

# canadian news

synthesis

project



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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.

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Montreal Star	MS
Vancouver Sun	VS
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## HIGHLIGHTS

JANUARY 1976

January was the month of the Third Option as Trudeau travelled to Latin America and MacEachen to the Middle East to drum up more trade business for Canada's dependent and sagging economy.

SEE: Canada/International, pages 1-6

If present plans are carried through, Canada is on the verge of an "explosion" in the field of nuclear generation of electricity. But opposition is mounting.

SEE: Hydro, page 12

Young people - the frequent victims of growing unemployment.

SEE: Labour General, page 17

THIS MONTH, the CNSP begins a series of profiles of the seven most important media complexes in Canada - who owns Canada's newspapers, how newspapers relate to wider corporate structures, and the extent of their influence on Canadian public opinion. This month, a look at the F.P. Publications Ltd. network.

SEE: pages 31-32.

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## CANADA - INTERNATIONAL RELATIONS

### GENERAL: CANADA TOP BORROWER

In 1975 Canada emerged as by far the largest borrower on world capital markets, raising \$4 billion from bond issues, and creating new interest in the Canadian dollar as an investment currency. Canadian bond issues outside the U.S. have grown ten-fold over 1974. The Saudi Arabians have become very active in buying Canadian dollars. EJ 17/1/76 p35 c1-2.

### INTERNATIONAL MONETARY FUND

Twenty Finance Ministers, representing all 128 members of the IMF and the World Bank, met for four days beginning January 7, in Kingston, Jamaica to discuss reform of the international monetary system. Officials expect the point of view of the industrial countries to prevail. The developing countries are seeking a large increase in the amount of money they can borrow on easy terms from the IMF. The ministers agreed to set up a special trust fund for poorer countries.

The Conference also agreed to increase the amount which developing countries can borrow by 45%. The IMF will sell over 50 million ounces of gold, one-third of its total supply, over the next four years. But Third World countries failed to get any new commitment from the developed countries' ministers regarding increased aid funds. However, the Conference did go a long way toward divorcing the world monetary system from gold.

See: TS 5/1/76 pB8; MS 6,7,8,9,12 & 13; WFP 6/1/76 p16 c3-6;  
8/1/76 p13 c1; OC 9/1/76 p12 c1-3; GM 7/1/76 pB5 c6-9;  
13/1/76 pB3 c3-6; EJ 7/1/76 p40.

A spokesman for the U.S. Treasury Department stated that instead of looking to commodity agreements, the less developed countries should seek loans from the IMF to tide them over periods when sales or prices of their major exports are below their expectations. OC 16/1/76 p11 c1-3.

### PARIS MEETINGS

Following preparatory talks in December, developing nations met in Paris to discuss terms of reference for the four commissions which will act as negotiating fora for north-south economic negotiations. Venezuelan Manuel Perez Guerrero and Allan MacEachen of Canada presided over the meetings. North-South Dialogue negotiations are to begin on February 11. Each of the four commissions will hold four meetings between then and July. Allan MacEachen as co-chairman has become the chief spokesman for the industrial world in this dialogue. Some Canadians feel that Canada's interests lie more with the caucus of raw material producers. HCH 5/1/76 p5 c6-8; 6/1/76 p3 c3-4; MS 6/1/76 p6 c4-7; OC 15/1/76 p54 c1; WFP 27/1/76 p18 c1-2; OC 27/1/76 p11 c1-3; MS 28/1/76 p68 c1-2.



## CANADIAN INVESTMENT IN LATIN AMERICA

A Western Canadian Trade Mission leaves January 26th for Mexico and Venezuela, with three firms from each of the four provinces. The group will meet 200 other Canadian businessmen who are gathering in Venezuela January 30-31st, for a conference sponsored by the Canadian Association for Latin America (CALA).  
EJ 21/1/76 p56 c1; OC 16/1/76 p11 c1.

Noranda Mines Ltd. officials confirm that although details are still to be worked out, Noranda will enter a huge joint venture with the Chilean government in developing copper deposits at Andacollo with estimated reserves of 220.6 metric tons of ore. Jose Zabala, president of the Chilean government committee on foreign investment stated that Noranda will hold 49% of the shares of the new firm and will help the Chilean government raise funds to meet its portion of the project.  
OC 6/1/76 p10 c8; MS 6/1/76 p22.

MacMillan Bloedel Ltd., B.C.'s biggest forest firm, and Toronto's Brascan Ltd., are developing a plantation of 300,000 acres in Brazil about 600 miles south of Rio de Janeiro, under the name Embrasca. Trees grow very rapidly in Brazil, and as company president John O. Hemmingsen stated, "the government is stable". Yields from Brazilian trees, maturing after 7 to 12 years, are higher than those from Canadian trees which take 70 years to mature. Mr. Hemmingsen said that MacMillan Bloedel is talking about expanding its plywood and lumber mills in Malaysia, into a plantation for softwoods.

WFP 24/1/76 p10 c5-6; OC 23/1/76 p9.

## AID

Doug Roche summarized the experience of three Canadian MP's (himself, Andrew Brewin and Irene Pelletier) in travelling from Halifax to Vancouver to talk about the United Nations approaches to global poverty. The MP's attempted to transcend partisanship in talking about the questions. The New International Economic Order, explained Roche, is not a club, but a process. Canada has responded with a 21-point strategy which boils down to more aid for the least developed countries, and a shift in Canadian policy toward integrated commodity pricing for the benefit of the developing nations.

The MP's tried to enlarge this very aid-centred approach. Canadians seem very sceptical about various solutions to world problems. Many asked about "life boat" theory or ethics. "Many Canadians still put too much emphasis on "the breeding habits of the poor".

Douglas Roche, 24/1/76 p7 c2-6.

CNSP comment: *It is surprising in Mr. Roche's discussion of a tour aimed at explaining the New International Economic Order, how little he mentions about what the N.I.E.O. document actually says - particularly on such questions as nationalization of foreign corporations - and how much he tends to view the world through CIDA's aid-coloured glasses.*



TRADEGENERAL

Canada's merchandise trade balance changed to a deficit of \$795 million in 1975 as over against a surplus of \$1.5 billion in 1974. Imports increased 10%, while exports rose by only 2%. While sales to the U.S. rose less than 1%, exports to the EEC grew by 8% and to other countries by 17%. Iron ore, nickel and barley were exported in greater quantities; crude oil, copper ores, lumber and nonferrous metal exports were all lower. Imports from the U.S. declined by 6% but rose by 22% from other countries. Imports of automobiles, machinery, and crude oil as well as of coal and raw sugar all increased sizeably. GM 31/1/76 pB12 c1-2.

Canada's Export Development Corporation which funds overseas loans for purchase of Canadian goods, intends to borrow abroad. It will enter European and U.S. capital markets in order to gain funds to loan to countries buying Canadian goods. During 1975, the EDC lent \$385 million to foreign countries, and put together agreements with chartered banks in Canada for \$1.11 billion. The EDC accounts for about 4% of total annual exports.

GM 15/1/76 pB2 c1-3; MS 16/1/76 pD6 c1-3.

Canada remains one of the 10 top world exporters of military materials. Sales in 1974 totalled \$280.5 million placing Canada in fifth place, ahead of Sweden, Italy, Czechoslovakia and China. Britain is in fourth place. OC 27/1/76 p16 c1.

THE MONTH OF THE "THIRD" OPTION

*CNSP INTRODUCTION: With confirmation that Canada's 1975 merchandise trade deficit amounted to \$795 million, January became a month of extensive work by the government to implement its "third option" strategy - to diversify Canada's trade dependency on the U.S. by opening new markets in Latin America, Europe, Japan and the Middle East. Prime Minister Trudeau was off to Latin America while External Affairs Minister MacEachen journeyed to the Middle East. Meanwhile, discussions with Japan and the European Economic Community continued in an attempt by government to expand trade on these fronts.*

Latin American Tour

Prime Minister Trudeau is the first Canadian Prime Minister to visit either Cuba or Venezuela. Only John Diefenbaker among Trudeau's predecessors ventured south of the Rio Grande, to Mexico in 1960. The three countries constitute a market larger than that of Brazil, Canada's other major Latin American trading partner. MS 8/1/76 p10 c3-6; WFP 10/1/76 p35 c1-4.



While the Mexican portion of the visit will be routine, in Venezuela Trudeau will have to deal with a major bilateral issue, our \$1.1 billion annual trade deficit with that country. Given Andean Pact agreements, Venezuela is unlikely to open very many new markets to Canadian goods. Further, Venezuelans argue that Canada is discriminating against oil from their wells, a secure source, in favour of oil from the Middle East. Canadian imports of Venezuelan oil were 407,766 barrels a day in 1973, and dropped to 276,088 barrels a day in 1975. The Canadian Government has been paying multinationals compensation for transport costs involved in importing from the Middle East. The multinationals are getting straight profit from this subsidy as transport costs have been reduced.

The Venezuelans are curious why it has taken Canada so long to set up Petro-Canada, since in 1973 they offered to sell oil to Canada directly, state-to-state, to cut out the multinationals. It's hard for a Canadian to understand why Canada is so sluggish to take up the offer.

GM 22/1/76 p7 c1-6, Geoffery Stevens.

In speaking to Prime Minister Trudeau, Mexican President Echevarria spoke of the "vigorous nationalism of the Third World countries today," which "represents the best guarantee for the organization of a new world economic order, based on the interdependence of free peoples rather than on the domination of some nations by others".

GM 24/1/76, p12 c1-2; TS 24/1/76 pA1 c1-2; EJ 24/1/76 p1 c2-8.

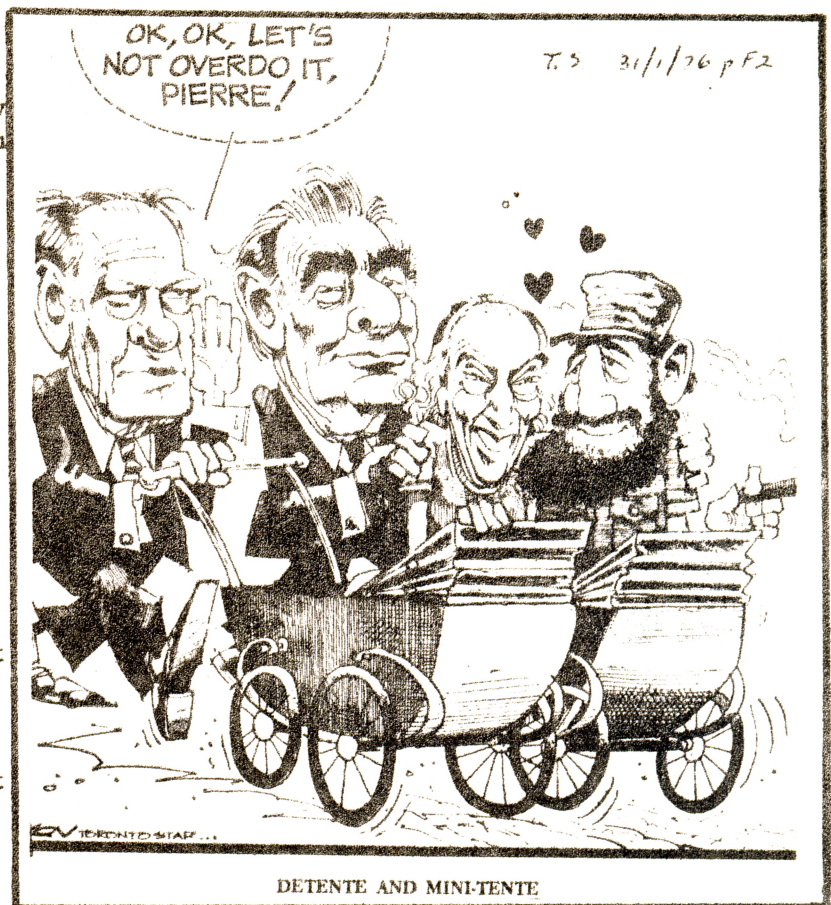
Canada disagrees with Mexico's plans to declare a 200-mile fishing zone off its coasts, stating that unilateral action will not help the world Law of the Sea Conference to come to an agreement.

GM 24/1/76 p12 c1

Trudeau and Echevarria announced that a group of Mexican officials will visit Canada shortly to study the development of a Candu reactor in Mexico, along with Canadian-Mexican cooperation in development of the electrical industry. MS 26/1/76 pA8 c5-6.

Trudeau's visit in Mexico produced vague deals and yawns after unproductive talks. A vague new cultural agreement was mentioned. Canadian officials were surprised at the virulence of the anti-Americanism expressed by President Echevarria.

Echevarria talked extensively of the Latin American conomic System (SELA). Mexico wants to cut out the U.S. as a middleman in Canada-Mexico trade, for example, the U.S. brokers who handle most Canadian purchases of Mexican fruit and vegetables. Canadians hoped





to get Mexico to buy seven Dash-7 short takeoff and landing aircraft from the Government-owned de-Havilland plant in Toronto, as well as getting a commitment to sell Mexico a large number of railway cars and locomotives. GM 26/1/76 pl c1



### Cuba

A Canadian spokesman stated that Trudeau and Castro had agreed to disagree on the issue of the Cuban involvement in the Angolan war. Some reporters felt that Trudeau missed chances to raise the issue, or that he sidestepped it.

Castro argued that Canada should be more selective in its foreign aid, in an apparent reference to Haiti, wondering why Canada continued to send aid to countries which it liked no more than Cuba did.

On visiting a breeding farm, where the results of a Canadian Holstein breeding program were on display, Trudeau stated, "I am happy that the Canadian press will be able to report that Canadian technology and aid go to people who are so willing and able to work and help themselves."

MS 28/1/76 PA2 c1-2.

The Trudeaus were delighted with their three-day visit to Cuba, having found Fidel Castro a leader of unexpected candor with a firm grasp of world affairs, and a genuine friendship toward Canada. For Canada, this friendship is "money in the bank". Cuba is, however, suffering from a world slump in sugar prices, and urged Canada to purchase more Cuban sugar. Trudeau cited the progress that Cuba has made in food production, education, health and housing despite the U.S. trade blockade, stating that it was "not only real, but a model that will be followed by other countries".

GM 30/1/76 p3 c1-7.

### Venezuela

Canadian officials stated the Trudeau found Venezuelan president Carlos Andres Perez, a good man to do business with, citing his invitation to Canada to play a more important role in Latin America through the OAS or the Latin American Economic System (SELA). Officials felt that there will soon be a surge of Venezuelan commercial and cultural contracts, particularly in the assessment of Venezuela's new nationwide railway network. OC 31/1/76 p5 c2-5; TS 31/1/76 pA3.

### The MacEachen Tour

Allan MacEachen, Canada's External Affairs Minister, set off on a 10-day 5-country fence mending tour. Canada has a \$3 billion trade deficit with OPEC countries. MacEachen is the first Canadian foreign minister to visit Saudi Arabia Jordan and Iraq. The trip seeks closer economic cooperation with Iraq and Saudi Arabia. HCH 8 /1/76 pl c1-3; WFP 8/1/76 p8 c6-8; OC 9/1/76 p6 c2-3



On arrival in Cairo, Mr. MacEachen indicated that Canadian positions on the Palestinian question were open to change and evolution. Egypt is interested in Canadian involvement in a heavy water plant, and in purchases of Canadian uranium and radiation technology. Later, Allan MacEachen announced, that Canada, through CIDA, will contribute \$1 million toward Suez canal reconstruction through the United Nations Development Program.

Egyptian Foreign Minister Ismail Fahmi expressed delight in the evolution he detected in Canadian foreign policy toward the recognition of the Palestine Liberation Organization, and Canada's endorsement of the rights of the Palestinians. He was ready to wait until Canada was willing to pronounce on who should actually represent the Palestinians in the discussions. MacEachen's firm stand regarding the holding of the U.N. Habitat Conference is well regarded in the Arab world.

HCH 12/1/76 p1 c1-7; MS 12/1/76 pA10 c3-6; OG 13/1/76 p1 c4-5; p38 c1-7; p7 c6.

Saudi Arabia indicated a desire for Canadian involvement in their vast \$145 billion five year construction plan. R.I. MacDorman, vice-president of Cansult, a Canadian consulting engineering firm, said his firm expects to do \$1.5 billion in business with the Saudis.

TS 15/1/76 pB6 c3; GM 16/1/76 pB3 c1-4; OC 13/1/76 p33 c1-8.

In Israel, MacEachen called for withdrawal of all foreign military assistance from Angola. He admitted that he had not found a more direct role for Canada in the Arab-Israeli conflict. He asked Prime Minister Rabin if there was not an inevitable need for Israel to do business with the PLO in order to achieve peace, but Rabin disagreed.

WFP 19/1/76 p9 c1; HCH 21/1/76 p4; HCH 21/1/76 p2 c4-8;

#### Canada-EEC Contractual Link

Denmark's representatives at the EEC talks with Canada have insisted that a contractual link between Canada and the Common Market should require a guarantee for all Europeans of "non-discriminatory access" to Canada's natural resources. The Danes object to Canada's dual price system for oil. The Danes fear establishing a principle which Britain might later exploit to their advantage. GM 15/1/76 pB9 c1-2. As January closed, officials predicted that a contractual link would be established. GM 29/1/76 pB13 c7-8.

#### Japan

Canadian and Japanese officials met in June and November 1975 and the first two-way missions are now taking place. The most significant development is the decision by the Japan Petroleum Development Corp. (a Japanese mixed corporation) to take over tar sands exploration in Alberta from a private firm. Japan is also interested in the CANDU reactor for two major utility companies. OC 29/1/76 p11 c1-4.



## FOREIGN INVESTMENT.

### INTRODUCTION:

The Saskatchewan potash-nationalization issue is heating up as a key battlefront in the resource sector. Vague, but unsurprising threats of retaliation by US interests have surfaced. The Mining Association warned that the province's move would frighten foreign investors and may lead to the end of "individual freedoms." The Association's affinity for the dramatic, and its self-representation as a defender of the freedom of all Canadians, obscures the fact that it exists as the major political lobby group and public-relations arm of private mining companies.

### Potash Takeover.

Given all the fuss, is the Saskatchewan nationalization of potash justified? Saskatchewan holds 40% of world reserves of potash, at readily accessible depths, and in the purest deposits in the western world. Reserves will last for several hundred years. Overproduction in the Sixties brought prices down, and mines were hard pressed in 1969, seeking government help. Quotas were established by the Liberal provincial government, along with a floor price on January 1, 1970. The firms were saved from the results of their unco-ordinated free enterprise expansion in spite of company fears about government intervention. With prices rising in the early 1970s the Saskatchewan government felt that the people of the province were due a larger share, and asked in 1974 that the companies publish financial statements. A reserve tax was implemented in October, 1974. When the federal government refused deductions on Federal corporate taxes for these new provincial taxes, the companies were squeezed. The companies refused to provide financial information to back up their claims. Shortly after the NDP victory in June, 1975, all but one of the producing companies began a court action against the reserve tax and refused to pay quarterly instalments of taxes due. In October they launched a further legal action against potash regulations and brought expansion plans to a halt. On November 12 Premier Blakeney announced that the government would acquire control of the industry by buying or expropriating some or all of the 10 mines. His announcement triggered a US "aide-memoire" to the Federal government raising concerns about the action. Potash is one of Canada's great natural resources, and to date most of the 10 mines have been controlled from abroad. Not even one of the multinationals offered shares in the Saskatchewan operation to Canadians, and Saskatchewan receives no benefits from having headquarters' operations. What better place is there to start repatriating control of our resources?

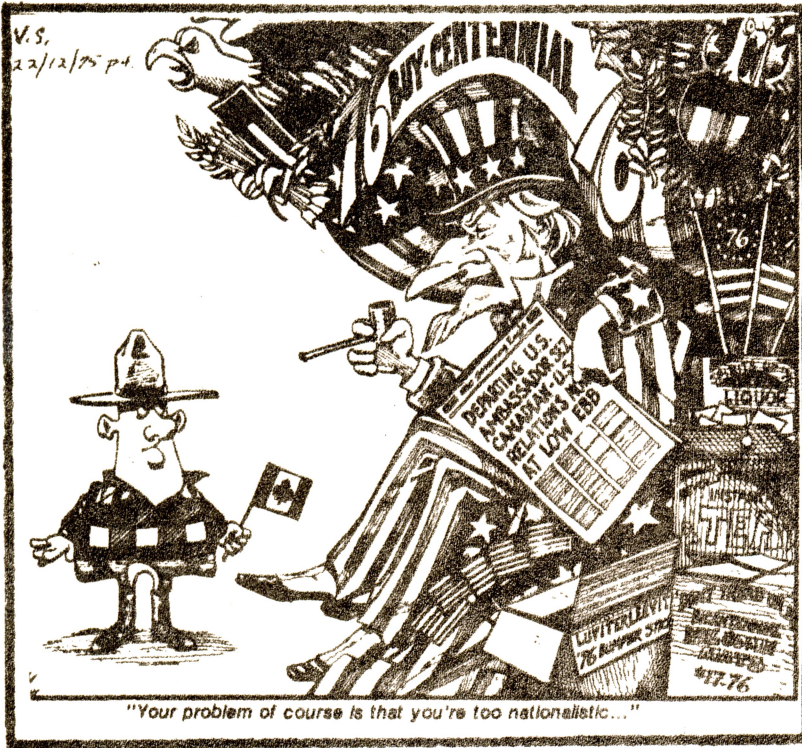
D. H. Fullerton,  
TS, 23/1/76 p.B3 c1-7



## FIRA

The Foreign Investment Review Agency has allowed three takeovers of Canadian firms (in refrigeration equipment, metal insulation castings for oil and electrical industries, and one other firm. It has rejected a bid by Avco Financial Services of Canada Ltd., controlled by Avco of Greenwich, Connecticut, to purchase La Corporation de Finance Bonaccord Ltee. of Moncton.

OC 15/1/76, p10 c 1, TS 15/1/76,pA8, c1-3, GM 15/1/76 pB1 c7.



At Congressional hearings in Washington regarding Canada's foreign investment policy, the secret about Canada was given away. It seems that Canadian politicians talk big to the folks back home they are actually much quieter when dealing with foreigners. Dr. John Fayerweather of New York University testified that the Canadian government seems to pick a high-visibility issue like Time-Readers Digest in order to satisfy a small vocal minority. FIRA has had mild and marginal impact, he said. Richard

Vine of the US State Department stated that FIRA is not anti-American, and that 71% of US takeovers are approved. Prof. Steven Globerman of York University feared that foreign firms might be dragged down to Canadian levels of inefficiency.

MS 29/1/76 pA9 c3-6.

Westinghouse

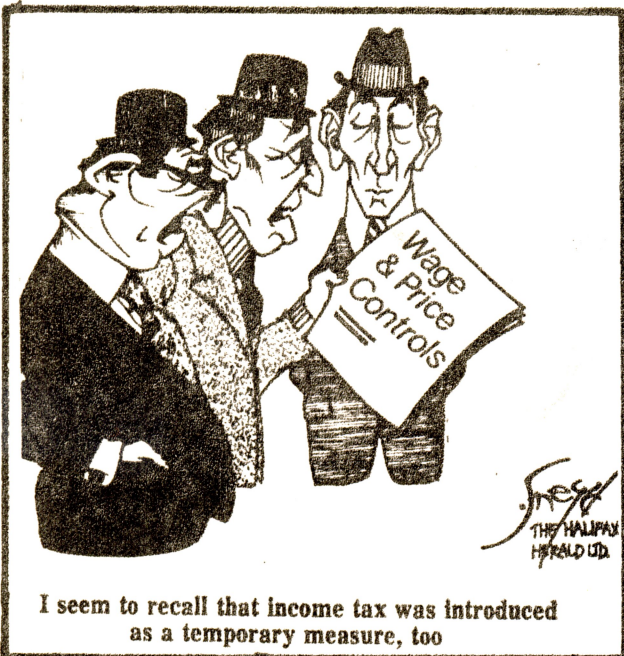
The Committee for an Independent Canada has submitted a brief opposing the attempt by White Industries of Canada to take over the Westinghouse subsidiary in Hamilton, ONt. (TS 6/1/76 p6 c2-3. MS 7/1/76, pc4 c1-4) White has subsidiaries in Quebec, and that province's government appears to favour the bid. (MS 12/1/76 pB10 c6-8) However, the Hamilton union involved, the United Electrical, Radio and Machine Workers of America has urged that FIRA reject the bid. On January 21, Westinghouse Canada announced that it had dropped plans to sell out to General Steel Wares in favour of a sale to White Consolidated Industries. (GM 21/1/76 p1 c2. HCH 22/1/76 p24, c2-5) On January 23, The Pittsburg headquarters of Westinghouse Electric announced that they had signed over exclusive trademark rights on household appliances to White. This decision leaves the Canadian Cabinet, which is to review the matter, little room left. Canadian law permits a company to assign or license a trademark to another company without having to sell all or part of the business. If Canada wishes to thwart White's takeover of Westinghouse Canada, it will have to change the foreign investment or the trademark rules. OC 23/1/76 p10 c 1.



## CAPITAL: GENERAL

Cost of Living Rise Slows

The Consumer Price Index rose only 0.1% in December, the smallest monthly increase since October, 1973. In 1975, the CPI rose 9.5%. The main reason for the low December price rise was a drop in food prices. CP 15/1/75 in EJ WFP  
16/1/76 in GM TS

Ontario Agrees to Controls.

Ontario and Ottawa signed an agreement placing 400,000 provincial employees, including teachers, municipal workers and public servants, under the Anti-Inflation Board. The agreement runs till December 31, 1978. OC 14/1/76 p5 c4-5. Manitoba and the four Atlantic Provinces have also agreed to take similar steps, allowing Ottawa to monitor wage and price increases in the provincial sector. GM 22/1/76 p43 c1-7.

## CAPITAL: PRIMARY - AGRICULTURE.

International Grain Trade

The European Common Market regulates both grain imports and exports, and Canada and Australia sell abroad through government boards with the assistance of private companies. However, in the U.S., 36 companies, not all American, export grain. Six of them; Cargill, Continental, Cook, Bunge, Dreyfus and Garnac, handle 75% of these exports. The first three are major US based conglomerates that operate financial and trade subsidiaries overseas. Cargill, the largest privately owned US company, handles 25% of US grain exports. Tradax Inc., of Geneva, with offices in 14 countries, is its overseas financing and trade arm. Its shipping agent is Greenwich Marine. Continental, the world's largest grain firm, handles 25% of the world's grain trade through some 200 overseas affiliates and subsidiaries. Its American operation alone earned \$30 million in 1974. Cook, the only company with public stockholders is the only one required by law to publish detailed financial information. It increased profits 15 fold between 1972 and 1974. Its earnings leapt from \$47-to-\$110 million between 1973 and 1975, a 40% profit on shareholders' equity. The other companies doubled or tripled their net worth. Cook's Shipping arm, Cherokee Ltd., is located in the Bahamas.

The U.S. is the world's major supplier of wheat. Almost 40% of US farm sales abroad, \$8 billion worth, is to developing countries.



The US also provides a sixth of Soviet grain requirements. The distribution systems of the above giants handle most of this trade as well as Third World agricultural exports that raise cash to pay for grain imports by these nations. Emma Rothschild, a world food authority, questions whether a few free enterprise corporations that handle most grain trade under conditions of confidentiality, licence and oligopoly, can serve the interests of anyone other than themselves.

These grain companies are a perfect expression of the multinational business world. In 1973 their links abroad were suspected of manipulating the size of export subsidies. During the American embargo of grain sales to Russia, affiliates of the global companies sold to Moscow from other grain producing countries. A present concern of US farmers is the investments of these same agribusinesses in developing Brazilian soybean which now compete with US sales abroad.

Advocates of grain trade reform say the price shock of recent years could have been avoided by allocating commodities through long term agreements and by creating reserves to soften the impact of scarcity and surplus. Legislation is now in Congress to nationalize grain exports by having the government do the marketing. This would prevent middlemen from profiteering at the expense of farmers and consumers, and end raids on food supplies by big buyers. This would give Washington powerful political and economic leverage. The CIA already envisages the US regaining world dominance through food power. (by Dan Morgan of the Washington Post in the WFP Jan 9&10/76 pp 9&12)

#### Fertilizer Firms Face Charges

Fertilizer companies have been charged with conspiracy to unduly prevent competition. Charged under the Federal Combines Investigation Act are Imperial Oil, Cominco, Northwest Nitro-Chemicals, Sherritt Gordon Mines, Simplot Chemicals and Western Cooperatives Fertilizer.

WFP 19/1/76 p7 c7.

#### FISHING

##### Law of the Sea

In London, the Canadian High Commission is holding a high level symposium and exhibition to reflect Ottawa's determination to bring about a concrete agreement at the U.N. Law of the Sea Conference next March in New York. At the symposium, an international consortium of companies led by International Nickel are enjoying government backing for the purpose of deep-sea marine mining.

There are indications of an unanimity among industry people, government officials and fishermen to establish a 200 mile management zone. There has been a lot of bilateral negotiation and agreements between Canada and other countries in preparation for the multilateral talks at the U.N. There seems to be general Canadian support for unilateral action if the U.N. conference fails to establish management rights. Two issues will probably emerge very strongly: landlock



states are claiming rights to a share of the continental shelf and poor countries fear they will be deprived of the mining riches of their seabeds because of the lack of technological capacity.

MS 13/1/76 p5 c4-6; HCH 23/1/76 p19 c1-5; MS 26/1/76.

## FORESTRY

### Lumber Market Outlook Brighter

The Canadian Lumbermen's Association, representing private companies, reports that it expects export sales of lumber in 1976 to reach \$2.3 billion, - \$200 million above last year's figures. The reviving market is due, according to the association's director, D.D.Lockhart, to the intervention of federal, state and provincial governments into the North American housing market.

GM 7/1/76 pB1 c2-3.

### Newsprint Supplies Dwindling

U.S. newspaper spokesmen report that their supplies of newsprint - primarily from Canadian sources - are dwindling as the strike by the workers at Canadian newsprint mills continues. to cut Canadian production by 60%. About 80% of Canadian production is exported to the U.S. where about 65% of newsprint requirements are usually filled by Canada. Most newspaper users had purchased large stockpiles - now depleted - in anticipation of the strike which began last summer.

EJ 17/1/76 p22 c1-8,AP; WFP 12/1/76 p20 c1 AP.

## MINING

### Mineral Output Up in 1975

Preliminary estimates indicate the total value of mineral production in Canada in 1975 reached a record level of \$13.4 billion. The Statistics Canada figures showed increases in the value of mineral fuels - due in great part to higher prices for oil and gas - and a slight decline in the value of metals production.

EJ 16/1/76; WFP 14/1/76 p71 c7 CP.

### Saskatchewan Potash Bill Passed

The Saskatchewan government has given approval in principle to the controversial potash bill - over Liberal and Conservative opposition - which would authorize the government to expropriate any potash it cannot purchase through negotiations.

WFP 13/1/76 p27 c1 CP

\*See also - Foreign Investment, p7.

## OIL AND GAS

### National Energy Board Hearings on the MacKenzie Pipeline

Canada and the U.S. have formally initialled a draft bilateral pipeline treaty which covers pipelines carrying hydrocarbons for use in either country across the territory of the other. Such materials would be tax free, and the pipelines themselves as well as the right-of-way on



which they are built would be protected against discriminatory taxation. It still would be necessary for the U.S. to sign separate protocols with some provinces to ensure that the treaty's tax provisions are carried out.

GM 29/1/76 pB5 c3-8.

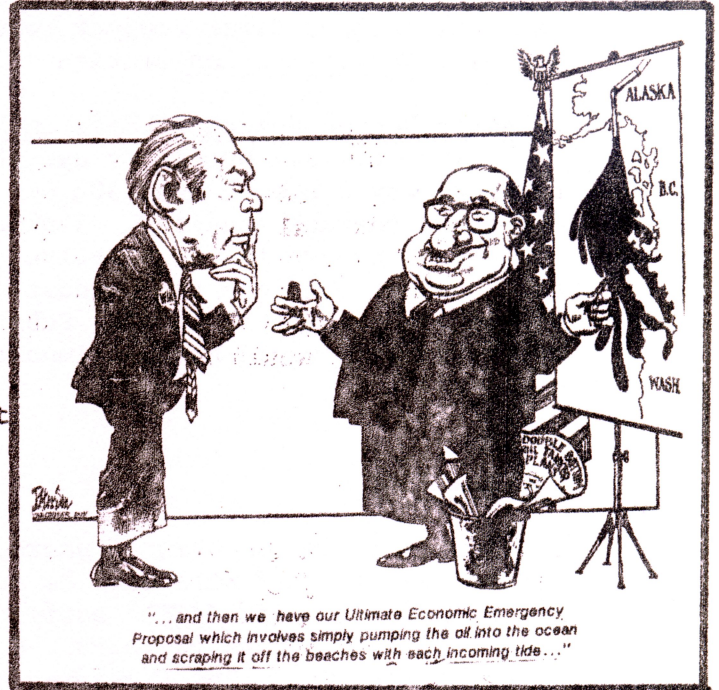
*CNSP NOTE: This no-tariff deal on gas violates provincial powers of taxation and threatens Canadian sovereignty. It also means the government has decided to give Indians in the Northwest Territories power to tax gas supplies running south from the North according to Bob Page of the Committee for an Independent Canada(CIC).*

Oil Firms Say Delta Gas Committed to U.S. Buyers.

The Federal Power Commission (FPC-US) ruled that advance payments to the oil companies for Alaskan gas cannot be passed on to consumers.

Natural Gas Pipeline Co. of America and Michigan-Wisconsin Pipeline of Detroit have supply contracts with Imperial Oil (an Exxon subsidiary) to receive each 4 trillion cubic feet of gas found by Imperial in the MacKenzie Delta. Renegotiations of the contract is on now, to give the rights of the first trillion cubic feet to a Canadian Pipeline, TransCanada Pipelines Ltd.

GM 8/1/76 pB2 c7-8



Four U.S.-owned gas companies have tied up 15 trillion cu.ft. of natural gas in the MacKenzie Delta, in hope of exporting to the U.S. Together, they provided Imperial Oil, Gulf Oil and Shell Canada (major oil producers) with \$100 million in interest-free advances as part of an arrangement to tie up Canadian reserves for export in Western and North-Central U.S.A.

GM 15/1/76 pB5 c3-4; also in WFP, MS, EJ., & OC.

HYDRO

James Bay

Hydro-Quebec has arranged to borrow up to one billion dollars through the New York bond market. A group of bond dealers headed by First Boston Corp. has negotiated the deal with big private investors, including Prudential of America and Metropolitan Life rather than making a public offering through the market place. The loan would be used by Hydro to finance the James Bay project.

MS 15/1/76 pC10 c2-3; GM 24/1/76 pB2 c4-9;

*CNSP NOTE: Robert Giroux, President of Hydro Quebec claims that a 50% rate increase for consumers is necessary to pay for the James Bay project.*

Manitoba Hydro

The provincial cabinet has approved another loan for Manitoba Hydro, bringing the total borrowing up to \$391 million.; \$250 million in U.S. dollars; \$71 million in Swiss francs; \$30 million in Eurodollars and \$40 million in Puerto Rican currency.

WFP 17/1/76 p3 ci-2.



An 11-day public hearing by the NEB into Manitoba's hydro's application to build its portion of transmission lines to export electricity to Minnesota Power and Light Co. ended. Manitoba hydro has agreed to supply the U.S. power utility at a reduced price and the available exported electricity is to be surplus to the needs of Manitoba. The Northern Flood Committee maintained the surplus power will be generated by the Churchill-Nelson River Project resulting in the flooding of Indian lands. See also Native Peoples section. WFP, 23/1/76 27/1/76.

#### Atlantic Region Warned of Rise in Power Rates

The Atlantic provinces use about 85% of the imported oil for their total energy needs. About 30% of the total electricity used comes from oil-fired thermal stations. Exploration of ways to reduce their reliance on oil and remove the competitive disadvantage that consumers and industry face because they pay the highest power rates in Canada are being worked through on a regional level. Substitution of hydro power for that produced from oil would have an important impact on Canada's balance of payments. GM 22/1/76 pB3 c1-7.

#### NUCLEAR ENERGY

*Introduction: In the next 15 years, \$212 billion will be spent on energy, and perhaps half of this will be spent on nuclear energy. The Atomic Energy of Canada Ltd. (AECL) estimates there will be 115 nuclear reactors used in Canada within 25 years. Canada's conversion to nuclear energy is led by Ontario. The Pickering nuclear generating station is presently producing 15% of Ontario's electrical energy. By the year 2000, 78% of Ontario's electrical energy will be nuclear generated. Uranium, the fuel for nuclear reactors, is Ontario's only energy source. The Western provinces have a concentration of fossil fuels and are expected to defer nuclear energy until 1990.*

*Quebec and the Atlantic provinces are moving faster towards nuclear energy with predictions that 40% of the power they will use by 2000 will be nuclear-generated.*

The Coalition for Nuclear Responsibility, consisting of 45 groups across Canada, have raised questions about the safety, economy and the problem of storing deadly nuclear wastes for thousands of years or the dangers inherent in the unknown effects of low-level radiation emissions from power plants. GM 24/1/76 p33 c3-6.

The citizen and scientific opposition to nuclear power in Canada is nowhere nearly as sophisticated and organized as it is in the U.S., where Ralph Nader has mobilized an anti-nuclear force to the point where some believe the U.S. nuclear industry is tearing itself apart.

GM 3/1/76 pB1 c2-7.

The Voice of Women called for a moratorium on the manufacture, promotion and sale of nuclear reactors in Canada and abroad.

GM 18/1/76 p13 13 c4-5 CP.



SECONDARY MANUFACTURINGSydney Steel Losses Termed Colossal Economic Disaster

The latest reports issued on Sysco indicate that it will lose \$35 to \$40 million this year. Following a \$60 million loss accumulated by the plant before 1974, the latest losses are a colossal economic disaster for the people of Nova Scotia because all of this is guaranteed by the government". Buchanan, the P.C. leader, has been urging the rehabilitation of the Sydney Steel Plant that would cost Nova Scotia taxpayers \$400 million.

Premier Regan said his government preferred the investment of private capital. Even with the \$400 million rehabilitation suggested by Mr. Buchanan, the premier said the plant would continue to experience an annual loss of up to \$30 million. The rehabilitation costs would add another \$30 million in annual carrying charges. The series of feasibility studies for a major new steel complex carried out by four major international steel companies will be completed in 12 to 18 months.

HCH 21/1/76 p1 c4-8; HCH 3/1/76 p1 c2-4.

Analysts indicate that the steel-making recession seems to be over. Steel manufacturers will try to persuade the anti-inflation board to allow them to raise prices by 10%. Much of the basic coal and ore comes from the U.S. and is subject to escalation. In addition, the steel companies say they need money to develop new capacities such as Stelco's plans for Nanticoke, Ontario. Steel manufacturers are hoping for a sharp increase in sale of autos and increased business with the Canadian Construction Association in 1976.

OC 20/1/76 p11 c1-2.

Auto Pact

In a still unpublished report prepared for the Senate finance committee, the U.S. International Trade Commission says that the agreement has never developed into a free trade arrangement and it maintains that nearly all benefits from the auto-pact have gone to the Canadian economy.

The survey stops short of recommending that the agreement be scrapped, as some congressmen have advocated, or even that it be altered fundamentally as recommended by some U.S. labour leaders.

Canada signed the auto agreement in 1965 because it had a major balance of payments deficit with the U.S. caused largely by a deficit in auto trade. A number of safeguards were contained in the pact designed to assure auto production in Canada would be continued at high levels by the U.S. manufacturers and that they would make substantial capital investment in Canadian plants and equipment.

Investment by American manufacturing in their Canadian plants has declined in comparison with investment in the U.S. Last year, balance of trade was more than \$1 billion in favour of the U.S.

OC 26/1/76 p6 c1; OC 29/1/76 p6 c1; HCH 26/1/76 p2 c3-7;



## COMMERCE

### Bryce Commission

#### Forest Products Companies Say Big Is Good:

MacMillan Bloedel Ltd. claimed that Canada needed large corporations that could win access to capital and achieve lower average costs in order to maintain a competitive world position. OC 14/1/76 p11 cl-3;

Abitibi Paper Co. agreed, saying that its takeover of Price Co. allowed it to achieve competitiveness on the world market. HCH 22/1/76 p25 c4-5.

#### No Conflict of Interest- Royal Bank

The Royal Bank which financed Abitibi's takeover of Price Co. also financed a competing attempt by Consolidated Bathurst to control Price. Consolidated Bathurst's offer increased the final takeover price from \$18. to \$25, per share. However, W.E.McLaughlin of the Royal Bank says that its financing of the two competing efforts do not mean a conflict of interest. He also said there was no conflict arising from the fact that the Royal financed the Power Corporation attempt to take over Argus, a company that it also backs. OC 17/1/76 p13 cl-4.

#### No Capital Available to Small Business

Hugh Russel Ltd. and Indal Ltd. stated that they have grown by buying out small businesses which could not raise enough capital. Investment capital, they claim, is used for Canada Savings Bonds and for large corporate borrowers.

GM 13/1/76 pB2 c6-9.

## Transportation

#### Passenger Train Policy See CNSP Vol.III #10 p17-18.

The Canadian Brotherhood of Railway, Transport and General Workers has denounced federal plans to further reduce rail passenger service in Canada.

Transport Minister Otto Lang is expected to announce cuts in passenger service before January 29th but the 40,000 member union decided to denounce the policy on the basis of leaked reports. Said Don Nicholson, vice-president of the union: "Mr. Trudeau keeps telling us we have to consume less fuel and at the same time his transport department is destroying the transport mode that is most economical in energy and land use, as well as the safest and the most comfortable. HCH 22/1/76 p13 cl-6 CP.

Transport Minister Otto Lang has announced plans to reorganize the rail passenger system by 1980 by dropping some services and improving operations in the heavily populated corridor from





Quebec City to Windsor. The policy would merge the passenger service of CN and CP railways, eliminating duplication on more than 2,000 miles of their routes. Lang's statement follows last June's policy announcement by Mr. Marchand saying that the rail passenger service should pay its own way. GM 30/1/76 p1 c1 CP; OC 30/1/76 p42 c1-3 CP.

NDP transport critic Les Benjamin said that if the "user must pay" concept is extended to all transportation, bus passengers should pay the \$1.2 billion annual costs for roads and airline travellers should pay the \$600 million cost of running airports.

GM 30/1/76 p27 c1-3 CP

### CONSTRUCTION

#### Housing Starts Up Slightly

The Central Mortgage and Housing Corporation (CMHC) announced that 1975 housing starts were 231,456, up from 222,123 in 1974. The Government's minimum target was 210,000, but the Economic Council of Canada claims that 250,000 starts annually are needed.

HCH 24/1/76 p37 c3-4.

### COMMUNICATIONS

#### Bell Canada Has Big Profit Gains

Bell Canada's consolidated earnings for 1975 (preliminary report) were \$241.9 million up from \$206.8 in 1974. Bell was granted a 4.6% increase last month. OC 29/1/76 p11 c1 CP



# WORKERS, PEOPLE, OPPRESSED

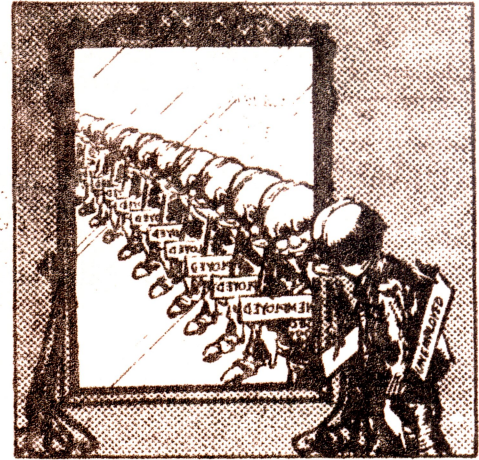
## GENERAL

**Introduction:** *Unemployment continues at a record high with young people being hit the hardest and new job openings shrinking. Layoffs and cutbacks are spotty but constant as 1976 appears to be a record year for major labour negotiations.*

*In the face of high unemployment, the Federal government continues unconscionable cutbacks by dropping its job "relocation" grants.*

### JOBLESS RATE REMAINS HIGH

Although the seasonally adjusted unemployment rate declined .2% in December to 7.1% from 7.3%, the actual unemployment rate increased .6% to 7.0% - the highest December rate since 1960 when 8.2% of the labour force was unemployed. Actual figures showed 697,000 Canadians out of work, 100,000 more than in December 1974. B.C., Quebec and the Maritimes, especially Newfoundland, continue to feel the brunt of rising unemployment. EJ 16/1/76 p83 c1-2; WFP 14/1/76 p4 c7-8;



Unemployment puzzle:

CNSP NOTE: *Young people, (14-24), are often the victims of the economic slow-down. Nearly 50% of the 697,000 unemployed were in this age bracket. For ages 14-19 the rate was 15.1%, more than twice the national average. Although the 14-24 age group grew by 100,000 from December 1974 to December 1975, the labour force in the group did not grow at all. In a January 24th editorial, the Toronto Star said, "Society has an obligation to provide jobs for people willing to work, regardless of their age, sex or skills". The Star noted "that wrenching experience (unemployment) as a youth can sow attitudes of bitterness, alienation that may last a lifetime".*

### FEWER JOB OPENINGS HOLD UNEMPLOYMENT RATE DOWN

A Statistics Canada survey has shown that the number of new job openings has dropped drastically over the last year. For every 1000 existing jobs, there are 8 vacancies compared to 15 in 1974. As a result, an estimated 180,000-190,000 Canadians may have become discouraged and stopped looking for jobs altogether. Neither these people or the young people who have decided to stay in school rather than face the sagging job market are taken into consideration in the unemployment rate. OE 19/1/76 p11 c1-6; 22/1/76 p9 c3-8.

### FEDERAL CUTBACKS HIT UNEMPLOYED

The Department of Manpower and Immigration's mobility program to financially aid workers and their families move to another job has been severely crippled by the federal government austerity measures. These "relocation grants" - \$100. and up for each family member and a \$1,500 home purchase allowance - have averaged about \$720. per grant. Now the home purchase allowance has been cut and the re-establishment allowance cut in half. The program was so successful it was to have exceeded its \$10.2 million budget this year by \$2 million..No more.

OC 12/1/76 p7 c1-6



**EATON'S CUTBACKS**

Anywhere from 4,500 to 9,000 Eaton's catalogue workers will be out of work as the catalogue folds. TS 24/1/76 pA4 cl-2.

**DOUGLAS TO LAY OFF 1,000**

One thousand workers at Douglas Aircraft in Malton, Ontario are to be laid off, leaving a skeleton staff of 650. The parent firm in Long Beach California will experience no cutbacks for its 6,900 U.S. workers. GM 23/1/76 pl cl-5.

**QUEBEC LAYOFFS**

300 of 3,200 workers at the General Motor's plant at Ste. Therese, Quebec, will be laid off for two weeks and the rate of production reduced from 45 to 40 cars per hour. LJ 10/1/76 p5 cl-2.

150 of 287 workers at Fleetwood's Ville Mont Royale plant are to be laid off permanently. The company manufactures T.V. parts and stereos. The company prefers to import parts from its parent company and to discontinue assembling parts in Quebec. Last May workers in the plant demonstrated in solidarity with workers on strike at United Aircraft and the company sued the union for \$50,000. Fleetwood is a subsidiary of Sylvania, itself controlled by General Telephone and Electronics (GTE) of New York. LJ 20/1/76 p6 cl-4

*CNSP NOTE: GTE also controls Anglo-Canadian Telephone, with major networks in Quebec, and through it, B.C. Telephone, and the only telephone system in the Dominican Republic.*

**TOUGH BARGAINING YEAR AHEAD**

An estimated 76% of the 915 collective agreements in Canada will be up for negotiations in 1976, affecting 85% of the 1.8 million workers covered by those pacts. OC 12/1/76 pA9 c3-6.

**LABOUR SPILT OVER CONTROLS IS POSSIBLE**

The frustration felt by many union members over the AIB lid on collective bargaining may lead to a schism in organized labour as less militant groups go to the Board for pre-bargaining guidance. Those unions "cooperating" with the AIB may be blamed for sabotaging the CLC's anti-controls policy in future months.

In his occasional column in the Toronto Star, Ed Finn of the Railway, Transport and General Workers, said it may be the end of 1976 before the rank and file are sufficiently angered by an increasing cost of living and enforced wage settlements to act on the CLC leadership policy. TS 5/1/76 pB9 cl-3

**CLC ASKS EMPLOYER COOPERATION TO FIGHT CONTROLS**

The CLC has launched a 3-point program asking for employer cooperation to topple government wage controls. Unions and their members have been advised:



1) not to sign any collective agreement which requires the approval of the AIB;

2) all collective agreements should contain a provision which requires the employer to support all points in the agreement;

3) when agreement is reached, the employer should implement it immediately in spite of AIB rulings;

WFP 27/1/76 p22 c1-3; TS 27/1/76 pA1 c2-3;

#### IWA JOINS THE FIGHT AGAINST CONTROLS

The International Woodworkers of America in B.C. voted to support the CLC's anti-controls programme on the grounds that the legislation destroys civil liberties and makes organized labour the scapegoat for inflation. Western regional president, Jack Munro, warned that "there could be a revolt in this country" if the law is not repealed.

TS 31/1/76 pA2 c6-7; GM 31/1/76 p1 c7-8;

*CNSP COMMENT: Labour's attack on government wage controls is continuing at a steady and sustained, though mostly rhetorical, level. The Manitoba Federation of Labour and the Saskatchewan Federation of Labour both reacted strongly to their government's decisions to support the federal government anti-inflation programme. The MFL voted to call a future one-day strike by its 80,000 members to protest the controls.*

*The Ontario Federation Of Labour and the New Brunswick Federation of Labour also reinforced their opposition to the controls. Shirley Carr, executive vice-president of the CLC, said the controls ~~have~~ made employers "an extension of government policy and ... a tool of the state in exerting control over ... the free trade union movement". (TS 30/1/76 pA3 c1-3).*

On January 6th, 87,015 members of the CSN agreed to a general strike as a way of protecting wage controls. 3,736 members of the union were against the action. There remain 759 locals yet to be consulted on the question. LJ 29/1/76 p7 c3-6.

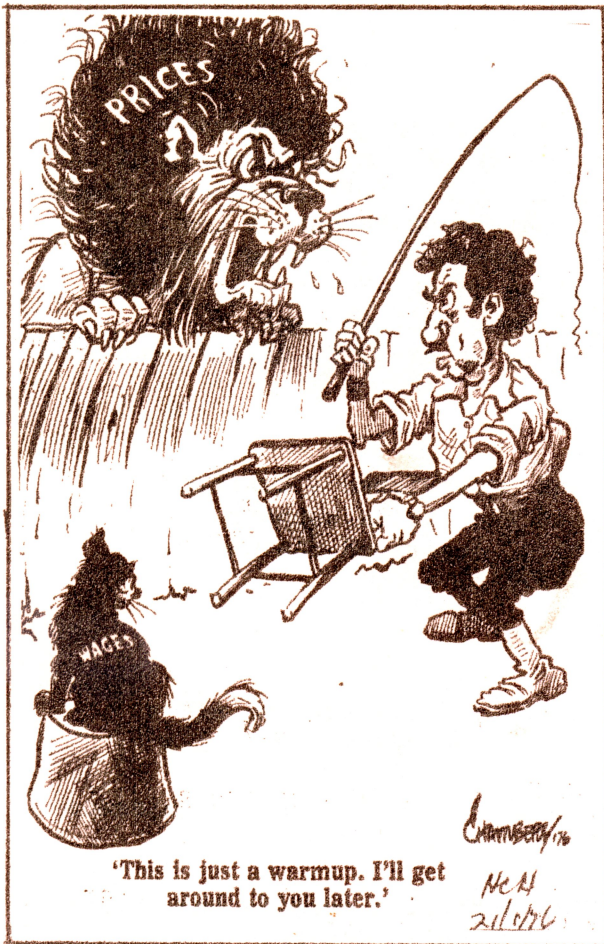
#### MUNRO BLASTS UAW CHIEF WOODCOCK

American UAW President Leonard Woodcock stated that the full support of the international union is behind the Canadian affiliate to oppose any attempted roll-back by the AIB of wage settlements in bargaining this summer.

Labour Minister John Munro responded by saying Woodcock was treating Canada "like a banana republic". The whole issue died quickly when Canadian UAW leader Dennis McDermott called Munro's statement "silly, fatuous and completely out of context".

MS 32/1/76 p7 c1-5; EJ 23/1/76 p39 c3.





## PEPIN, CONTROLS AND LABOUR

Chairman of the Anti-Inflation Board (AIB) Jean-Luc Pepin, told a meeting in Moncton, N.B. that organized labour is the greatest threat to the anti-inflation programme. In an about face three days later in Toronto, Pepin told another audience that union leaders are gradually coming to accept the government programme. The negative response of provincial and regional labour groups would indicate that labour is still almost unanimously opposed to the controls.

WFP 13/1/76 p1 c6-8; TS 16/176 pA1 c1.

## LABOUR STRUGGLES

### IRVING PULP AND PAPER VERSUS THE AIB

In December, the AIB ordered the contract between Irving and the Canadian Paperworkers Union (CPU) cut back from a 23.8% wage increase in the first year to 14%. Since the AIB itself has no enforcement powers, Irving continued to pay its employees at the negotiated rate.

In January, the AIB ordered Irving to comply with its 14% ruling by February 2nd or have the dispute sent to the AIB administrator. Irving requested that the decision be sent to the AIB administrator who has the power to review

and change AIB rulings as well as impose penalties for failure to comply with AIB dictates. Meanwhile Irving is now paying his employees at the 14% rate and holding the remaining negotiated salary in trust. HCH 22/1/76; MS 28/1/76 pB1 c5-6.

### PAPERWORKERS IN QUEBEC

C.P.U. locals at Domtar, Dolbeau, North Shore Paper Co., Baie Comeau, James Maclaren, Buckingham, and Reed, Quebec City have returned to work. The contract accepted calls for a 14% wage increase in the first year, 10% in the second year and 8% in the third. GM 22/1/76 pB5 c6-7.

The final settlement is dependent upon resolution of the AIB-Irving dispute.

CNSP NOTE: *This settlement at the plants in Quebec is the one suggested as acceptable by the AIB. It has also been rejected by the C.P.U. workers in Thorold, Ontario.*

### PAPERWORKERS IN THE MARITIMES

In Nova Scotia, the C.P.U. negotiations with Bowaters Mersey are leading talks with the other two struck plants: Scott Maritimes and N.S. Forest Industries. C.P.U. workers rejected a Bowaters offer of 82¢/hr. increase in the first year of a contract. In New Brunswick C.P.U. workers at the Ste. Anne Nackawick mill accepted a contract giving a \$1.16/hr increase in the first year (33¢ of which represents a COLA) and a 8½% increase in the second year.

HCH 19/1/76 p1 c2-5

MS 27/1/76 p1 c4-7



## C.F.U IN ONTARIO

Negotiations between the C.P.U (Fort Frances and Kenora locals) and Ontario-Minnesota Pulp and Paper Co. ceased after a company offer of a wage increase of 82¢ per hour in the first year of the contract. Ontario C.P.U. officials are hopeful that a contract signed between the C.P.U. and Manitoba Forest Resources Ltd. will set the standard for Ontario contracts. The Manitoba agreement gives an existing 57¢ per hour COLA adjustment plus an 85¢ per hour raise in the first year and a 75¢ per hour raise in the second year with a 12¢ per hour COLA payment.

GM 7/1/76 pB c2-3, OC 27/1/76 p44 c2-4

## AND THE RCMP

An RCMP officer passed as a free-lance journalist and interviewed a striking Hull C.P.U. worker for over an hour on the strike and the strike support committee. The RCMP, when the incident was made public, described the whole affair as "unfortunate."

OC 22/1/76 p1 c1-4

## HIGHLIGHTS OF THE METRO TORONTO TEACHERS STRIKE

Dec. 1 -- Over 500 teachers demonstrated on Parliament Hill against the AIB's dictate that the Board's offer was too high. OC 2/12/75 p37 c1-3

Dec. 5 -- Bargaining between the school board and OSSTF resumed under the guidance of a three-man mediation team. TS 5/12/75 pA2 c2-5

Dec. 11-- More than 7000 teachers in a candle-lit demonstration outside the Ontario legislature showed their support for the OSSTF metro strike. OC 12/12/75 p17 c1-3

Dec. 20-- The Metro school board presented an offer for a one-year contract to OSSTF. TS 22/12/75 pA1 c1-2

Jan. 7 -- Metro teachers rejected the latest board offer. TS 9/1/76 pA1 c7-9

Jan. 16-- Toronto teachers were ordered back to work. Legislation called for compulsory arbitration of a two-year contract whose terms are to be approved by the AIB. Teachers are prohibited from mounting a work-to-rule campaign. TS 16/1/76 pA1 c6-9



## BC BACK TO WORK LEGISLATION ENDS

In October Dave Barrett's former NDP government ordered pulp and paper, supermarket, propane and railway workers back to work for a 90-day cooling-off period. The Socreds extended this order for 14 days. In the interim only the pulp and paper workers have come close to agreement. At the end of the legislated period, supermarket workers entered non-binding arbitration; the Teamster's (propane) dispute went to binding arbitration and the five railroad unions have agreed to an "industrial inquiry commission." (ie. non-binding arbitration)

WFP 20/1/76 p6 c1-8

GM 29/1/76 pB2 c9

## MOVES IN THE TRADE UNION SCENE

Canadian members of the Brotherhood of Railway and Airline Clerks are to become more autonomous in their dealings with their international (U.S) headquarters.

WFP 2/1/76 p5 c1-2

The Canadian Chemical Workers Union is a recent breakaway from the International Chemical Workers Union. The reason given for the break was the misuse of Canadian funds by the ICW.

TS 27/1/76 pA9 c1

In Winnipeg, workers in the building trades are exploring ways of forming an all-Canadian council of building trades. Although organizers expect no opposition from the AFL-CIO, other workers have stated that the AFL was advising them not to attend the organizing meeting for such a council. WFP 8/1/76 p2 c6-7

## AIB RULINGS

A three-month analysis of AIB dictates shows that negotiated wage settlements have been cutback by an average of 5 per cent, based on 16 cases. The AIB has not intervened in 20 other cases, (not all of which exceed the guidelines).

TS 31/1/76 pF1 c1-9

- United Glass and Ceramics Workers cut from 16.2 per cent to 13.5 per cent, Dominion Glass Co., Wallisburg, Ont.
- Dufferin County teachers cut from 27 per cent to 24 per cent
- Union of United Brewery, Flour, Cereal, Soft Drink and Distillery Workers cut from 26.6 per cent to 16 per cent, Chateau-Gai Wines, Toronto.
- United Glass and Ceramics Workers cut from 23 per cent to 16 per cent, Bristol Myers Co., Canada LTD.
- International Union of United Plant Guard Workers of America cut from 15 per cent to 12 per cent, University of Toronto.
- Canadian Union of Public Employees cut from 18.2 per cent to 12.2 per cent, University of Toronto.

EJ 10/1/76 p6 c1-4

OC 17/1/76 p10 c1-3



## QUEBEC LABOUR

## GROWING UNREST IN THE PUBLIC SECTOR

(see CNSP Vol. III, No. 9, pages 28-29 for background information)

On February 1, the Common Front -- representing the provinces's public service workers -- will have the right to strike and after nine months of fruitless negotiations, a general strike is possible strategy to be discussed at the front's meeting on February 8. LJ 26/1/76 p15 c1-6

The growing unrest among public service workers manifest itself throughout the province as demonstrations and study sessions were held to provoke the government to negotiate in earnest. Some 20,000 workers demonstrated in 14 regions of the province on January 22. LJ 23/1/76 p4 c1-2. Teachers in the Quebec cities of Chambly and Verdun held study days, (LD 16/1/76 p2 c1-2) and later in the month Judge Albert Leblanc of the Supreme Court forbade parents in the Vaudreuil region from helping teachers or even discussing questions relating to the collective agreement. In December the parents had agreed not to send their children to school for three days in order to support the teachers. (LD 23/1/76 p3 c5-6) Meanwhile, 80 per cent of Montreal's hospitals were affected by information sessions held by hospitals workers. LJ 17/1/76 p3 c3-6

## IMMIGRATION

## FUTURE IMMIGRATION POLICY PRESENTS DILEMMA

Social attitudes against immigration conflict with the need for immigrants in order to sustain growth in the Canadian economy. Only about one-third of Canadians believe Canada needs immigrants, according to a study of postwar Gallup opinion polls carried out by an official of the Department of Manpower and Immigration. However, in its latest annual review, the Economic Council of Canada (ECC) points out that Canada may need more immigrants in the early 1980's to sustain the growth in real domestic income per capita.

The economic impact of immigrants on Canada's standard of living has been clearly positive. Nevertheless, there is an economic limit to Canada's ability to absorb immigrants. The ECC's target for the 1980's of about 200,000 per year is well within this absorptive capacity.

GM 15/1/76 pB4 c3-6 by Arthur Donner and Fred Lazar.

## IMMIGRATION STAFF TO INCREASE DURING OLYMPIC GAMES

The majority of the new personnel will be stationed at Mirabel airport where it is estimated that some 40,000 passengers from outside the U.S. will be entering Canada. All the officers hired for the Olympic period will take jobs that terminate about the end of August.

A special security system known as COILS ---Computerized Olympic Integrated Look-out System -- has been developed. It will provide security officers with instant information about arrivals who may be regarded as security risks by international enforcement agencies.

MS 10/1/76 pA13 c1-6



**IMMIGRATION CHANGES COMING**

Immigration Minister Robert Andras says he hopes to have significant changes to the Immigration Act approved by Parliament by the end of the year. Although Mr. Andras stated that the general tone of the legislation will not be restrictionist, the department of Manpower and Immigration recently released statistics showing that in the first 9 months of 1975, there were 10.2 per cent fewer immigrants admitted than in a similar period in 1974.

WFP 23/1/76 p4 c5-8

EJ 23/1/76 p70 c3-6

**SIX IMMIGRATION OFFICERS GUILTY OF EXPLOITATION OF IMMIGRANT WOMEN**

A commission of inquiry has concluded that from 1970-73 six immigration department officials in Montreal were engaged in improper behaviour, including some cases of sexual relationships with men whose files they were processing. The 290-page report by Inquiry Commissioner Judge Claire L'Heureux-Dube of Quebec Superior Court was tabled in the House of Commons.

MG 27/1/76 p1 c1-3

**NATIVE PEOPLES****MERCURY POISONING SPREADS**

At least five more northern Quebec Cree show a dangerously high level of mercury poisoning, federal testing has revealed. The tests carried out by the Health and Welfare Department over the last few months, show the five with blood levels of more than 200 parts per billion (ppb.) -- compared with the maximum federal safety limit of 100 ppb.

One of the victims, all in the community of Paste-de-Mistassini, about 450 miles northeast of Montreal, registered a mercury blood level of 312 ppb.

The recent federal survey tested 996 Cree. Of the 731 tested in the Mistassini region, 51 registered from 75 ppb. to 100 ppb, with the remaining below 75 ppb.

In Rupert House, Fort George and other communities there were no blood levels reported higher than 74 ppb.

MG 20/1/76 p1

*CNSP NOTE: The highest mercury blood level at Grassy Narrows and Whitedog Reserves is 350 ppb. Also Mistassini Post has undergone the most intensive contact with whites in the area, and Rupert House and Fort George, the least.*

**A HELPING HAND**

The people and leaders of a four-year-old community, 616 miles north of Winnipeg had their first chance to meet jointly with representatives of the federal and provincial governments and the Manitoba Indian Brotherhood.

Seventy of the community's 200 residents crowded into the Chipewyan Indian Band Hall and told of the struggle that has gone into re-establishing a wilderness settlement after close to two decades of living at Churchill.

A Department of Indian and Northern Affairs spokesman called the Churchill move "an experiment that didn't work" and said funds were available to support the new community.

WFP 20/1/76 p19 c1-8



*CNSP NOTE: In 1956 the Hudson's Bay Company closed its post at Tadoule Lake. In the same year, the DIAND uprooted the people, who had a sound trapping economy and flew them to Churchill where they lived in tar paper shacks until they were moved out of the townsite proper to Dene Village. Throughout their "stay" in Churchill the people were on welfare. This is the nature of the government's experiment.*

#### THE BERGER INQUIRY

"In its statement, the Hunters and Trappers Association wanted to 'clarify' that the position taken by the settlement council of Coppermine, 500 miles east of Inuvik, (in support of the pipeline) does not represent the position of the Eskimo people of the Mackenzie Delta. GM 30/1/76 p8 c2-5

#### WOMEN

##### WOMEN SWAMP WELFARE ROLES

Twice as many employable single women were on welfare in Toronto last November over the previous year. The November caselead for women family heads, also in the employable category, more than doubled -- from 168 cases to 386, a 130 per cent increase. TS 16/1/76 pB1 c8-9

##### LABOUR CANADA WOMEN'S BUREAU REPORT

Men with fulltime jobs earned far more than women, averaging \$9,455 compared with \$5,166, a difference of 83 per cent. (Data is from 1972, the last complete year for which statistics are available). In addition, 22.3 per cent of women in major industries surveyed were unionized compared to 38.1 per cent of men.

MG 16/1/76 p4 cl-4

##### LAW GUARANTEED QUEBEC WOMEN EQUALITY IN LABOUR FORCE

Legislation adopted by the Quebec national assembly in 1975 will prohibit discrimination against women in salaries, job opportunities, housing and illegal status. The charter also defines guarantees of the right to vote, run for office, petition the national assembly, receive a fair trial and have access to social aid.

TS 6/1/76 pF1 cl-9)

#### GOVERNMENT -- PROVINCIAL

##### ONTARIO

The job of re-establishing the Liberal party in Ontario as a middle-ground political force has been handed to Hamilton psychiatrist Stuart Smith. Dr. Smith won a third-ballot victory over London businessman David Peterson. GM 26/1/76 p1 c9

##### SASKATCHEWAN

The Saskatchewan government is proposing to revise corporate law by providing to strengthen the rights of minority shareholders and requiring most corporation directors to be residents of Canada.



## NOVA SCOTIA

Two Nova Scotia Liberals, Labour Minister Walter Fitzgerald and Lieutenant-Governor Clarence Gosse, have questioned Prime Minister Pierre Trudeau's remarks about the need for economic controls. Fitzgerald said a split is developing among Liberals in Canada over controls. He added, "The economy is headed on a collision course with disaster" unless the Federal Anti-Inflation Board lays down firmer guidelines and enforces them. He said that labour may not be happy with hard wage guidelines but there will be less turmoil if they are laid down. (HCH 26/1/76 p22 c2-7).

## QUEBEC

The chairman of the Liberal Party's information committee, John Hutchinson, has resigned over Premier Robert Bourassa's continued refusal to change his much criticized information policy. Hutchinson said that he "quit because he had found that the role of the committee was one of executing direction pretty much from Bourassa" and the premier continued to insist that no changes be implemented despite his worsening relations with the media. MS 13/1/76

## BRITISH COLUMBIA

B.C. Premier William Bennett is putting together a cabinet based on competence rather than on long service to the party. He has included in his cabinet six people who were prominent Liberals and Conservatives, while excluding three Social Credit veterans. The government put a freeze on decision-making until the new ministers get organized.

The key appointments follow:

Thomas Waterland, Mines and Forestry;  
Allan Williams, Labour;  
William VanderZalm, Human Resources  
Evan Wolfe, Finance;  
Dr. Pat McGreer, Education.

FP 3/1/76 p5 c3-6.

## MANITOBA

## MANITOBA SUPPORTS FEDERAL ANTI-INFLATION GUIDELINES

The formal agreement to extend federal anti-inflation guidelines to Manitoba employees will be signed by Premier Schreyer.

Manitoba had some reservations about aspects of Ottawa's plans, but Mr. Schreyer has accepted the total package - including controls on prices and profits - as necessary for the country's economic health.

EJ 10/1/76 p6 c1-3.



## SOCIAL WELFARE

### COMPANY OF YOUNG CANADIANS

Doug Bowie, executive secretary of the CYC says there is little hope for the national group to stay active since losing all government funding. However, he looked to the future when local organizations could again prove the viability of the company's function and build back to a national organization this time from the bottom up.

OE 19/1/76 p5 cl-3; WFP 21/1/76 p42 cl.

Claude Charron, Parti Quebecois member of the Quebec National Assembly, says that Quebec will not be able to afford basic social services because of the debts incurred by the Olympic Games. EJ 15/1/76 p2 c6-8.

### DRINKING AGE IN ONTARIO

Ontario's Youth Secretariat will head a study on the effects of lowering the legal drinking age. Five years ago, the legal age was lowered from 21 to 18 years. There are indications of very serious results. In Ontario, for example, the number of car accidents quadrupled in the three years following the lowering of the drinking age. Experts say that more and more teenagers are getting in trouble with alcohol.

TS 29/1/76 p33 cl-6.

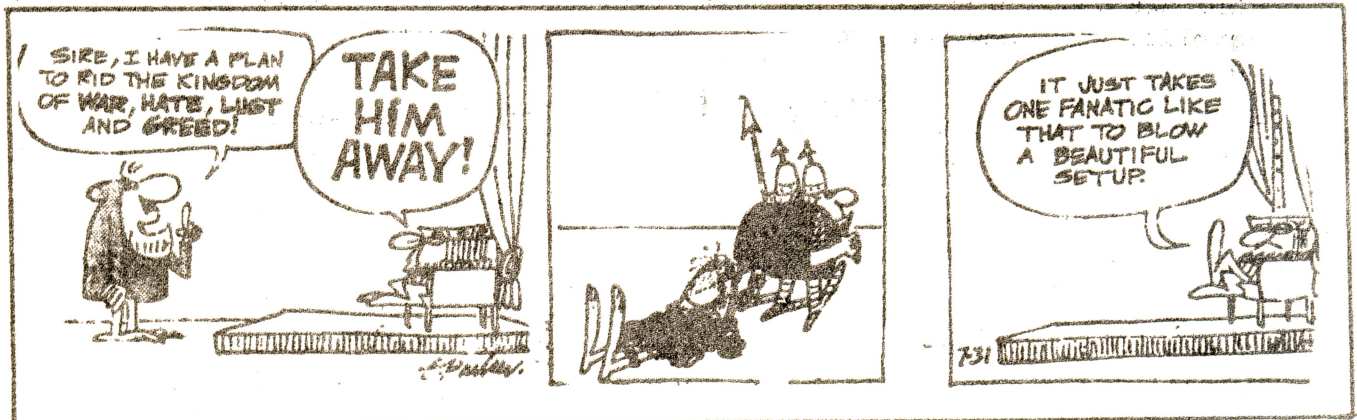
### SHORTAGE OF NURSING HOMES

In Montreal, the government is surveying the existence of clandestine nursing homes. A 1974 documentsaus the appearance of these homes is due to the insufficiency of public and private networks of reception homes. Solutions include tighter government supervision, building more private nursing homes, subsidized low-rent apartments for senior citizens and the provision of home services to allow more old people to stay in their own dwellings. These goals have been government policy since 1973 but are not being attained quickly enough. MS 19/1/76 pA1 cl-2.

### DAY CARE

An Advisory Council on Day Care, which is an Ontario government appointed body that, in its 18-month existence has published two controversial reports on the state of day care in Ontario. The Council has now been ordered to complete its final report and disband six months earlier than anticipated.

The closing down of the Council will leave entire areas unexplored, such as, how great a need exists in the province for 24-hour day care to serve parents who do shift work. Anne Barstow, chairperson of the Council,





says she does not think the government realizes the amount of concern among people about the future of day care. The Council has acted as a channel for these concerns. Council members would like to see government commitment to day care as a service for children not as a service for the poor. GM 14/1/76 p10 c7-9.

A research bulletin released by the Social Planning Council of Metropolitan Toronto states that day care costs the taxpayer less than welfare. This is supported by research statistics. The bulletin also points out that enabling sole-support mothers to work reduces welfare rolls and helps break the cycle in which families, from generation to generation, become enmeshed in the welfare tangle. Government moves to cut back day care is strongly criticized. GM 14/1/76 p10 c7-8.

## JUDICIAL

### PENITENTIARIES

#### STRIKING PRISONERS DEMAND MEDIATOR

Prisoners at Archambault penitentiary have asked federal Solicitor-General Allmand to appoint Quebec's Human Rights League as mediator in their dispute with prison authorities.

About 350 Archambault prisoners have refused to leave their cells and participate in prison activities since January 15 in protest against conditions at the maximum security prison - which include the re-opening of solitary confinement.

The president of the prisoners' committee has ordered the striking prisoners not to engage in violence, make unnecessary noise or create a disturbance.

A spokesman for the league said Archambault authorities had reacted to the strike by stocking up on tear gas, firearms and ammunition.

OC 23/1/76 p12 c2-3 CP.

#### JAIL SUPPORT GROUP WARNS OF VIOLENCE

A fifth letter has been received threatening a campaign of violence if conditions are not imposed at St. Vincent de Paul Penitentiary in Montreal.

A prison spokesman said negotiations between a six-man committee of prisoners and prison officials were progressing well. But prison officials declined to comment on a list of 27 prisoner grievances.

TS 27/1/76 pA9 c1 CP

#### B.C. HOSTAGE CASE

The Canadian Penitentiaries Service issued a statement expressing full support of all members of the guards' tactical squad at the British Columbia penitentiary in their actions at a hostage-taking incident last June.

EJ 22/1/76 p45 c3-5 CP.



At the opening of the hearings for the June hostage-taking incident, the defence argued that the prisoners were justified in trying to extort transportation out of Canada because the Federal Court ruling on solitary confinement shows it to be against the Canadian Bill of Rights. All three accused have spent considerable time in solitary confinement. TS 14/1/76 pA3 c5-6 GP.

#### ROYAL COMMISSION ON METROPOLITAN TORONTO POLICE PRACTICE

The president of the Ontario Criminal Lawyers Association says that police brutality exists in Toronto, but Metro's police force is still one of the finest in North America.

Lawyer Arthur Whealy outlined three areas where police tend to use excessive force:

1. force used in order to get a confession or to extract information;
2. force used in arrests;
3. brutality used in clashes between a police officer and suspect.

Child molesters, pimps and left-wing radicals seem to be subjected to more force than others. GM 15/1/76 p4 c2-7.

#### MILITARY

##### AIR FORCE GROUP PROTESTS

The Royal Canadian Air Force Association has joined other air groups protesting government plans to extend the use of French in Quebec air space. The Canadian Air Line Pilots Association and the Canadian Air Traffic Control Association have said the use of French is potentially hazardous because it could confuse pilots.

TS 14/1/76 pC6 c7-9

##### CANADIAN FLEET EXERCISES IN THE SOUTH

Three destroyers, a supply vessel and two submarines are the first part of a Canadian fleet that will take part in exercises off Puerto Rico between now and mid-March. The major purpose is to make use of facilities operated by the U.S. Navy which Canada's forces do not have.



## MEDIA

## CRTC CRITICIZED

While in Vancouver the CRTC was charged with duping public opinion into thinking residents want French-language programming. Reactions against the proposal were often vehement. Conservative leadership candidate John Fraser commented that a CP article stating residents favour CBC's plans for extending French-language television to Vancouver is misleading. Mr. Fraser said that only one of 56 letters support the plan to "bump" a U.S. channel from the cable system to provide room for french programming. M.P. John Reynolds made a similar charge.

GM 29/1/76 p8 c4-5

GM 31/1/76 p10 c7-8

## CABLE TELEVISION

The CRTC still considers that Cable Distribution de l'Est to be operating illegally in Rimouski, Quebec. Raymond d'Aufeil has continued to operate his cable television company as the battle between the provincial and federal governments lag in court. He has local residents on his side, who now have a choice of eight channels over against the one they previously received. The question of who will control the sophisticated cable systems of the future is still to be decided.

GM 24/1/76 p8 c2-6

## EDUCATION

*CNSP INTRODUCTION: In the face of budget cuts school boards across the country are forced to consider several options: increasing class sizes, cutting course options, dropping specialists in social service areas, or not giving teachers salary increases. Alberta and Manitoba both appear to be moving to eliminate options and special language programmes.*

Manitoba's new grant structure for schools is meant to equalize the burden between local taxpayers and provincial grants. However, a trustee study indicates that the gap has widened. As well as increased costs, schools have amplified their social services and now require special programmes for students who would normally be shunted out of schools in the past. Boards are deciding against a lot of these options.

WFP 16/1/76 p3 c3-7

An education department spokesman in Alberta says that programmes to improve learning in elementary schools and another for schools in poorer areas will probably be eliminated. The educational opportunities fund (EOF), created in 1973 for special "compensatory education", will be affected by the ceiling on departmental increases of 11%.

EJ 6/1/76 p3 c6-8



THE MEDIA ELITE:

In its regular monthly publication, the Canadian News Synthesis Project uses the newspaper media as an instrument to record, synthesize and analyze important events that are shaping our history and that of other nations. In this way, a medium that is often known for its errors, omissions and confusions can be used to analyze reality, deepen understanding and provoke actions for change.

In any form of press analysis the degree to which press ownership is concentrated in the hands of a few can hardly be ignored. Those comprising the "media elite" are powerful and influential people who sit on the boards of directors of a large number of corporations. Media concentration has reached the point where the press has identified itself with corporate interests - at the expense of the concerns of ordinary people. The structures of media power have been amply documented in the works of John Porter (The Vertical Mosaic), Wallace Clement (The Canadian Corporate Elite), and the Davey Mass Media Report.

The following profiles of mass media ownership will examine who owns Canada's newspapers, how these newspapers relate to wider corporate power, and how they influence Canadian public opinion.

The Mass Media Report has identified 15 important media complexes of which seven are primarily concerned with daily and weekly newspaper circulation. These seven are:

F.P. Publications	Toronto Star
Southam-Selkirk	Irving
Thompson	Sifton
Desmarais-Parisien-Francour	

MEDIA INTERESTS OF F.P. PUBLICATIONS LTD.:Dailies: Sun (Vancouver)

Daily Times (Victoria)  
Daily Colonist (Victoria)  
Albertan (Calgary)  
Herald (Lethbridge)  
Free Press (Winnipeg)  
Globe and Mail (Toronto)  
Montreal Star (Montreal)

Related Companies:

Pacific Press (with Southam  
prints Sun and Province)  
Sun Press  
Victoria Press  
Journal Publishing Co.  
Montreal Standard Publishing  
(publisher Canadian Weekend  
Magazine)

Weeklies: Free Press Weekly (farm)



Chief Officers of F.P. Publications Ltd.:

- Brig. Richard S. Malone: Pres. of F.P. Publications Ltd.; Pres. & Pub. of WFP; Chairman of Journal Publishing Co.; Vice-Pres. of Sun Publishing; Publisher and Editor-in-chief of Globe & Mail; Director of Victoria Colonist; dir. of Canadian Press; dir. F.P. weekly; dir. Lethbridge Herald; dir. Pacific Press; dir. Monarch Life Assurance; dir. Bullatin Commercial Printers; dir. All Craft Printers; dir. Montreal Star Ltd.
- Howard Webster: Chairman Globe & Mail; chairman F.P. Publications; pres. Imperial Trust; chairman Quebecair; chairman of Windsor Hotel; chairman of Penobscot Bldg.; pres. Detroit Marine Terminals; pres. Com. Fur Investments; pres. Durand Corporation; dir. Journal Pub. & MS.
- Donald C. McGavin: General Solicitor for INCO; director of F.P. Publications and Globe & Mail; solicitor T.D.Center; dir. Panarctic Oils Ltd.
- James S. Keate: publisher, Vancouver Sun; vice-pres. Sun publishers; dir. of F.P. Publications; dir. Pacific Press; pres. of Great Northern Investment co.

F.P. has 18.5% of all newspaper circulation. The company was formed in 1959, consolidating most of its holdings in the first 10 years. It has few interests in the broadcasting field, but maintains interest in two cable companies - Victoria Cablevision ltd. and Community Antenna Ltd. (calgary).

SOURCE: Financial Post Directory of Directors 1975.

Who Owns Whom? 1975.



LATIN AMERICAN NEWSFILE

## ARGENTINA

## MODERATES OUSTED FROM CABINET

President Isabel Peron removed four moderate ministers from her 8-member cabinet in a move widely expected to give her embattled government a distinct right-wing, party-oriented tone. The shuffle brought to 55 the number of top-level replacements since the Peronists returned to power in May, 1973. Angel Robledo, the Interior Minister considered a key moderating force, was replaced by a veteran Peronist economist, Roberto Ares, president of the state-run Bank of the Argentine Nation. Jose Deheza, a hardline nationalist lawyer from Cordoba, was made justice minister and temporary defense minister.

OC 16/1/76 p53 c1 AP

*CNSP NOTE: Included in the cabinet changes was the naming of Raul Quijano as foreign minister. The changes took place while numerous reports cited the growing economic chaos and political crisis which is nearing a state of civil war.*

## BRAZIL

## ECONOMIC PROBLEMS PERSIST

The Brazilian military regime has finally admitted that Brazil has a serious trade problem with discouraging short-term economic prospects. Finance Minister Simonsen and Presidential Planning Secretary Reis Velloso now say the country's first priority is to curb the deficit in its balance of payments, and that Brazil will be satisfied with "reasonable rates" of economic growth during the next couple of years. Until recently, Brazil bragged that it could beat the oil crisis and the international business turndown. However, it still produces only one-fifth of its crude oil needs, despite increased drilling by Petrobras, the government oil company; its steel production expansion plan is behind schedule and the auto industry fell short of its 1975 production forecast.

WFP 2/1/76 p13 c6-8

## TWO OPPOSITION DEPUTIES REMOVED

President Ernesto Geisel has dismissed two deputies from the state of Sao Paulo - one federal and one state - and suspended their political rights for ten years. The president acted under Institutional Act #5 which came into effect December 30, 1968, and can be used against any Brazilian without explanation, trial or redress, for corruption or subversion. This is the first time it has been used against a member of a federal or state chamber for nearly six years. Observers feel this indicates the pressures on Geisel to drop all ideas of political relaxation. The two deputies in question, both members of the opposition Brazilian Democratic Movement (MDP) are Federal Deputy Alberto Marcelo Gatto, 34, a lawyer and industrial chemist, and Sao Paulo State Deputy Nelson Fabiano, a lawyer.

MS 7/1/76 pD8 c1

## CHILE

*CNSP NOTE: Last month's CNSP (Vol. III #10, p38) carried a synthesized article stating that the MIR had condemned to death its two leaders, Andres Padcal Allende and Nelson Gutierrez, who had taken refuge in two foreign embassies in Santiago. Subsequently, the external committee of the MIR, based in Havana, denied the authenticity of this report which had appeared in the Chilean press and had been picked up by international news services. We apologize for the incorrect impression*



created by last month's coverage. (see Latin America Vol 9 #48)

POWER STRUGGLE

Quoting "reliable sources in Santiago", the Sunday Times of London has stated that ten of the most influential generals in the Chilean army have submitted an ultimatum to General Pinochet demanding a radical change in policies and his resignation. They set March as the deadline and also called for the disbandment of the DINA, Pinochet's secret police, urgent measures to prevent the destruction of the economy, and diplomatic action to give the junta a better foreign image. According to the Times, General Gustavo Leigh, Commander of the Air Force, initiated the move, although he has denied the story.

LD 10/1/76 p9 c5-7 AFP

LJ 5/1/76 p10 c1-2 AFP

LD 5/1/76 p7 c1-5 REUTER

FREI CONDEMNS JUNTA

Former Christian Democrat President Eduardo Frei has published and circulated clandestinely a 67-page booklet which proposes a return to democratic institutions and criticizes the extreme right. The junta, however, authorized the booklet's publication on Friday. Tuesday, General Pinochet launched a veiled attack against Frei saying that certain "Kerenskys" were trying to divide the armed forces.

LJ 26/1/76 p10 c4 REUTER

DETERIORATION OF RELATIONS BETWEEN WASHINGTON AND CHILE

Official sources in Washington claim that relations between the U.S. and Chile have reached a low point which is reminiscent of their relations during the Allende government. But while economic aid during Allende's period was very small and devoted to humanitarian projects only, military assistance averaging \$15 million annually had been maintained. The opposite is now the case: the Congress has decided to cut off all military aid to Chile. But economic aid will reach \$90 million this year. In private, certain American representatives hold the International Monetary Fund responsible for the failure of Chilean economic and fiscal policies that they consider too conservative at the present time. They claim that the solution to the extremely high inflation rate, recommended by the IMF - severe restraint - has created intolerable social conditions.

LD 16/1/76 p7 c1-2 AFP

LJ 16/1/76 p10 c1-4 AFP

SAFE CONDUCT FOR PASCAL ALLENDE

The Chilean military government yesterday granted safe conduct passes to Andres Pascal Allende, Secretary General of the MIR, and nephew of former president Salvador Allende, and to his companion Marie Beausire. They had taken refuge for 80 days in the Costa Rican embassy. LJ 22/1/76 p10 c6 AFP

WORLD BANK LOAN TO CHILE CONDEMNED

The International Confederation of Free Trade Unions says it was "appalled to hear that the World Bank is considering a new loan of \$33 million to the Chilean junta." The confederation has urged the World Bank to block all loans to Chile until democracy is restored. GM 22/1/76 pB7 c3



## ECUADOR

## BLOODLESS COUP - MILITARY TO HOLD POWER FOR TWO YEARS

The commanders of the army, navy and air force of Ecuador have formed a ruling junta, easing General Guillermo Rodriguez Lara out of power. The new junta members - Army General Guillermo Duran Arcentales, Admiral Alfredo Poveda Burbano and recently promoted Air Force General Luis Leoro Granco - all studied in the U.S. during their careers. The Civilian Front for Unity, a new grouping of most of Ecuador's fragmented political parties, challenged the military to grant immediate elections. The junta and its new cabinet (only three remain from the previous cabinet) are considered moderates and have indicated that civilian rule will be returned within two years.

OC 12/1/76 p12 cl AP

MS 13/1/76 pA6 cl-4 AP

MS 15/1/76 pA13 cl-2 REUTER

## URUGUAY

## POLITICAL PRISONERS

The regime of Juan Maria Bordaberry is holding between 600 - 800 political prisoners. In a population of 2.7 million this figure represents one prisoner per 350 inhabitants, a proportion higher than in Chile or Brazil. The repressive forces - army, military, paramilitary and police - constitute one in every 60 Uruguayans.

LJ 22/1/76 p12 c5 PL

## VENEZUELA

## PETROLEUM NATIONALIZATION

On New Year's Day, Venezuela took over concessions and property of more than 30 companies under terms of a nationalization law approved by Congress and signed by President Perez. The oil companies - including subsidiaries of EXXON, Royal Dutch Shell, Gulf, Mobil and Texaco - will receive compensation totalling \$1.01 billion. Payment, based on net book value of assets, is being made in government bonds, payable during five years at 6% interest. The industry will now be run by 14 state companies operating with the same structure as their predecessors, but under the direction of PETROLEOS DE VENEZUELA, a state holding company that will handle over-all management.

The multinational corporations will continue to participate through contracts enabling them to buy most of the country's production and supply technical aid for a fee expected to total \$160 million a year. Observers agree that the success of state management depends on the ability to keep politics out of industry administration and to preserve high standards of efficiency that the private companies achieved. WFP 2/1/76 p1 c6-8

## CARIBBEAN INVOLVEMENT

Venezuela's increasing interest in the Caribbean has brought angry comment from island leaders about Venezuelan encroachment in the Caribbean Common Market area - in what amounts to be the first extensive interest of a Spanish-speaking country into the English-speaking Caribbean. Venezuelan aid to the area has been extensive: a \$25 million trust fund established in the Caribbean Development Bank for regional projects; a \$10 million to the bank's special development fund; and a \$5 million loan to rescue LIAT Ltd., which



had been owned by the bankrupt Court Line of Britain. What Venezuela seems to have done is win some sort of rapport in both large English and Spanish-speaking areas, and with the funds now available it is prepared to help promote Latin American resources and products. It's too early to tell whether it can successfully change the effect of Brazil's dominance in South America; that will largely depend on how long there is excess money to spend on regional development.

GM 24/1/76 p9 c6, Marilyn Dawson

#### LATIN AMERICA

##### AFL-CIO ACCUSED

The Bertrand Russell Tribunal IV held its last debates Thursday. Several witnesses were particularly interested in revealing the penetration of "U?S. Imperialism" into Latin American trade unions. A Brazilian trade unionist, Roberto Morena, and Fred Hirsch, and American and author of The Role of the AFL-CIO in Latin America, mentioned its predominant influence in Latin America and that it often acted in direct contact with the official enterprises and authorities. The result of such an action, said the witnesses, is to reduce class struggle, corrupt the local unions and make them lose their spirit of initiative and aggressivity.

LJ 17/1/76 p14 c5 AFP

##### CIA

For 25 years the CIA has had an international information agency, the Washington Post revealed yesterday. This network is made up of journalists, subsidized newspapers, radio stations and international press agencies. Quoting a CIA representative, the Post stated that the Spanish news agency EFE received funds from the CIA in 1970 for its Latin American service. The news agency "LATIN" created in 1970 in Chile was also indirectly financed by the CIA. The Post said that the British agency REUTER had been used by these papers to administrate "LATIN", but a spokesman for REUTER claims he has never heard of any CIA funding for "LATIN". The Post also states that the right-wing Chilean newspaper Mercurio received at least \$1.5 million from the CIA.

LJ 17/1/76 p15 c1-2 AFP