/1/76, p.B-7,c.5-7).

## MACKENZIE DELTA HEARINGS

### INTRODUCTION

*The National Energy Board hearings continue. Marshall Crowe's bias charge was dismissed by the Federal Court of Canada. The NEB hearings cover the engineering and financial aspects of the two competing Mackenzie Valley Gas Pipelines proposals.*

*The Berger Inquiry plans to hold hearings in Inuvik in January and February on exploration and development activities planned by the petroleum companies in the Mackenzie Delta and Beaufort Sea areas.*

Shell Canada estimates 47 trillion cubic feet of reserves of natural gas. Gulf Oil estimates 50 trillion cubic feet reserves of gas. Imperial Oil estimates 44-66 trillion cubic feet in the Mackenzie Delta and Beaufort Sea.

(GM, 19/12/75,p.1,c.2-4). (also OC,EJ,TS,MS)

Gulf, Imperial and Shell have uncovered about 7.25 trillion cubic feet of proved probably and possible reserves in the Delta-Beaufort sea area.

(GM, 6/12/75,p.B3,c.1-2)

Arctic Islands presently hold 12-13 trillion cubic feet reserves of natural gas discovered by the Panarctic Oils Ltd--a consortium owned 45% by the federal government and 55% by a group of 30 companies, and a member of the Polar Gas Project, which is studying feasibility of bringing Arctic Islands gas to the south.

(HCH, 21/12/75,p.A,c.4-5)

Polar Gas plans to file an application with the NEB in 1977 for the right to build a line down the West Coast of Hudson Bay from the Arctic Island and through Manitoba, joining the East-West TransCanada Pipeline. This scheme is favoured by Premier Schreyer of Manitoba. Polar Gas is managed by TransCanada Pipelines Ltd (Toronto) and includes PetroCanada and the Ontario Energy Corporation.

(WFP, 11/12/75,p.42,c.1-8)

### NEB SELKS A WIDER RANGE OF OPTIONS

The NEB seeks a wider range of options in considering a northern project. It seeks information from both competing applicants as to the cost of moving the northern gas to a potential connection with the Alberta GasTrunk Line Co. Ltd. (AGTL) near Zama Lake, Alberta, and the cost of moving the gas from there to Empress Alberta. Also, the same information on TransCanada's system for domestic gas supplies. Arctic Gas Consortium decided not to use the existing pipeline which leg AGTL to pull out of the multi-national consortium in 1974, and file a competing application through Foothills.

(GM, 18/12/75,p.B2,c.6-7, also EJ, HCH)



CDC has withdrawn from Canadian Arctic Gas as an active member but remains as an associate member. If the project is approved by NEB, CDC will purchase up to \$100 million in shares in the consortium.

(HCH, 9/12/75,p.4,c.3-5,also MS,GM,TS)

## SECONDARY MANUFACTURING

### CANADIAN MANUFACTURING ASSOCIATION (CMA)

Roy Phillips, executive director of CMA, said one of his major tasks would be to react to the rising influence of Canada's provincial governments on the economy. The CMA has nearly 9,000 firms which account for 75% of manufacturing producing in Canada.

Roy Phillips feels there is a basic lack of public education about free enterprise system to explain the importance of productivity. How can we get employees more interested in the success of their company? To help change the image, the CMA has distributed one million pamphlets--the first six of a series of twelve--to employees of CMA member firms and their families.

(HCH, 3/12/75,p.28,c.5-8)

### AUTO PACT

The Auto Pact talks held in Washington in November were reported as both sides agreeing that the auto industry in both countries is in plenty of trouble. The common problem is basically that North American cars and trucks are just too big, too heavy and consume too much fuel in this era of mounting oil costs. By 1980 the industry will have to come up with new designs both for engines and bodies. Canada felt that as the US owned and controlled car and truck makers strive to produce lighter less fuel-consuming vehicles, they will buy more lighter and cheaper parts from Europe, Asia and Latin America. (FP, 3/1/76,p.2,c.1-6, C. Baxter)

(VS, 11/12/75,p.12,c.1-2)

### CANADIAN TEXTILE INDUSTRY MAKING COMEBACK

The Canadian Textile Industry has been climbing back from a disastrous slump which has been the worst since the second world war. Beginning last year the industry has laid off more than 15,000 workers. As in the past, slumps, the textile industry's tailspin was blamed chiefly on the flood of imports from low-wage countries which further eroded the domestic market for Canadian manufacturing. In 1949, Canadian textile plants served 70% of the domestic market. Today, that figure has dropped to about 40%. In addition, the Canadian industry says it pays the highest wages in the world for textile workers, averaging \$4 an hour and this affects its competition both here and abroad.

(HCH, 29/12/75,p.13,c.1-6)

(MS, 29/12/75,p.All,c.3-7)

### QUEBEC AWARDED DREE GRANTS

The federal department of Regional Expansion has made \$1,120,000 in grants for industrial expansions in Quebec. Eleven companies are allotted money under the grants. It is hoped 256 new jobs will be created.

(MS,11/12/75,p.C15,c.1-2)

**ALL ASSETS OF BRICKLIN SOLD**

All the assets of Bricklin Canada Ltd. seized by Canada Permanent Trust have been sold to Continental Automotive Inc. of Columbus, Ohio. The province of New Brunswick has put \$20 million into the venture.

Economic Growth Minister Lawrence Garvie said he was fairly certain the two Bricklin plants will open "in some capacity" next year possibly for a purpose other than the manufacturing of the sports car.

(HCH, 1/12/75,p.38,c.2-5)

**SYDNEY-GARBARUS FAVOURED FOR WORLD STEEL COMPLEX**

A Montreal-based consulting firm has advised the federal government a world-scale steel complex located in industrial Cape Breton would provide greater socio-economic benefits at a lower cost than at any other of six locations investigated in Eastern Canada. The sites were evaluated on the basis of labour availability, social and environmental factors, and economic implications. The study was presented to DREE in August but never made public. The study led to further DREE assessment of specific social and economic implications.

(HCH, 10/12/75,p.1,c.204)

**NOVA SCOTIA STUDIES HUGE STEEL COMPLEX**

Four major steel producers have agreed to help Nova Scotia complete feasibility studies for a major steel complex in Cape Breton. Cansteel Corp. of Nova Scotia was established nine months ago to bring together in one corporate set-up the steel industries required to look at the Cape Breton steel industry's future.

(TS, 17/12/75,p.C11,c.8-9)

(HCH, 16/12/75,p.1,c.6-8)

(HCH, 18/12/75,p.23,c.5-8)

**STEEL BOOKINGS TO BE THE SAME**

The Canadian Institute of Steel Construction is forecasting bookings by its members at 400,000 tons for 1976, approximately the same volume as in 1975. CISC members fabricate and erect over 85% of the structural steel, plate and steel joists used in Canadian construction projects. Mr. Cameron, vice-president of Toronto Iron Works Holdings Ltd. and general manager of Central Bridge Co., said that construction stretch-outs and project postponements announced by government and industry in 1975 had seriously curtailed a significant construction market increase in 1976. Two of Canada's largest energy utilities, Ontario Hydro and James Bay Energy Corp., both plan to stretch out capital spending on their expansion program.

(HCH, 30/12/75,p.9,c.2-5)



## TERTIARY TRANSPORTATION AND COMMUNICATION SYSTEMS

### TERTIARY--COMMERCE

#### SMALL STORES DYING OUT

D. Tigent, a marketing professor at the University of Toronto said that an increasing percentage of the consumer dollar is being spent at large malls. Only the larger chains can attract sufficient investment to establish the malls. In return, they gain lower rental agreements, while smaller stores pay more. Thus, the tendency towards greater control of the commercial sector by a few large chains continues.

(TS, 27/12/75, p.A6, c.4-6)

### FINANCE

#### 1975 BANK REVENUES UP 46%

	1975 Net Income (\$000) (After Tax Balance of Income)	Change from 1974
Bank of B.C.	2,824	+223%
Bank of Con. Ntl.	23,945	+ 31
Bank of Montreal	102,135	+ 81
Bank of N.S.	111,702	+ 58
Commerce	133,943	+ 32
Mercantile	11/402	+122
Provincial	14,092	+ 12
Royal	153,242	+ 43
Toronto Dominion	90,610	+ 31
Unity	(607) loss	...

(FP, 6/12/75, p.21)

The Financial Post stated that growth of money supply, reductions in required reserves and abnormally high interest margins were the main reasons for domestic profits.

(FP, 6/12/75, p.1, c.5-7)

#### BANKS CLAIM PROFITS NOT EXCESSIVE

C. Ritchie of the Bank of Nova Scotia said that profits were a result of economies of scale (i.e. the large size of the banks), diversification and an extensive network of branch operations. He also said that 33% of the profits were derived from foreign operations.

(HCH, p.9, c.1-8)

## TRANSPORTATION AND COMMUNICATIONS

**BELL TELEPHONE RATE INCREASE: SECOND IN 5 MONTHS, SEVENTH IN 7 YEARS!**

### INTRODUCTION

*Bell Canada has asked for a further rate increase of \$110.3 million in 1976. The Ontario government, the Quebec government, the Consumers Ass. of Canada and the NDP criticized the company's request, revealing some important unanswered questions about Ma Bell.*

The Quebec government asked the CTC Monday to disallow \$49 million when it rules on Bell Canada's request. The cuts should result from savings of \$44 million in labour costs because of the federal anti-inflation program and \$5 million in proposed phone rate rebates to the elderly poor.

(OC, 2/12/75,p.16,c.1-2 CP)

The Ontario government asked for a \$25.3 million cut in the Bell request. The Consumers' Ass. of Canada called for complete rejection of the request, until the company produces detailed information in its \$941 million 1976 construction program. It argues that much of the money will be raised through charges to ordinary telephone users, but will be spent on sophisticated computer communications facilities. The Ontario government spokesman told the CTC Bell underestimated revenue by at least \$20 million, failed to include another \$33.9 million because of changed accounting procedures and made no allowance for an estimated \$42 million in labour savings because of the anti-inflation program.

(OC, 23/12/75,p.1,c.4-6)

Telephone charges are going up again, almost 6.5% for residential phones, 6.5% for business phones, plus a host of additional charges for long distance services.

(OC, 23/12/75,p.1,c.4-6)

The Consumers Ass. of Canada says the CTC ignores evidence of declining quality of service in the Bell System. It notes that nothing was said about service in the North, where Bell relies on old equipment and has one service depot at Frobisher Bay to cover the entire north. The service is appalling and yet Bell charges the same rates as in other parts of the country, a situation the Inuit Tapirisat considers discriminatory.

(MS, 23/12/75,p.A1,c.1-6, CP)

Broadbent, leader of the federal NDP demanded the government collect \$6.5 million which he said Bell owes in deferred taxes.

(TS, 23/12/75,p.1,c.8-9 Mary Janigan)

### AIR CANADA

The inquiry by Mr. Justice Willard Estey into the management of Air Canada found no outright "criminality". But what it did find included "cavalier disregard of the ordinary rules of business," "unusual transactions", "executive congestion and lack of communications through and among senior management." What all this and more adds up to, in short, is one hell of a way to run an airline.

(GM, 10/12/75,p.6,ed)

## RAILWAY POLICY

## INTRODUCTION

*At the same time as the Air Canada scandal hit the news, articles on railway policy and the advantage of rail over air transport received prominent coverage. One of the most interesting details the policy of other nations towards rail in comparison with Canada's notable neglect of passenger service.*

## FUTURE OF PASSENGER TRAINS: NEW POLICY IN JANUARY

Transport Minister Otto Lang will announce the government's new passenger rail policy before January 29, when the CTC must rule whether transcontinental train service should be continued.

(GM, 18/12/75,p.8,c.4-7 CP)

## CANADA LAGS FAR BEHIND ON RAIL SERVICE

Canada is the only country doing nothing to revive passenger rail travel on a national basis. In contrast, the French government is about to build a new electrified line in the busy Paris-Lyons corridor; West Germany is planning two more high speed inter-city routes; Italy is finishing an express line between Rome and Florence; British Rail is having much success with a new 120 mph diesel train daily between London-Bristol-Cardiff. Russia has the Leningrad express which runs between Paris and Leningrad in 46 hours. Japan and Australia are busy trying to improve passenger service each with the help of government subsidies.

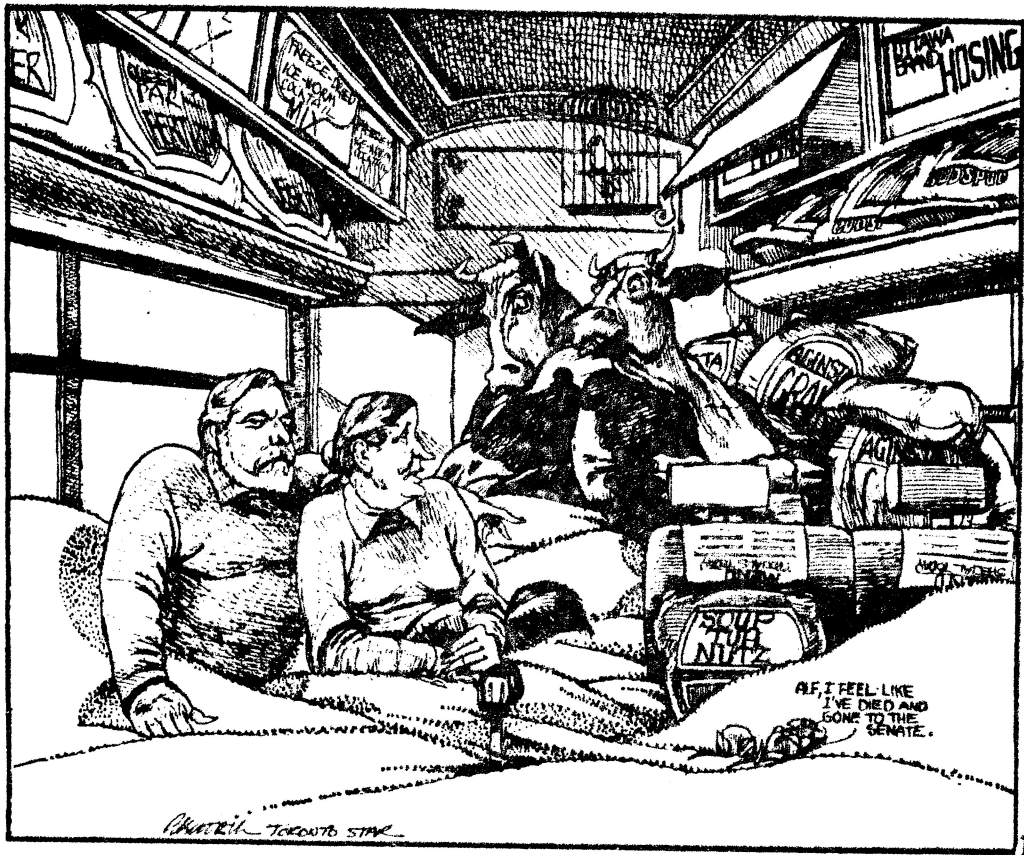
The CNR will retire about 50 passenger cars next year, approximately 15% of the railway's total passenger carrying capacity. Other than the Turbos, the CNR has bought no new passenger cars in the past twenty years, and has none on order. According to Garth Campbell, vice president of passenger marketing for the CNR, "one of our big problems is that in government we have to deal with a markedly airline mentality." Canada spends five times as much per capita on airports and highways as any other country, including the U.S. \$2½ billion annually on roads, \$1 billion on airports. Yet Canada has not one red cent earmarked for the future of passenger rails.

The return of rails in Europe is especially noticeable on long haul, international express routes, and is a direct result of higher fuel prices and soaring air fares. It is also recognition by government and public that railways are the most economical users of energy, considering the large loads they carry. (GM, 19/12/75,p.7,c.1-6)

### GOVERNMENT COMPLAINS TRAINS NOT VIABLE

Marchand complained loudly about having to pick up an annual deficit of \$100 million on rail passenger services. But he didn't blink at having to pick up the \$250 million annual deficit on the operation of airports. The government constantly charges the rail-ways are not "commercially viable"; yet Air Canada lost \$19 million last year on its Montreal-Ottawa, Toronto flights (a conservative estimate) and we hear nothing about phasing out air travel, said the executive secretary of the Canadian Railway Labour Association E.G. Abbott. Only about 15% of Canadian taxpayers ever fly in an airplane, so the other 85% are heavily subsidizing an industry whose services they cannot afford, said Pierre Delagrave, former CN vice president of passenger sales and services. He points out that federal expenditures for air transport are soaring at the same time that air traffic growth is declining--down from 22% to a bare 3% this year.

(TS, 2/12/75, p.B3, c.3-7 Ed Finn)

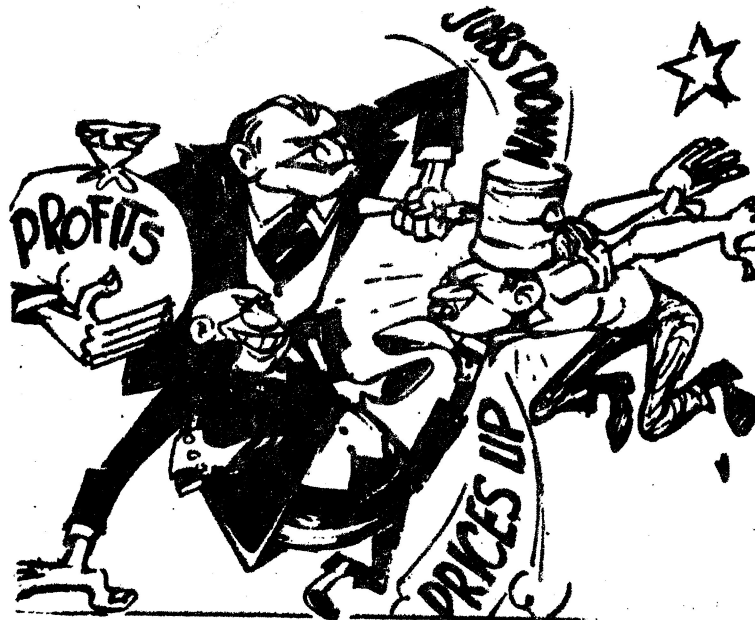


"DO YOU GET THE FEELING THE TRANSPORT MINISTRY'S HEART ISN'T IN PASSENGER TRAINS?"

## LABOUR

### INTRODUCTION

*As the unemployment rate continues a record high level, minimum wages are being increased in a cosmetic move by government. The UIC act restrictions were approved and labour's campaign against the wage and price controls continued at a slightly lower profile. With Labour Minister John Munro unable to convince labour that government is the working man's best friend, the CLC continued to predict disaster if the controls are not lifted.*



### JOBLESS RATE EDGES UPWARDS

The November unemployment rate rose .1 to 7.3% up from 5.5% a year previously. Traditional employment disparities continued with the Maritimes and Quebec higher than the rest of the country. The rate in New Brunswick rose to 13.5%, the second highest next to Newfoundland at 18.1%. The rate for those 24 and younger increased by .4% to 13.3%. The rate in Alberta dropped from 3.4% to 2.9%, the lowest in the nation.

(EJ, 10/12/75, p.15, c.1-3)

*CNSP NOTE: While the minimum wage is generally acknowledged as little more than an edge against outright exploitation, employers naturally would prefer to keep it as low as possible. Rates of nearly \$3.00 per hour can hardly be called exorbitant and, in many cases, is insufficient to maintain a decent standard of living. The trade-off is an old one--human needs versus the needs of the economy. Cheap labour should not be the way of reviving the economy.*

**MINIMUM WAGE LEVELS GOING UP**

While the federal minimum wage is to rise to \$2.90 April 1, some changes in provincial rates have also been announced. Ontario will go to \$2.65 March 15; Quebec's is \$2.80 as is Saskatchewan's; B.C.'s is \$2.75 to be raised to \$3.00 in June. There is some concern, however, that high minimum wage rates will increase unemployment, especially amongst the young. Some economists say that as employers cut their payroll due to inflation, young, inexperienced and less-skilled workers will be the first to go. They note that Britain with no minimum wage law has a 2.4% unemployment rate amongst youth while Canada's is 13.3%.  
(OC, 30/12/75,p.9,c.4-7)

**UIC CHANGES OK'ed**

A number of controversial changes in the UIC act were approved including the elimination of the aged (65 and over) from benefits which Mr. Andras termed a "joyless necessity" for the government. Critics were not so stoic. The special benefit rate for claimants with dependents was also cut and a higher proportion of the costs will be picked up by both employers and employees. The original act, intended to deal with short term unemployment situations based on average unemployment figures of 4% (the supposedly structurally unemployed in an economy going full blast) has proved to be outmoded in the present inflation and recession conditions. The new rate will be based on an 8-year floating average expected to increase premium rates considerably. The maximum unemployment insurance benefit in 1976 will be \$133 weekly, up from \$123 a week in 1975. Government costs, which were predicted to double, will now remain at about the same level--nearly \$4 billion.

(WFP, 16/12/75,p.1,c.1-3)

(GM, 25/12/75,p.10,c.1-2)

(TS, 17/12/75,p.1,c.6-9)

(UFP, 17/12/75,p.1,c.5-7)

*CNSP NOTE: Organized Labour's campaign against the government's controls continued across the nation this month with many lesser-known labour leaders speaking out against them. J.K. Bell of the Nova Scotia Federation of Labour, for example, said the working man is being made the scapegoat for the depressed economy. He rejected the idea that workers' wages are the cause of inflation, noting that 10% of Canadian families receive more in wages and salaries than the bottom 50%. (HCH, 5/12/75, p.5,c.3). The CLC, meanwhile, predicting economic chaos if the controls continue, suspended its advertizing battle but encouraged all Canadian workers to continue to fight against what CLC vice-president Shirley Carr called "dictatorial" powers of appointed officials. (GM, 18/12/75)*

**CURBS WILL CREATE HARSHIPS, CLC WARNS**

The CLC says wage and price controls will result in a slower growth rate (about 4%), higher unemployment (up to 8.5%), a lower GNP and continuing double-digit inflation. CLC President Joe Morris said controls will cause caution in the private sector resulting in a general sluggish economy.  
(GM, 12/12/75,p.8,c.2-3)

**MUNRO CALLS FOR STRONGER UNIONS**

Labour Minister John Munro says unions in Canada are not strong enough, He said, "Canada would enjoy a much greater measure of industrial peace, a better distribution of income and a more democratic society if a greater percentage of workers were organized in the trade union movement." He also said that both employer and employee must respect each other's roles and act accordingly. (MS, 10/12/75,p.F5,c.1-2)

*CNSP NOTE: Munro seems to have taken on the duty of the government's apologist for wage controls. His public relations speeches supporting the labour movement turn up regularly and are gaining some press coverage. The above speech in Fredericton N.B., for example, was carried in full in the Toronto Star.*

**QUEBEC LABOUR**

*INTRODUCTION: Some of the lowest paid workers in the province were in the news this month fighting for better contracts, among them clothing workers, and Steinberg and Dominion store clerks. Minimum wage workers, 250,000 strong in Quebec, are often not even paid the minimum wage of \$2.60 an hour according to government inspectors in a report by Sheila Arnopoulos of the Montreal Star. The impact of AIB guidelines hurts these workers hardest of all.*

*There was little coverage of the public service negotiations, a fair amount on the FTQs convention, and another victory for 34 workers at United Aircraft, accused of break-ins last May; they were acquitted.*

**THE FTQ CONVENTION**

Two surprises followed the voting for a new executive to the FTQ. Guy Dumoulin, the successor of Andre Desjardins (of Cliche fame), was defeated by Leopold Lavoie of the carpenters' union. And Marcel Perrault, president of the Montreal local of the Canadian Union of Postal Employees was defeated by Andre Messier, secretary of the Montreal labour council. Laberge, Dabust, Lajoie of the Steelworkers, Dean of UAW, Laramée of CUPE and Gahier of the Service Employees Union in Quebec were elected again. (MS, 6/12/75,p.A3,c.1-6)

**DECISIONS AND RESOLUTIONS**

- the delegates of the 45,000 strong Steelworkers, the largest single union affiliated with the FTQ, opposed a general strike of unlimited duration as a tactic to employ in the fight against wage controls;
- Laramée of CUPE argued in favour of the tactic; (MS, 2/12/75,p.A.4,c.1-8)
- resolved that the labour movement should support 'legitimate' strikes even if they are considered illegal by the present regime;
- support for a one-day general work stoppage such as was used May 21, 1975 to support United Aircraft workers; (MS, 3/12/75,p.B1,c.1-2)

Because a 1973 study showed that a quartet of all collective agreements in Quebec were discriminatory to women, the FTQ voted the following resolutions to improve things:

- negotiation of general anti-discrimination clauses;
  - enforcement for the equal pay for equal work principle by refusing classification schemes that introduce trifling differences between jobs and let one group be paid less for virtually the same job ;
  - refusal of job-classification by sex;
  - negotiation of identical working conditions for men and women ( except for clauses relating to pregnancy and maternity leave) ;
  - inclusion of maternity leave clauses in all contracts covering women, 17 weeks, return to the same job, no loss of seniority guarantees.
- ( women make up a fifth of the total FTQ membership; they did not succeed in gaining a spot on the executive.)

( MS 5, 12,75 p A4 c1 -4 Seale )

#### CSN SUSPENDS 50 LOCALS OVER DUES

The CSN suspended close to 21,000 members for refusing to pay additional dues voted in last July; among those suspended are nurses, office and store employees of the Quebec liquor corp, and non professional workers in hospitals.

(MS 5,12,75 p A2 c4-5 )

#### CLOTHING STRIKE

8,000 workers walked off the job yesterday, rejecting a 8% raise offer by the Association of Clothing Manufacturers of Quebec. The Association offered a further 4% subject to approval by the AIB. Workers now average \$3.75 an hour though some still work on piece work where there is no minimum guarantee. The offer of 8% would raise salaries from \$150 a week to \$ 166 or with the 4% extra, \$172 a week.

( TS 2/12/75, p A 17 c3 CP; MS 6/12/75 p A11 c1-2)

By a narrow margin, clothing workers voted to go back to their jobs, accepting the 12% offer; though the union faces serious division since the Montreal based workers voted strongly against acceptance , while the rural workers voted for it. About 3,000 members of the Amalgamated Clothing Workers of America, the same union in Toronto and Hamilton accepted a similar contract offer.

( WFP 17/12/75 p 43 c8; LJ same day p4v)

#### DOMINION STORES STRIKE

3,000 Dominion workers voted to strike, joining Steinberg workers already on strike. It could mean 90% of stores in Montreal would shut down.

( MS 1/12/75 , p A 1 c5-6 )

#### MIRACLE MART WORKERS GO BACK

Workers voted narrowly to return to work following an ultimatum from management Friday. The company threatened to withdraw its contract offer, suspend all benefits for the duration of the strike. Senior clerks earning \$168 a week will get \$26 in the first year and \$18 the following; cashiers earning \$146 will get \$24 and \$16 respectively. Part time workers 65% of staff earn \$123 a week; they were offered 60¢ and 40¢ an hour. Miracle Mart is controlled by Steinberg Ltd.

( MS 1/12/75 p A1 c 5-6 )



**LE DEVOIR STRIKE**

Claude Ryan has re-adjusted salary offers and come up with a formula giving journalists some participation in planning news coverage in the paper, in an effort to get negotiations under way again. The work stoppage has been going since Nov. 12th. Union officials stated that they have no pension fund, no differential for night work and less overtime than their counterparts at La Presse with whom they are seeking wage parity.  
( MS 4/12/75 pA7 cl-2)

**34 ACQUITTED OF BREAK-IN CHARGES AT UNITED AIRCRAFT**

A crowd of 150 cheered as 34 men, charge with breakins at the United Aircraft last May 21 were acquitted. ( TS 10/12/75 p B7 cl-3 CP)

**UNEMPLOYMENT**

- rose to 218,000 or 9.2% in Quebec in November, the highest in 14 years.  
(EJ 10/12/75 p 11)

**LESS THAN THE MINIMUM WAGE PAID RESTUARANT WORKERS GENERALLY IN MONTREAL**  
65% of Montreal's restuarants are breaking minimum wage laws a Minimum Wage Commission inspector told the Montreal Star. Minimum wage industries include restuarants, hotels, retail stores, the garment industry, cleaning establishments and small food and beverage according to provincial government reports. A quarter million workers in these industries receive the minimum wage of \$2.60\$ an hour or less if employers can get away with it. Often it is easy. There are too few inspectors, so poorly paid, that they are easily susceptible to bribes, and fines between \$10 and \$100 are almost never imposed.

(MS 28/11/75 p A3 cl-6 Sheila Arnopoulos )

**LABOUR STRUGGLES****Introduction**

*The major constellation of strike stories centered around decisions of the (AIB) - the Anti Inflation Board. The board came down with several rulings, all ( except the Falconbridge decision) ordered both sides back to the bargaining table. In an Alice through the Looking Glass world, the AIB is telling unions to return and bargain for lower salaries for their members. Forcing lower salaries on working people was a common management tactic during the depression of the 20 -40s. That the government has taken this tactic upon itslef in this period is a good sign post to the nature of Trudeau's "corporate state". The major pulp and paper strike remains unsettled. Thanks to the AIB, a depressed world market and a super abundance of stock.*

.....over

### POSTAL STRIKE OVER

CUPW members voted by a narrow margin to accept the Post Office's latest contract offer. Scab workers were not allowed to vote. Papers reported that workers in Vancouver, Regina, Saskatoon, Windsor, Sarnia, Sudbury, Sault St. Marie, Montreal and Quebec City voted to reject the offer.

Mackasey's initial response to the vote was to accuse CUPW of "cooking the figures to make it look like a narrow vote".

One factor influencing the strike vote was the CUPW announcement that its strike fund was dry. Attempts to borrow \$3 million from the fund were unsuccessful. CUPW officials claimed "everywhere we went to borrow money someone made sure we didn't get it."

(TS 2/12/75 pA1, c 3-9: EJ 3/12/75 p.2, c1-4

HCH 3/12/75 p.1 c 6-12: WFP 6/12/75, p9 c-1 )

### WHAT WAS WON ( AND LOST )

CUPW gained( a not complete list ) :

- wage increase of \$1.70 per hour over 30 months
- Cost of Living Allowance(COLA) of a maximum of 10¢ per quarter over 30 months.
- job, wage and classification security
- restriction of the use of casual workers
- time and one half for overtime and double time on Sunday
- improved shift premiums
- reduction in salary differential between handlers and sorters
- increased pay rates for part-time employees

CUPW lost:

- demand that the post office become a crown corporation
- reduction in the work week to 35 hours
- maternity leave
- accumulated sick leave payments.

( TS 3/12/75 p A2 )

### THE AIB, CABINET, AND CUPW

The AIB ruled that the salary increases negotiated by CUPW were excessive and suggested both sides return to the bargaining table. A shocked Mackasey suggested the AIB "address itself to some meaningful things like rolling back exorbitant prices". The AIB decision was immediately appealed to Cabinet who overruled the decision, allowing the settlement to stand.

(TS 10/12/75 p.A1,c 7-9 : MS 12/12/75 p A1 ,c 1-2)

### STRIKING CANADIAN PULPWORKERS UNION

#### THE C.P.U. AND THE AIB

*Striking Pulpworkers Union (CPU) at the St. John Irving plant accepted an offer of 23.8% increase in the first year of a 3 year contract. This represents an hourly wage increase of 88 ¢ and a 16¢ cost of living increase. The AIB ruled a total wage increase of 14% in the 1st year was the maximum acceptable settlement although this would leave the CPU workers with lower pay than woodworkers who settled before the anti-inflation guidelines. The C.P.U. has appealed to Cabinet to overturn the AIB ruling. Munro although he has accused the pulp companies of hiding behind the guidelines(see CNSP nov.) has refused to intervene.*

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**C.P.U. in Nova Scotia**

CPU workers at Scott Maritimes Ltd. - New Glasgow, Bowater-Mersey-Liverpool; and Nova Scotia Forest Industries Ltd. -Point Tupper are on strike. The latest co. offer has been for 8% in the first year. Premier Regan appealed to workers to return for 3 months under a 14% temporary wage settlement. Since workers have yet to receive an offer that generous they declined.  
( HCH 5/12/75, p23, C 2-5, HCH 22/12/75 pl c2-4 )

**C.P.U. in Quebec**

Negotiations in Quebec between the Eastern Canadian Newsprint Group (James Maclaren Co. of Buckingham, Domtar, Reed Paper and Quebec Northshore Paper of Baie Comeau ) and the C.P.U. have been sporadic. E.B.Eddy Co. of Ottawa is still struck. The town of Portage du Fort, the Q.P.P. prevented C.P.U. workers from halting a train entering the struck Consolidated Bathurst Plant. Workers claim the co. has amassed 9,000 tons of stock.  
( MS 13/12/75 p A8,C6: G&M 20/12/75 p B1,C2-7:OC 23/12/75 p3 c3-6)

The C.P.U. claimed the AIB ruling was a "cruel and harsh opinion", a "cold and unreasonable judgment which in no way takes account of the collective bargaining process".

A spokesman for the paper companies suggested 14% was too high.

(G&M 19/12/75 pl c2-7: MS 19/12/75:G&M20/12/75 pB1 C2-7  
HCH 23/12/75 pl,c1 : OC 24/12/75 p3 , C 1-3 )

**C.P.U. in Newfoundland**

All pulp and paper mills are now closed in Nfld. Struck are : Conerbrook, - Bowaters, Grand Falls, Price Nfld. Stephenville Labrador Linerboard Ltd, 2600 C.P.U. members are on strike.

(MS 1/12/75 p A7, c 7-8 )

**CPU in Ontario**

CPU workers are on strike in Espanola Sturgeon Falls, Smooth Rock Falls, Iroquois Falls, Kapuskasing, Fort Francis, Thunder Bay, Kenora, Red Rock, Cornwall, Ottawa, St. Catherines, Thorold and Toronto. The Ontario Minister of Labour Bette Stephenson, called the union and pulp companies together for unsuccessful talks. Papers carried rumours that the striking workers would be ordered back to work in Jan.

An ontario paper Co. in Thorold offer of 14% in the first year ( as suggested by the AIB) was rejected by CPU locals.

(TS 23/12/75 pA6,C1-2:TS 23/12/75 pA6,C1-2:G&M 25/12/75 pl,c 3-5  
OC 30/12/75, pl,c6)

**CPU in B.C.**

CPU members were ordered back to work in October ( following a 3 month strike). An undisclosed offer has been made. It is anticipated the offer is similar to that accepted by the International Woodworkers of America providing an increase in the base wage rate of \$1.50 per hour over two years

( G&M 9/12/75, p B4,C4)

.....over

### Charges and Replies

C.P.U. officials pointed out that pulp co. profits have risen from \$110 million in 1972 to \$685 million in 1974, that the cost of pulp has risen substantially in the same period and that during this same time no contracts have been negotiated. They have accused company's of forcing the strike since inventories were high and hence the companies could afford a closure, run down inventories and raise the cost of paper. This accusation seems justified by the statement of J.H. Robertson, president of Domtar Pulp and Paper: "Our customers are not particularly concerned. Nobody is desperate in newsprint and there is still quite a bit of pulp".

The C.P.U. has accused Domtar, Rolland Abitibi and E.B. Eddy of entering a cartel against the union. L.H. Lorrain, president of the CPU stated "the purpose (of the cartel) was to provoke strikes and to frustrate any attempts by the union to obtain the same wages and working conditions earned by these same companies woodlans employees". A representative of Abitibi admitted there is "mutual support" among companies. The C.P.U. is considering legal action.

(HCH 5/12/75 p/23, c2-5, TS 16/12/75p B3 c1-9

GM 20/12/75 , p B1, C7-9: MS 23/12/75 , p A8, C 1-6 )

### THE AIB AND DE HAVILLAND WORKERS

After the AIB ruled the De Havilland-UAW contract "too rich" (see Nov. CNSP) the co. submitted an offer of a pay increase of 12%, 8% and 6% over 3 years - an offer summarily rejected by the workers. 8 days later the workers ratified the original De Havilland offer of about 18% in the first year: The contract includes a comprehensive dental plan. Workers returned only to be again informed by the AIB that the contract was excessive. The AIB stated a maximum increase of 15 % in the first year was acceptable. The extra 3% (over the 12% guideline) was due to the historic relationship between De Havilland workers and other aircraft industry workers (who settled in May ). The board suggested the loped off 3% might be made up in the second and third year of the contract.

(TS 1/12/75, pA2, C8-9: G&M 8/12/75 p5 c7-9: G&M 20/12/75 p1, c7-9 )

### Further AIB DECISIONS

The AIB approved the 17% wage increase in the first year of a contract won for the Falconbridge workers by the Mine, Mill and Smelter workers. The agreement closely resembles that gained by INCO workers this summer

( WFP 6/12/75, p 63 , c 4-5 )

### TROUBLE BREWING IN ONTARIO HOSPITALS

A provincial enquiry last year recommended hospitals and their staffs bargain on a provincial wide basis. Since Aug., CUPE has been meeting with the Ont. Hospital Assn. Talks broke down in Dec. due to management's insistence that CUPE agree (before negotiation) to take all unresolved issues to arbitration.

A further complication to bargaining comes from recent provincial moves to restrict hospital spending, including insistence that CUPE salary increases are within AIB guidelines. CUPE is likely to demand at least 18% over 15 months - the settlement granted to nurses.

Hospital workers not having the right to strike are notoriously badly paid.

( G&M 6/12/75 p 1, c 4-9 : TS 22/12/75 p A3, c1-3 )

METRO TORONTO SECONDARY TEACHERS STRIKE - for full coverage see next month's CNSP

## NATIVE PEOPLES

*The struggle of native people to settle their land claims and gain a level of development so far denied them is entering a new and more concerted phase. James Wah-Shee resigned as president of the Indian Brotherhood of the North West Territories. His resignation resulted from internal pressure. His opponents, the new leaders of the Brotherhood, allege that Wah-Shee had become too closely identified with federal government programs and funding to be an effective leader in the land claims struggle. The underlying struggle in the land claims issue is a movement on the part of native people for national independence. Overt territorial succession is not contemplated, or at least not found acceptable. What is happening however is an attempt to wrestle sufficient control from the state so that native people can protect themselves to the greatest possible degree from the mutilating impact of capitalism.*

The B.C. Union of Indian Chiefs announced a reorganization with a younger look at the top and a redirection of its efforts to concentrate on the settlement of Indian land claims. Instead of a \$2 million budget from Indian Affairs, the union will get by on \$100,000, all of it collected from local bands. Bill Wilson, the only member of the executive to retain his position, said there is fear that the federal government will try to settle the claims with a blanket solution based on the James Bay settlement. If that were to happen, it would work out to about \$10,000 per Indian. As Wilson says, "That \$10,000 in the future may be the same as the beads and trinkets the Indians on Manhattan Island got from the Americans".

VS 6/12/75 p52 c1-2

In the heat of the campaign, the Barrett government released a confidential letter from Indian Affairs Minister Judd Buchanan. The letter proposed private meetings between the two levels of government to establish the limitations of the land claims question. It was suggested that initial three way talks "would not be appropriate". The provincial government claimed it was ready to negotiate aboriginal land claims, "but we want Indians at the bargaining table as well as government officials." *Predictably it took an election to break the log-jam.*

OC 3/12/75 p65 c1-8

### Mercury Poisoning

Indians from the Grassy Narrows and White Dog reserves in north-western Ontario have written Premier Davis, asking that all fishing be stopped in the mercury-polluted English and Wabigoon River systems. The chiefs charge that tourist camp operators ask their Indian guides to cook and eat the fish with the uninformed tourist. While the letter mentions the question of compensation to the bands for closing the rivers to commercial fishing, it also states; "What is the dollar value of the life of a child Indian or white? What price for a brain, rotted by mercury?"

MS 16/12/75 pB7 c1-5

Members of the Ontario cabinet have held talks with their federal counterparts to work out methods of helping the Indians of the White Dog and Grassy Narrows reserves, which are on the English-Wabigoon river system. The province is to appoint a co-ordinator to cut red tape and sort out areas of federal and provincial overlapping. Health Minister Miller said it had been decided to give the two reserves special consideration in the hope it will result in faster action to help the Indians.

TS 2/12/75 pA20 c1-2

### Suicide

An Indian jury at the Ojibwa reserve in Wikwemikong recommended what should be done to stem a wave of suicides, but did not try to explain why seven people have killed themselves on the reserve in a year and 34 have attempted suicide. The recommendations were for more psychiatric services, greater attention to cultural programs for teenagers, and for education that would reflect the problems faced by Indians. The report of the investigatory team blamed the "suicide epidemic" on a breakdown in the Indian family structure and on depression caused by young Indians feeling unwanted by the outside world but unable to live within the traditions on the reserve.

TS 13/12/75 pA2 C7-9

## MARGINALIZATION

The federal gov't plan to terminate the CYC has met with strong opposition from 4 Halifax Community groups which have used CYC workers to further their work: Welfare Rights Association; Halifax Transition House Committee; the Provincial Social Assistance Committee; OVO Housing Cooperative. Gert Knight of Welfare Rights says the plan is "one more proof of government discrimination against low income people." Jim Duke, a Halifax CYC worker says that the social consequences of taking resources from community groups are very serious and that it is clearly the intent of the government to move from the areas of self-help to social control and law enforcement."

HCH 20/12/75 p26 c6-8

The CYC, which employs more than 450 young people across Canada is getting the axe as part of Ottawa's \$1.5 billion clamp on federal spending. The budget of \$5.5 million is less than 1/2 of one percent of this amount. "The government is hitting the low wage earner economically and politically through its anti-inflation program" says Clara Chicoine, a CYC worker in Montreal for 5 years. Not only are they cutting off some of their resources (by freezing family allowances until 1977) but they are also getting rid of groups that can help them. MS 20/12/75 PA14 c1-6

50 non-profit day-care centres throughout Quebec have folded in the past 1 1/2 years, mostly for lack of funds. The 70-odd centres that remain face the same future, carrying on hand to mouth in the hope that the gov't will change its attitude. In spite of the fact that there are at least 95,000 children needing daycare and only 13,000 places available, more centres are closing down than are being opened. GM 18/12/75 pF6 c3-7

In Ottawa, an independent charitable organization, the Human Rights Institute of Canada has been established by Ms. Marguerite Ritchie, a proponent of human rights since the 1950's. The Institute is to serve as a bridge between people with grievances and no expertise in presenting them and gov't departments with power and no mechanism to listen or respond to grievances.

GM 25/12/75 pF9 c1-9

The Public Petroleum Association of Canada has been established with the purpose of promoting full nationalization of the oil and gas industry.

FP 6/8/75 p1 c1-2

## WOMEN

IWY A SUCCESS, BUT CANADA CHANGES MIND ABOUT ZIONISM: According to Helvi Sipila, the UN official in charge of International Women's Year, the year-long event was a success. "Women in many countries came together in order to define just what their status was, and to demand equal rights and more of a say in the development of their country." Referring to the IWY world conference in Mexico and the controversial Declaration of Mexico, which among other things, called for the elimination of Zionism, she said, "It brought the IWY to the attention of those who would never have paid attention to it." Although the resolution was passed at the conference (only Israel and the US voted against it) Louis Duclos, Canadian delegate to the General Assembly has announced that Canada cannot support a general resolution on IWY because it contains ... "certain elements it considers objectionable." The resolution "contains elements requesting endorsement and implementation of certain proposals...which encompass perjorative, irrelevant and unacceptable references...those references include elements the political content of which we consider to be extraneous to the substance of these resolutions."

GM 17/12/75 p15 c3k

QUEBEC GOVERNMENT CONTRACT MAINTAINS DISCRIMINATION: A new law has been introduced in the Quebec legislature which would provide for "equal pay for equal work, promotion and transfer programs as well as equal treatment in probation periods, suspensions, working conditions and job classifications. The new law, enforced by a seven member commission with the power to hear complaints, arbitrate disputes and pursue discriminators in the courts is expected to be implemented in January or February of 1976. MS 4/12/75 c1-6

The Quebec Council on the Status of Women has charged that the Quebec government's recent contract offer to its employers "maintains and even accentuates job discrimination against women." The gov't contract offer proposes a reduction of the maternity leave to 3 1/2 months from 5; makes no offer concerning day care centres at the work-place; classifies some jobs according to sex and those jobs limited to men are higher salaried. Also, for certain job classifications, the government's offer increases the gap between men's and women's salaries.

GM 13/12/75 p17 c5-9



## GOVERNMENT

## PROVINCIAL

BRITISH COLUMBIA ELECTIONS: we present a synthesis of English-speaking newspapers.

The election results on December 11 were:

	1975	1972
Social Credit	35	10
NDP	17	38
Liberals	1	5
PC	1	2

Seven cabinet ministers, apart from Premier Barrett and Speaker of the House went down in defeat. The NDP got 40% of the popular vote as in 1972. The Socreds shot up from 31% to 48% and more than half of the 29% who voted Liberal in the last election swung to the Socreds. An editorial (VS 13/12/75) stated "...we judge the government began with good intentions, but became more concerned with government power than private rights." The VS was reluctant to support the NDP.

The Victoria Time Editorial of 10/12/75: "...despite our strong leanings towards Liberal and Conservative and given the paucity of choice between NDP or Social Credit, we prefer the NDP...if the NDP is to be re-elected we expect them to be tighter with taxpayer's dollars...and alert to any signs of the old excess in a free-spending cabinet."

Charles Lynch (Southam News Service) in the EJ 12/12/75: "...it was not so much a swing to the right as a mobilization of a small 'c' conservative vote that was there all along. The moneyed establishment and the well-to-do middle class did most of the work and most of the voting -- people who have never worked for any party much less Social Credit backed the Bennett team. Liberals and Conservatives crossed over in droves to concentrate the free-enterprise vote.:-

HCH 4/12/75, 11/12/75: Like a \$30,000 campaign mounted by the mining industry, the insurance industry has taken to the newspapers and the airwaves urging voters to toss the NDP out of office. ...Smarting under the sting of increased corporation taxes, special levies on paid-up capital, the loss of tax concessions on land and plant facilities and the imposition of record high royalty payments to the provincial treasury, the corporations see Premier Barrett as the enemy of industry.

MS 12/12/75, Editorial: ...when Canadians are given a clear-cut choice between left and right, they almost always choose the right. Other NDP Premiers in Manitoba, Saskatchewan and would-be Premier Stephen Lewis in Ontario resist pressure from their more militant followers to abandon the middle-of-the-road and take a more socialist stance. Mr. Barrett's experience explains why.

In MS 13/12/75: ...the mining officials predicted a resurgence of the industry and a renewal of capital investment and expect a repeal of NDP Mineral Legislation. The OC Editorial of 12/12/75: ...Dave Barrett is a soft and human leader whose intentions were good but who made too many mistakes and has now suffered the inevitable. Premier elect Bennett's help will be needed in B.C. to resist the blandishments of narrow provincialism.



Wilfred List, in GM, 6/12/75: "The B.C. Federation of Labour urged all affiliated unions to support the NDP because the alternative would be disastrous. The Brotherhood of Teamsters (not an affiliate) supported NDP because of its legislation. The new labour law policies has brought almost all workers within the ambit of collective bargaining. It has opened new opportunities for union organization which is reflected in the record of union certifications. All key industrial relations within the management camp interviewed before the election call had only praise for the Minister of Labour, Bill King and the legislation in general.

Judith Timson, in T.S. 10/12/75: Advertisements in newspapers -- quarter and half-page displays -- appear on every other page. Most of them vehemently anti-NDP and most of them anonymous. And on 13/12/75, Judith commented: ...part of the reason Bennett won the election was that the representatives of the major industries -- timber, mining -- had succeeded in establishing a climate of fear about the economy under the NDP.

Dave Barrett's Response to Election: it was a psychological return by the middle-class to the burning house -- this will be the last go-around for Social Credit -- the upper middle class got frightened, they went back to the burning house to regain a past which can't be regained. EJ 12/12/75 p1 c4-8

Labour's Response to Election: The President of Vancouver's Int'l Woodworker's of America and most union leaders are fearing the very worst...."We have in Ottawa an administration that has imposed wage controls and we're with a right wing government...the working man is squeezed at both ends."

VS 12/12/75 p35 c1-8

## ***SOCIAL WELFARE***

The 200,000 Low Income Supplement Experiment launched in October in Ottawa-Carleton, is handing out grants averaging \$65/mo to about 40 marginal income families. In several cases the grant has tipped the balance for workers whose income was so low that the prospect of going on welfare seemed inviting.

OC 4/12/75 p20 c1-4

The government plans to suspend, for one year, the indexing of family allowances to reflect higher living costs. This is in lieu of an election proposal to cut off family allowances at a specified income level leaving money in the treasury for larger allowances to lower income groups.

OC 30/12/75 p6 c1

Metro Toronto social service agencies and organized labour were criticized by Marc Lalond, Federal Health & Welfare Minister for their lack of interest in the federal-provincial welfare review which began in April 1973. The review is attempting to provide a two-tier system of a guaranteed annual income for 'unemployables' and income supplements for the working poor, but is criticized by Ted Harvey of the Social Planning Council for not being directed at the elimination of poverty.

GM 9/12/75 p5 c1-4

**COURTS & THE FORCES OF REPRESSION****Ontario Protests proposed changes in juvenile law:**

The draft bill, proposed by the federal solicitor-general's department would change the minimum age for juveniles from 7 to 14 and the maximum age from 16 to 18 -- in all provinces. It would remove from federal jurisdiction offences against provincial and municipal laws, and would divert as many juvenile cases as possible away from courts and toward community facilities.

Indefinite sentences would be abolished and specific terms handed out with a maximum of three years. John Smith, Ontario minister of Correctional Services said the bill would result in more young people being jailed and would cost the province more than \$20 million in capital costs plus \$10 million in annual operating costs. TS 9/12/75 pB6 c1-2

**SECURITY SERVICES**

*When times are bad, business improves for security and armoured car services.*

Brink's is the only company to operate right across Canada and is by far the largest, with 200 armoured cars in service. Joseph Morgan, assistant to the Vice-president of Brink's Canada Ltd. of Toronto, said that entry of Wells Fargo Armoured Express Ltd of Toronto into the business, with more than 50 trucks in Montreal, Ottawa and Toronto within the past five years, has not increased competition appreciably.

Loomis Armoured Car Service Ltd. with head office in Vancouver now operates 40 trucks in cities between the West Coast and Winnipeg, but would like to move into the eastern money market in Ontario and Quebec. All three companies are subsidiaries of long-established U.S. parents. The companies also have courier services for non-negotiables and Brink's has a two-key safe service -- it supplies the safe and is responsible for security and deposit of the money. GM 9/12/75 pB4 c1-2

**PRISONS**

Fifteen prisoners failed to return to federal penitentiaries across Canada out of the 831 who were granted three-day Christmas passes.

GM 31/12/75 p4 c5-6

Demonstrators calling for better prison conditions picketed Christmas Day outside two British Columbia prisons. Nine members of the United Prisoners Rights Group picketed in the rain at Lower Mainland regional correctional centre at Burnaby for an hour then moved on to the B.C. Penitentiary at New Westminster where they were joined by about 15 more protesters.

TS 26/12/75 pB14 c1-4

**MILITARY**

**NUCLEAR BASE DRAWS PROTEST:** An NDP MP, Stuart Leggatt, backed by a 10,000 signature petition called on the government to protest installation of a US Trident nuclear submarine base in Bangor, Washington, 60 miles south of Victoria. Leggatt said in the Commons the base represents an "unnecessary escalation of the arms race", and a risk to Canadians on the B.C. coast.

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stabilizing effect initially on rents, but if kept in force too long they will aggravate the existing shortage and a new kind of problem will appear in the form of deterioration. If rents go down the whole apartment life-style changes; the tenants change and there is a tremendous exodus. It could be an awful mess if controls remain too long. I am afraid controls are going to trap a large number of people." HCH 31/12/75 p20 c3-6

Danson Shadow Boxing: /Financial Institutions & Developers Make Sickening Profit.

New federal housing legislation, described glowingly by a government spokesman, was lashed yesterday by opposition MP's who said it was unimpressive and failed to meet Canadian housing needs. John Gilbert (NDP - Tor Broadview) said Danson was "merely shadow-boxing" with the four main housing problems -- the supply of homes, for low-income earners, the high cost of land, the high cost of mortgages and the high cost of homes.

The bill in question would broaden the assisted home ownership program and increase payments to builders of apartments where rents are fixed in agreement with the federal government. In addition the legislation allows CMHC to make \$1000 per unit grants to municipalities and is intended to encourage municipal councils to speed up approval of low and medium-priced accommodations.

Mr. Gilbert said federal subsidies for housing have increased the cost of housing and do not increase the supply. The new legislation was nothing but a "sweetheart deal" between the urban affairs minister and financial institutions and developers. "It would benefit these people without legally forcing them to put a certain portion of their funds into housing. Banks are making a sickening profit and should be made to have a social conscience. A few developers have tied up land that should be used for housing, hoping to sell it later at a substantial profit." Mr. Gilbert said in the Toronto area, 40,000 acres are held by 12 developers.

Stan Darling (PC Parry Sound-Muskoka) said the monopoly ownership of serviced land for housing in major centres has played a major role in increasing housing costs. He pointed to Campeau Corp. which owns about 9,000 acres of land in the Ottawa-Hull region. Robert Campeau, the company founder, is a long-time financial contributor to the Liberal party. The corporation had received a number of leases from the federal government for office space. "It sure helps to be a friend of the prime minister and his crowd."

ES 4/12/75 pC20 c1-7 (CP)

Ontario Considers Land Takeover for Private Developers:

The Ont. government is considering legislation that would allow provincial or municipal councils to expropriate land for private development. Prov. Treasurer Darcy McKeough said good urban development projects are often thwarted by an inability to buy one or two small properties needed for such projects. These could go ahead if governments had the power to expropriate on behalf of worthwhile, privately sponsored development. Both opposition parties have criticized the government; the NDP demanding agricultural land preservation and more land for housing.

TS 27/12/75 pA3 c5-9

MEDIA

*The government's fight to keep control of its own media and advertising revenues appears to be causing trouble in several different quarters. As well as stiff editorial opposition in most Canadian papers, different US groups are also starting to put on pressure, fearful of losing Canadian markets with their advertising messages.*

The Government's foreign content policy is under strong editorial attack by the press from all quarters. They all fear the legislation restricting foreign content in Time and Reader's Digest is a threat to editorial freedom. The Vancouver Sun described the legislation as "part of a policy that has evolved into a strange and dangerous combination of vendetta, open thievery, flat-out contradiction and direct interference by government in what Canadians read and watch. EJ 4/12/75 p14C c4-8



The Federal Communications Commission (FCC) (of the US) is moving towards approval of Buffalo broadcasters jamming signals across the Canadian border. This move is in retaliation to a ruling by the CRTC which requires Canadian cable television networks to delete advertising from American programming. The CRTC will also require ads to be made in Canada, causing anger among the ranks of the American Federation of Television and Radio Artists. Big multinational companies like Coca-Cola which now produces a single commercial in different languages for use in about 100 countries may have to produce a separate version for Canada. FP 12/20/75 p23 c2-5

HCH 8/12/75 p3 c4-8

OC 2/12/75 p65 c1-2

RELIGION

The World Council of Churches meeting in Nairobi, Kenya, has had press coverage which indicates some strife among different contingents. "A new spirituality of intention, thought, and action is the crying need", the council declared in its closing message. "The world is on a catastrophic cont.....

course leading to mass starvation, global depletion of resources and global environmental deterioration". One group walked out of a meeting for what they considered radical attitudes being forced on delegates. Too much time was spent on political, social and economic issues and not enough on Christ, salvation and such.  
(OC 3/12/75 p38 c1-5:OC 11/12/75 p67 c1-8:TS 13/12/75 )

LATIN AMERICAN NEWSFILE

ARGENTINA

In an attempt to blunt charges of government inefficiency and corruption, Pres. Peron moved national elections up to Oct 17, 1976 instead of March 1977. The move was in response to critics --among them rebel members of the Peronist party -- who warned the government that it could not last until 1977.

(HCH 18/12/75 p11 c1-4 )

Air Force rebels led by Brig.Gen.Orlando Capellini staged a four-day revolt, which they had vowed would continue until Army General Jorge Videla took over the government. The rebels seized airforce commander Brig.Gen.Fautario, and captured air bases at the Buenos Aires airport and at Moron, 30 miles to the west. In an effort to curb the rebellion, the Defense Minister replaced Fautario with Brig.Orlando Agosti. Even though Army General Videlia rejected the demand he head a military regime, the three armed forces commanders told a cabinet meeting that President Peron must turn over her powers to a constitutional successor or face a military revolt. The dissent-ridden Peronist party rallied behind Mrs. Peron ( as it has before when a military coup looked likely), as did her only remaining power base, the General Confederation of Labour, which called for a general strike to protest the revolt.

Shortly after the surrender of air force rebels, a revolt ended purely as an internal disciplinary matter, Peron pledged to remain in office, blaming the revolt on a "small seditious group".

Rebel Leader Big Gen.Capellini, and other rebellious officers, are to be prosecuted under Argentina's code of military justice.

(Chronologically:

GM 19/12/75 p11 c1-4 : MS 19/12/75 pC1 c1-6: TS 19/12/75 pA14 c6-9

GM 22/12/75 p11 c3-6: TS 22/12/75 p1 c7-9:EJ 22/12/75 p2 c3-8

TS 23/12/75 pA10 c4-6 : OC 26/12/75 p72 c1-8 )

Argentine troops backed by Navy jets and mortar fire hammered a large force of guerrillas who raided an army arsenal in a suburb of Buenos Aires. Officials estimated that as many as 500 guerrillas participated in the main raid and in a series of diversionary attacks in and around the capital. The main guerrilla force -- estimated to number 150 -- was trapped inside the arsenal grounds in the suburb of Avelaneda by 400 troops and then systematically annihilated. The attack was a joint operation by the People's

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Revolutionary Army and the Montoneros, and at least 15 lives were lost. At a special cabinet meeting to hear an armed forces report on the fighting, all the cabinet ministers offered to resign over the incident; Mrs. Peron rejected the offer and reaffirmed her confidence in her ministers. According to military sources, security forces were operating under new orders that no one should be wounded or captured --- only killed. The attack came 36 hours after the abortive airforce revolt.

(TS 24/12/75 pA16 c 6-9; MS 24/12/75 pA12 c4-6; TS 26/12/75 pA 12 c7-9)

Battle to recover bodies of guerillas :

A violent exchange of gunfire broke out Christmas Day at the morgue of the Avellaneda cemetery, as Montoneros tried to recover the bodies of their comrades killed the day before in a battle at the arsenal of Willaneda, a suburb of Buenos Aires. According to the Agency Noticias Argentinas, more than 150 guerrillas were killed in the battle and other diversionist operations during the nights of Dec 23 and 24. The police count 102 dead in all ,85 guerrillas , 10 passers by, 7 police and 4 soldiers.

(LD 27/12/75 p7 c1-2 ) Reuters

Montoneros freed kidnapped Mercedes Benz manager Franz Metz after an undisclosed ransom was paid, in addition to labour concessions. Mercedes Benz also paid for advertisements in world papers stating the Montoneros position. ( MS 26/12/75 pA 12 c1-5 )

The Air Force Rebels have stated their 4 conditions :

- surrender to the Air Force and not to the Government
- no transfer and no sanctions against the officers responsible for the uprising
- redistribution of material among the Air Force bases as some have too little
- assurance that contacts will be made with other branches to propose meaningful changes in National policies

( LJ 23/12/75 pC1-6 : LD 23/12/75 p9C 1-5 ) Reuter AFP

### BELIZE

Less than one month after open hostilities were threatened between Britain and Guatemala, the two governments have agreed to resume their negotiations on the future status of the disputed colony of Belize. (MS 1/12/75 pC1 c6 : MS 16/12/75 c1-5 )

### BRAZIL

A document smuggled out of Sao Paulo's political prison, has accused security forces of torture of at least 55 prisoners to death since 1969. In an unprecedented act of defiance, the 35 prisoners list 151 army officers and police officials by whom they personally were tortured or who they have seen torture others. It also listed 19 political prisoners who have said to have disappeared in 1973 or 1974 and said that they had been killed.

(TS 4/12/75 pA4 c1-3 : MS 8/12/75 pC13 c1-2 )

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CHILE

MIR has condemned its top two leaders to death for "treason against the party ... and for desertion...." In a declaration sent to papers and news agencies, MIR said Andres Pascal Allende (nephew of the late president Salvador Allende) and his aide, Nelson Gutierrez violated standing orders when they sought asylum in two Santiago diplomatic missions with two female companions. Both men were declared expelled from the MIR, which ordered "its militants and revolutionaries of the entire world to execute the sentences however, whenever and where they can".

(MS 1/12/75 pA11 c1 :OC1/12/75 p13 c1:MS 10/12/75 p11a c1)

A report issued by the US senate Select Committee on Intelligence stated that while the US has encouraged the overthrow of the Allende government, no direct involvement by the CIA or the US embassy in the 1973 coup has been established. The committee estimated that the US spent \$13.4 million in Chile between 1963 and 1973; \$3 million was allocated to "propaganda" and support of political parties, and \$4.3 million was spent to support and influence the mass media. It was also revealed that IT&T and other US multinationals funnelled \$700,000 into the 1970 elections on behalf of the conservative candidate, Jorgi Allesandri. The report described Henry Kissinger as the architect of US policy in Chile, and that as chairman of the "40 Committee" ( which authorises covert operations ), he was constantly under pressure from Pres. Nixon , who had decided an Allende regime in Chile was not acceptable to the US. Patricio Aylwin , president of the Christian Democratic Party in Chile has since denied that his party received help directly from the agency or had any involvement with the CIA activity in Chile

( GM 4/12/75:MS 5/12/75 pD1 c1-4:HCH 5/12/75 p3 c1  
MS 11/12/75 p B12 c5 )

In the face of Roman Catholic calls for amnesty, President Pinochet ordered the release of 165 political prisoners, including five priests who were arrested last month on charges of helping left-wing guerrillas ----(including Andres Allende) to escape the secret police. Pinochet stated that the priests would be released because .."they have virtually recognised, since they did not file appeals, that in reality they were guilty. (HCH 19/12/75 p5: MS 17/12/75 pA 15 18

Tension growing between Church and State: The Catholic Church, hitherto a main escape valve for protest, is under increasing pressure from the government. Arrests of local priests and nuns are on the increase, and several influential foreign clergymen have been deported or have had their visas cancelled. Raul Cardinal Silva has been asked by Pinochet to shut down the ecumenical peace committee, on the grounds that it is infiltrated by Marxists. The Committee's main work has been a source of legal and economic aid to political prisoners and their families. The Committee has also been a clearing house for news about arrests and police harassment that doesn't get printed in the Chilean press. Government officials have been privately indicated a willingness to tolerate the Committee's civil activities--- but they could no longer accept its role as a source for the foreign press.

( WFP 24/12/75 p 39 c 1-5 )

Envoy Recalled: Britain yesterday recalled Ambassador Reginald Seconde in protest against the alleged torture of British surgeon Dr. Shiela Cassidy, who claims she was tortured during her two months of detention for treating a wounded leftist. Britain intends to submit evidence to the UN Human Rights Commission on the torture allegations.

(TS 31/12/75 pA8 c7-9 OC 31/12/75 p5 c2-5 )

Laval studies aid to Chile: The Dean of Sciences of Laval University of Quebec, Robert Tomassin is studying the case of aid from Laval to Chile through the Canadian International Development Agency. A spokesman told Le Jour that because of reaction within the university, the rector was rethinking the problem of aid to Chile.

( LJ 9/12/75 p10 c2-4 )

UN condemns torture in Chile : In a resolution adopted by 95 votes to 11, with 23 abstentions, the UN general assembly voted to condemn Chile for "the institutionalized practice of torture". They called for the Pinochet regime to "restore and safeguard essential human rights and fundamental freedoms". The US voted for the resolution, while Spain, Argentina, Bolivia, Brazil, Chile, Dominican Republic, El Salvador, Honduras, Panama, Paraguay and Uruguay voted against it. ( LJ 11/12/75 p 17 c 1-3 AFP )

Fighter planes to Chile

The US Defense Department has approved a contract to the Northrop Corporation to sell 3 F-5 Gighter planes to Chile. (Reuter )

## CUBA

First Communist Party Congress:

3,136 delegates from the Island's provinces met in Havana from Dec 16 to 22 in the first Communist Party Congress since the revolution almost 17 years ago. Among issues discussed were the new constitution which will be put to the people in a referendum in February and its 5 year plan. Although the emphasis is on internal issues, the party reaffirmed its loyalty to the Soviet Union and its new anti-imperialist policy of support to the "nationalist" and "progressive" governments of Latin America. (LJ 17/12/75 p15 c 3-6: LJ 19/12/75 p10 c4-6: LJ 18/12/75 p15 c6: LJ 17/12/75 p8 c1-2 )

Cuba has sent more than 5000 regular troops to 10 foreign countries. US News and World Report says. The magazine, quoting US intelligence sources, said the troops are being used as a revolutionary force against the interests of the US and China and for the Soviet intelligence network. Secretary of State Kissinger recently charged Cuba had 3000 troops in Angola. But the magazine says men are also posted in Syria, South Yemen, Congo Brazzaville, Tanzania, Equatorial Guinea, Guinea, Somalia, Guinea-Bissau and Sierra Leone.

( TS 11/12/75 P A 11 c1 )

The constitution, which will come into force after a referendum in February, calls for elections late next year-- the first since the revolution. The elections will create national, provincial and municipal assemblies of popular power. The national assembly to be elected every five years, will meet twice a year.

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The actual government will be a 31-member council of state drawn from the assembly. An executive committee or cabinet will be formed within the council - whose president will be head of state and of government. Elections at the congress replaced 1/3 of the central committee; and an expansion of the political bureau to 13 members ( from 8 ) was also approved

( OC 23/12/75 p43 c1-5: MS 22/12/75 pB1 c2-6 )

### LATIN AMERICA

#### 11th conference of American Armies

The 11th conference of American Armies took place from Oct 20 to 25th in Montevideo ( Uruguay ). These conferences have been very significant. The first took place in 1960 in the US Panama Canal Zone as "an open response to the Cuban Revolution of 1959".

The conference stresses "ideological frontiers" and "counter revolutionary war", the violent defence of the status quo and repression against revolutionary movements. In fact its warlike fervour spreads to reformist movements and liberalism.

At the 5th conference, at West Point in 1964, the Commander-in-Chief (and future dictator of Argentina, Juan Carlos Onganía, stated the conditions in which armies had the right, if not the duty, to overthrow civil authorities. He put this into practice 2 years later. Currently only Columbia and Venezuela are not under military regimes while in Central America, the classic military dictators survive.

At the Montevideo conference, the commander-in-chief of the Uruguayan army, General Julio Cesar Vanora spoke of " a struggle to the death against Marxist-subversion throughout America. The hardest positions were supported as well by Chilean and Brazilian representatives. Videla, Commander-in Chief of the Argentinian army, said " if necessary, in Argentina all those who need to die will die to obtain peace in the country.

The possible invasion of Peru by foreign troops is no longer to be feared. The country has been occupied by the Peruvian troops of the general Morales Berenudez, who profited from the indecision, compromises and incoherence of reformists represented by Velasco Alvarado and others responsible for the apathy of the country when faced with the takeover by Berenudez - a general imbued with a caste spirit and whose plans have been evident since he was made of the armed forces.

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