

canadian
news

synthesis

project



FEBRUARY
1976

volume
III

number
12

\$1.00

canadian newssynthesis project

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

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

clipping service

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

newspapers used

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

special publications

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

subscription rates

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

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

HIGHLIGHTS

Canada's balance of payments deficit is high. Our weakness in exports of manufactured goods, and our tendency to make up deficits by increasing exports of non-manufactured raw materials is spiralling into crisis. (See: Trade p2-3)

Saskatchewan's potash nationalization is touching off a verbal war between potash multinationals and the government, with the national Mining Association and the federal government supporting the companies. (See: Economy Primary--Mining p11-12)

The confrontation between native peoples and aggressive corporate and government interests is developing as the Berger Commission hears presentations in Northern Canada. (See: Economy Primary--Oil and Gas p14)

Canada's Inuit (Eskimo) people have made a presentation to have their land rights recognized in order to become a self-determining region in the Northwest Territories. (See: Native Peoples--p.27-29)

The struggle of the Common Front of Quebec unions for decent wages is gaining popular support and coming closer to confrontation with the Quebec government of Robert Bourassa. (See: Labour Movements p.30-31)

The Peace and Security Package, recently introduced by the federal government is a mixture of 'soft' elements like the proposed abolition of capital punishment and 'hard' elements which limit civil liberties. (See: Political:Police p3 @)

INDEX

	Page
CANADA/INTERNATIONAL	1
Trade	2-3
Foreign investment	6-7
ECONOMY	
General	8-9
Agriculture	10
Mining	11-12
Oil and Gas	13-15
Secondary: Manufacturing	15-17
Tertiary: Finance	17-18
Commerce	19
Transportation and Communications	19-20
LABOUR	
General	20-23
Struggles	24-26
Native Peoples	27-29
Quebec	30-31
Immigration	32
GOVERNMENT	
Federal	32-33
Provincial	33-34
Social Welfare	34-35
Police/Military	36
MEDIA	37-38
LATIN AMERICA NEWSFILE	39-41

CNSP BLOOP: In January, 1976 Vol III No 11 p12, we dropped one very important word from the CNSP Note at the top of the page. Line 2 should read: it also means the government has decided not to give Indians in the Northwest Territories power to tax gas supplies."

CANADA-INTERNATIONAL RELATIONS

GENERAL: A POOR YEAR FOR POOR COUNTRIES

1976 means massive deficits and benign neglect for less developed nations. The 13 OPEC countries have cut back their 1976 aid commitment from \$1 billion to \$800 million. The 24 poorest oil-importing countries face a combined deficit of \$30 billion in 1976. The size of the deficit far outpaces any increases made in the lending capacities of agencies like the International Monetary Fund (IMF). Poor nations credit is strained, they will be able to borrow less in 1976. Even some fairly rapidly "developing" countries -- Argentina, Brazil and Mexico -- face severe problems. An IMF spokesman stated "The weak sisters are going to become prominent in the next year or two." FP 21/2/76 p34 c1-3

Less developed countries have proposed a sweeping new plan for easing their debt burden, and expect it to be considered at the Fourth United Nations Conference on Trade and Development in Nairobi, May, 1976 (UNCTAD IV). The plan stops short of calling for a complete moratorium on repayment of loans. It urges that interest on debts owed to governments be waived and that some loans be cancelled. It calls for a new international mechanism to help with short-term debts owed to banks and other private agencies to avoid national defaults on a whole series of loans. The plan recommends that the World Bank ease up on loans for economic development, and instead increase grants to cover costs of imports. HCH 23/2/76 p 7 c2-5.

TALK

Procedural problems bog down the "North-South dialogue" between representatives of rich and poor countries in Paris. Progress is slowest in energy. MS 12/2/76 p.A1 c4, MS 18/2/76 C14, c12.

GATT (The General Agreement on Tariffs and Trade) negotiations may continue until 1977, according to Rodney de C. Grey, Canadian ambassador to the talks. The round may result in a "more specialized and more efficient economy for Canada". MS 12/2/76 p12 c2, GM 12/2/76 pB14 c5.

STUDY

The Organization for Economic Co-operation and Development (OECD) has launched a research programme on alternatives in longer term "development" costing \$4 billion, and backed by 14 of the 24 members, including Canada. It will cover similar ground to that of the four permanent commissions set up by the North-South dialogue in Paris, and may develop a common position for the industrialized nations. A special team of economists, presided over by Paul McCracken, former chief economic advisor to ex-President Nixon of the United States is to find ways to assure stable and sustained growth. GM 5/2/76 pB2 c4-5

CANADIAN INVESTMENT IN LATIN AMERICA

Argentina has signed an agreement with Canada to use Canadian technology in building a uranium extraction plant in the Andes, at San Rafael, near Mendoza. The complex will provide up to 700 tons of uranium per year, enough to meet Argentine needs for the next 15 years. OC 7/2/76 p18 c1-2

Brazil is contemplating huge new railway building programs, including 2,375 miles of new line, and improvement of 6,700 miles of old line. Brazil will need 1.5 million tons of railway track, and Sysco Steel of Sydney, N.S. is hoping for a share of the \$7 billion project. HCH 21/2/76 30 c3-7.

Jamaica is seeking tourists from Western Canada. Only 2,000 of the 36,000 Canadians who went to Jamaica in 1976 came from Alberta or B.C. EJ 4/2/76 p23 c4-8.

Jamaica in an effort to diversify its markets, has made multinational agreements with Mexico, Venezuela, Trinidad and Guyana. Jamaica and Mexico are building a 900,000 ton alumina plant on the south coast of the island, for refining alumina to ship to a new Mexican smelter. Similar agreements are being made with Venezuela. The Jamaican Government has moved to insure greater returns through taxes on bauxite-mining corporations, and by taking 51% ownership in Kaiser and Reynolds companies. Canada's Alcan is a large bauxite producer, in Jamaica. Jamaica belongs to the International Bauxite Association (IBA), which includes Australia (the largest producer), Guyana, Surinam, Guinea, the Dominican Republic, Haiti, Sierra Leone, Ghana, Yugoslavia and Indonesia. The IBA has only been an information-sharing body, unable to effect market prices. Members have agreed on a formula for minimum export prices for 1976 but it is yet to be implemented. HCH 20/2/76 11 c2-5 Alcan aluminium expects 15% increase in world shipments of the metal in 1976, and while Europe will only improve as a market slightly, Latin America is "geared for another good year." GM 3/2/76p17 c1-4.

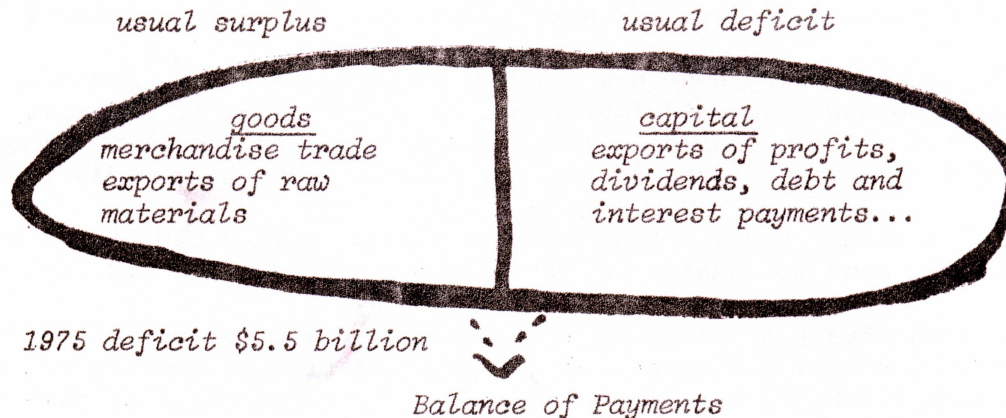
Venezuela and Canada have agreed that their two national petroleum corporations Petro-Can and PetroVen will meet soon to discuss closer collaboration. Venezuela seeks a state-to-state relationship which would cut the multinational oil companies out of the oil trade between the two countries. Canada is not committed to such a course. Prime Minister Trudeau stated in Venezuela that there was little PetroCan could do with the oil, as it has no refining, marketing or distribution facilities. He did admit that the oil subsidy system in Eastern Canada has discriminated against Venezuela and toward imports from the Middle East. He said that this "mistake" ((something denied by Ottawa officials)) is being corrected. GM 3/2/76 p12 c1-9.

TRADE

CNSP INTRODUCTION: In this month's press coverage there was much discussion of Canada's trade deficit for 1975 and explanations of it. The increasing importance of raw material exports and the deepening deficit in manufacturing trade are involved. Foreign resource multinationals, foreign-controlled manufacturing subsidiaries, Canadian provincial and federal governments and the governments of the U.S. and the European Economic Community

are all interacting to promote greater exports in the resource sector and to limit production for export in the manufacturing sector.

This outline chart gives a brief idea of the factors:



The discussion of the federal government's export levy proposal, under heavy attack, and the up-coming Canadian/European trade negotiations on a contractual link, illustrate how these forces operate.

EXPORT OR DIE

According to Russell E. Harrison, President of the Canadian Imperial Bank of Commerce, "nearly 80% of our exports consist of agricultural, forest and mineral products, including petroleum and natural gas, plus motor vehicles and parts...65% of these go to one country -- the U.S." HCH 29/1/76 p29 c2-5

Balance of payments problems

CNSP NOTE: As illustrated in the chart above, a country's balance of payments situation is the result of several factors including merchandise trade balance and capital account balance. Merchandise trade involves goods imported and exported; the capital account involves inflows and outflows of capital for example foreign investment. When a country has a balance of payments deficit the government must use some of its foreign exchange reserves to pay for its imports and when these reserves are used up the country may devalue its currency to encourage other countries to buy from it. The country may also attempt to encourage other countries to invest more money within its borders, using the instrument of increasing the interest rate. Canada has frequently placed its interest rate at a higher level than the U.S. for this purpose.

Until 1975 Canada's surplus in merchandise trade helped to offset capital account deficits. With the \$795 million deficit in merchandise trade for 1975 this offsetting factor was eliminated and Canada's balance of payments deficit for 1975 reached \$5.5 billion and is expected to be \$5 billion for 1976. These deficits are equal to 4% of real Gross National Product (GNP) in Canada. So far the Bank of Canada has kept the Canadian dollar high in order to keep costs of foreign borrowing down. OC 2/2/76 9 c1-8 Peter Cook

Exports decline as import costs rise

In 1975, Canada's exports declined by 3% and imports by 5% in real terms (that is, discounting the effects of inflation). Rising payments for foreign oil (the cost is expected to reach \$3 billion by 1980) and a further widening of Canada's deficit in manufactured goods (\$10.5 billion in 1975 or double what it was three years ago) make Canada's merchandise trade future bleak. OC 2/2/76 p9 c1-8 Peter Cook

MANUFACTURING TRADE

Manufactured goods constitute two thirds of Canada's imports in merchandise trade. The average price of imports rose by 16% in 1975 and is expected to rise another 6.8% in 1976. At the same time raw materials and commodities make up 70% of Canada's merchandise exports. The average price of exports rose by 10.5% in 1975 and is expected to rise by 7.9% in 1976. GM 7/2/76 pB2 c4-8 Wayne Cheval-dayoff.

Deficit in non-automotive machinery and equipment

1966 \$2.1 billion

1974 \$5.6 billion

1975 \$6. billion (from available figures)

Because the Canadian industry is dominated by subsidiaries of U.S. multinationals there is a large degree of assembly-plant-type operations which import many of their component needs. Richard Wendeborn, president of Canadian Ingersoll Rand Co. Montreal thinks there are many opportunities for companies to rationalize and specialize in such areas as mining equipment, pulp-and-paper machinery and other areas of resource manufacturing. Canadian firms must cope with the bias of foreign manufacturing subsidiaries who lean to imports from parent companies when undertaking expansions. Many Canadian companies and provincial government utilities often opt for foreign equipment and more established foreign names. FP 28/2/76 p12 c1-3 Hyman Solomon

U.S. curbs steel imports: Canada protests

The U.S. International Trade Commission (ITC) ruled Jan. 16 that imports of specialty steel are causing significant damage to the domestic industry. Canada exported about \$13 million in specialty steels to the U.S. in 1974 and imported about \$42 million in similar goods. A formal note by Canada stated that the decision would "aggravate an already pronounced deficit" and could cost Canadian industry up to \$2 million in lost trade. Atlas Steel Co. with factories in Welland, Ontario and Tracy, Quebec is affected.

WFP 21/2/76 p4 c6-8

EXPORT LEVY

The Federal Government has planned to impose a levy or tax on profits made from the export sales, in order to prevent companies from diverting domestically needed products from a price-controlled market to non-controlled international markets. Most of the funds collected under the levy were to be returned to the firms within 3-10 years after the end of the anti-inflation controls program. Pressure is mounting to do away with this aspect of the controls, and is coming from natural resource industry companies and provinces like Alberta and B.C. where such companies are located. Ontario, Quebec and Newfoundland also oppose the levy and Finance Minister Donald MacDonald has promised a review. GM 3/2/76 p B2 c2-3, EJ 11/2/76 p64 c1, EJ 3/2/76 p1 c1-8.

Press Analysis: The only editorials in the press were the T.S. and G.M. editorials which called on the federal government to abandon the tax on export profits. TS 6/2/76,pB4; GM 11/2/76, p6 c1-2.

Feature articles in the Edmonton Journal and Winnipeg Free Press took the same stand. The Financial Post(7/2/76,p1 c3-6) analysis presented both sides: the views of exporters, mostly resource corporations, and those of government officials who defended the policy.

Note: The Federal government has announced abandonment of the export levy. See Economy:General.

CANADA-LATIN AMERICAN RELATIONS

Reviewing the January Tri-Country Trudeau Trip (See CNSP, January, 1976)

James Ferabee of the Southam News Service states that the Mexicans tried to conscript Trudeau into an anti-American alliance, but he wasn't buying it. Ferabee also says that the Venezuelans felt that Canada's courting of Cuba was naive. EJ 2/2/76 p3 c1-5; OC 3/2/76 p7 c5-8.

Ferabee remarked on the amazing rapport of Fidel Castro with young Cubans, children, and with Trudeau. Castro takes a philosophic stance, like Trudeau, and talks a lot about humility. A major theme of the first Cuban Communist Party Congress, in December 1975 centred on mistakes made. OC 3/2/76 p7 c3-8.

Ian Hunter of the Montreal Star commented that Trudeau seemed to have soured under three days of flattery and pressure from Mexico's President Echevarria. He felt that Trudeau's visit to Cuba and longer conversations with Fidel Castro over his country's involvement in Angola were the best possible way Trudeau could make Canada's protests of this involvement known. MS 7/2/76 pF3 c1-6.

The Toronto Star, in an editorial(4/2/76,pB4 c1-2) thought Trudeau's trip had assisted closer trade ties with key countries in Latin America. "...the markets are there, and promising". The Star called for quick action by Industry, Trade and Commerce, and by Canadian businessmen, to follow up doors opened by Trudeau.

Bruce Garvey of the Toronto Star noted that Trudeau pledged a new Latin connection for Canada in Venezuela. Officials state that Trudeau is thinking of a link to the Latin American Economic System(SELA) similar to that which Canada is seeking with the EEC. The SELA link was suggested by Venezuelan president Carlos Andres Perez. TS 2/2/76 pA3 c1-4.

FOREIGN INVESTMENT

GENERAL

The new United Nations Center on Transnational Corporations is giving seminars to top African state management people, in how to negotiate with transnationals, and sharing information on Canada's experience in the process. The center was set up late last year, in response to initiatives taken by the Allende government in Chile in 1972 in calling for the investigation of multinationals' activities. Multinationals now generate so much production that they now surpass trade as the main vehicle of international economic exchange. But there are no international rules for regulating their activities.

A United Nations Conference on the creation of a code of conduct for the transnational firms will be held in Lima, Peru.

An international study published by the UN International Labour Organization shows that the transnationals have created 12 million jobs in industrialized countries and only two million in developing countries. Because research and development activities of the firms are heavily centralized, even though they can serve as a useful medium for the transfer of technology to less developed nations, they are not what they could be. WFP 16/2/76 p23 c2-5.

The United Nations Commission of Multinationals meets next week in Lima, Peru. "Big Brother" proliferation is not all bad, some of it is vital, but it must be put in order. Some less developed nations, like India, Algeria, Venezuela, Brazil, Mexico, Kuwait, and Indonesia, know how to handle multinationals, but the poorer countries are much less well armed. Meanwhile Eastern European countries talk of restitution for the "third world" for the past sins of imperial nations. The Lima meeting will work on a code of conduct, but Canada feels that nothing concocted at the meeting can be binding on governments. "It does not agree with the proposition that Ottawa should prosecute a Canadian business agent in a "third world" country because the local authorities feel his company is 'exploiting' the local economy". WFP 24/2/76 p23 c6-8.

FIRA

The Foreign Investment Review Agency (FIRA) has released a new set of guidelines regarding the oil and gas industry. Generally, production activities come under review, but exploration does not. GM 14/2/76 pB2 c4-5.

FIRA is waiting Industry, Trade and Commerce directives about how to police the take-overs which it allows. The compliance branch of FIRA has been seeking evidence from firms for six months, that they have, in fact, fulfilled the conditions on which their takeovers were allowed. But how far can FIRA go in follow up? In the case of People's Department Stores, taken over by Marks and Spencer, many people were laid off in Windsor, despite a promise that 500 new jobs would be created. FIRA points out however, that Marks and Spencer have two years to create the new jobs. What comfort is that to workers laid off at Christmas?

The White Industries Ltd. application to take over Westinghouse Canada Ltd. showed a large trademark loophole in FIRA, which allows foreign firms to thwart FIRA decisions by blackmailing through control of patents, etc. It is expected that the Cabinet will shortly approve the White takeover which FIRA rejected months ago., and the loophole will remain unfilled. Herb Gray, Windsor M.P., says employees of firms taken over by foreign management, should complain to FIRA if performance falls short of commitment. FIRA finds the idea distasteful, a spokesman stated, "We don't want every disgruntled employee coming to us with complaints...." FP 14/2/76 p1 c2-4.

FIRA approved 6 further takeovers during February, including the takeover by Japan Oil Sands Co. of Primrose Ltd. of Calgary. Japan Oil Sands Co. of Tokyo is 60% owned by the Japanese government. The company has a research project to develop a process for heavy oil deposits in Alberta's cold lake area. GM 4/2/76 pB11 c8-9; GM 12/2/76 pB5 c1; GM 18/2/76 pB2.

In the Westinghouse take-over decision, the month of February passed without news of a final decision by Cabinet on the issue. HCH 5/2/76 p24 c1-2; TS 6/2/76 pC9 c8-9; WFP 7/2/76 p11 c1-6; MS 12/2/76; TS 24/2/76 pA5 c1-2.

LAND

Under changes proposed in the Citizenship Act this week, the provinces would be able to ban foreigners from owning land. The proposed changes were made after consultation with the provinces. So far, only P.E.I. and Saskatchewan have laws banning the sale of land to non-residents (both Canadians and Americans). WFP 25/2/76 p1 c1-7; GM 25/2/76 p10 c4-6.

The province of Quebec will buy back land and partially completed installations of the aborted Falconbridge Nickel Mines smelter at Becancour, Quebec, for \$483,020,80. Falconbridge had invested about \$4 million in the project. HCH 3/3/76 p27 c4-5.

OIL

The Com-By-Chance, Nfld. Refinery of John Shaheen's, Shaheen Natural Resources Co.Ltd., is in interim receivership. Nfld. Premier Moores says that short of a miracle, the refinery will be shut down, ending 400-500 well paying jobs. The refinery opened lavishly in October 1973. Its first mortgage is held by the Export Credits Guarantee Department of Great Britain, amounting to \$106 million, and a further \$41.3 million is held by the Newfoundland government. Shaheen has sued Procon, the British subsidiary of Universal Oil Products of the U.S. for \$189 million, charging that the firm had constructed faulty elements in the refinery, making it unable to refine properly to capacity and quality which would make it economical. Shaheen and Liberal Reform Leader Joey Smallwood have accused Conservative Mines Minister, John Crosbie, of being out to get the refinery. Shaheen has also claimed that the big oil cartels have tried to squeeze him out. FP 28/2/76 p14 c1-3.

John Crosbie quit the Smallwood Liberal government in 1968 because Smallwood had leant \$5 million in unsecured loans to Shaheen. The Come-By-Chance Refinery has been shut off from U.S. sales, and operating at 60% capacity because Canada will not grant export permits to the U.S. if prices are too low. There is a surplus of new refining capacity in eastern Canada leading to lower prices. Ataka, a Japanese company, had assisted Shaheen through credit needs when crude prices soared, and is now suing Shaheen for his debts to them. Because of the troubles in Newfoundland, Shaheen is going slow on his other major new project, a strongly conservative daily afternoon newspaper for New York City. Business Week, March 1, 1976 p52-53.

ECONOMY**GENERAL****JANUARY COST OF LIVING UP 0.6%**

The Consumer Price Index(CPI) rose 0.6% in January compared to 0.1% in December. The CPI was 9.6% higher in January 1976 than in Jan. 1975. This was caused by a rise in housing and energy costs, and moderated by a decline in food costs. The purchasing power of a 1961 dollar had dropped to 69¢ by January 1976.

GM,EJ,WFP,TS, 13/2/76; CP.

MACDONALD PREDICTS REAL GROWTH OF 4.5%-5.5%

Finance Minister Donald MacDonald predicts that the Canadian GNP would have a real growth of between 4.5%-5.5% in 1976. (Real growth measures changes in the GNP after the effect of inflation has been calculated). He also predicts that the rate of price increases will drop to below 8% by the end of the year.

GM 3/2/76 pB1 c2-7.

WOOD GUNDY PREDICTS 5.5% GROWTH

Wood Gundy Ltd. predicts a real growth of 5.5% in 1976. However, they predict an unemployment rate of 7.5% and inflation running over 9%. The company says that unemployment trends will not be due to lost jobs, but to fast growth in the labour market. Wood Gundy Ltd. also predicts sluggish exports in petroleum and autos to the U.S.. They expect growth in the domestic housing and consumer durable(non auto) markets.

WFP 13/2/76 p13 c1-9.

ECC PREDICTS REDUCED GROWTH

The Economic Council of Canada(ECC) predicts that the economy will settle down to a growth rate of about 4% annually by the 1980's. The ECC also claim that the growth of the labour market is not outstripping job creation but rather that the growth of the working age population is slowing. GM 18/2/76 pB5 c3-8.

WAGE AND PRICE CONTROLS

Alberta, Prince Edward Island and Newfoundland sign Anti-Inflation Board(AIB) agreements. They formally committed themselves to Ottawa's anti-inflation program by allowing areas of their jurisdiction to be monitored by the AIB.

HCH 2/2/76 p1 c3-5; WFP 19/2/76 p7 c7-8.

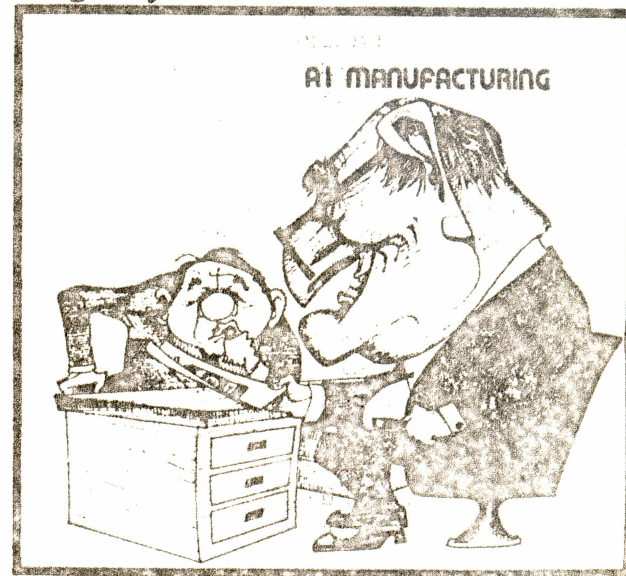
MACDONALD ABANDONS EXPORT PROFIT TAX

Finance Minister MacDonald announced that the government has dropped its plan to tax the export profits made by Canadian companies if those profits exceeded AIB guidelines. Originally, the government had planned to tax 100% of the excess export profits and return 75%-90% at the end of the control period. However, the business sector and the governments of B.C., Alberta, Ontario and Quebec and Newfoundland all objected loudly, saying that foreign companies would reduce Canadian operations.

GM 27/2/76 p1 c9.

BRITISH COLUMBIA ECONOMY SLOWEST IN CANADA

Employment growth in the fourth quarter of 1975 was 2.7% compared with 5.7% in

Doug Sneyd

*"Just paint it green, call it 'New and Improved'—
and up the price!"*

the same quarter in 1974. B.C. sales rose only 3.3% in November compared to a national average of 9%. Part of the slowdown is attributed to increases in auto insurance premiums. GM 26/2/76 pB2 c3-4.

B.C. INSURANCE RATES UP 200%-350%.

Increases in auto insurance premiums of 200%-350% have caused unrest among organized labour. John Munro of the Amalgamated Woodworkers of America called the raises a "clear violation" of the AIB rules, and stated that labour is voicing dissatisfaction with such huge price increases. EJ 30/2/76 p6 c1.

PRIVATE SECTOR ATTACKS CONTROLS

-Profit and interest rate controls on mortgage companies would drive investment money away from housing and so would reduce construction, according to T.S. Ripley of Metropolitan Trust. TS 26/2/76 pc9 c6-9.

-A.Powis, president of Noranda Mines Ltd. and president of the Mining Association of Canada, said that the AIB guidelines do not recognize the need for "a reasonable return on existing or new investment". TS 26/2/76 pc9 c2-3.

-J.B.Sheedy, a Toronto accountant and former advisor to the AIB, said that the guidelines would cause foreign companies to pull their most profitable operations out of Canada. WFP 14/2/76 p17 c8.

-F.H.McNeil of the Bank of Montreal called for a halt to "the growth of government". He claimed that the free market system is "at the very center of the most free and most productive societies today". TS 13/2/76 pC7 c6-9.

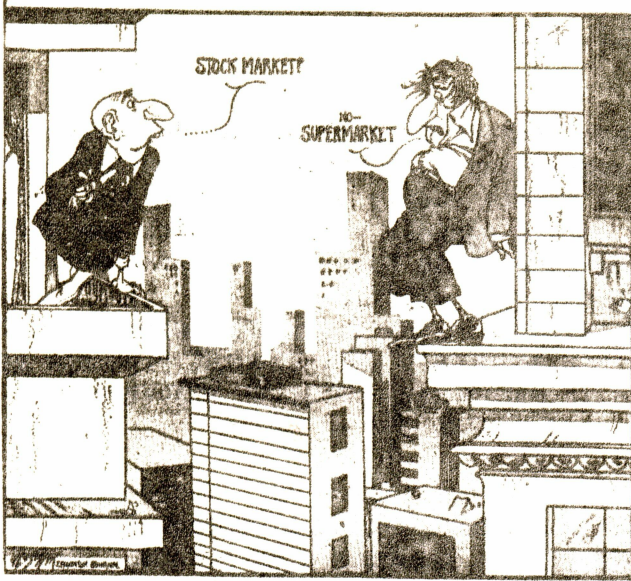
-W.Clendenning of Richardson Securities called for either the institution of a personal income tax increase or cutbacks in government programmes "particularly in the social welfare area". GM 27/2/76 pB10 c1-3.

BUDGET CUTS HIT NEW BRUNSWICK POOR

Premier Richard Hatfield's governments' cutbacks will include closing 300 of the provinces 4,000 hospital beds, a reduction in the growth of social assistance payments, education cutbacks, limits to the growth of the civil service, and the cancellation of civil legal aid. However, programmes that "contribute to long term growth" will be maintained. HCH 2/2/76 p1 c6-8.

CNSP NOTE: *Wilfrid List in a GM article points out how the poor suffer both from inflation and from the anti-inflation measures. Part of his statement is repeated here:*

"The middle class will suffer and complain about inflation; they may have to give up their second car or defer buying it; they will continue to complain about the deadbeats in society....The wealthy will complain about how hard it is to get people to take jobs and for the need to tighten up on spending by governments, as long as it doesn't affect their own standard of living.....What kind of society are we building when the weakest in society - the working mothers who truly need to work,...the poor for whom a rental



T.S. 9/2/76, p C3

subsidy is the only means of keeping a decent roof over their heads, are to be the chief sacrificial victims of the fight against inflation?

GM 17/2/76 p35 c8-9.

AGRICULTURE

Manitoba, Saskatchewan and Alberta are putting up a united front before the two federal commissions dealing with grain handling and the costs of transporting grain. They have hired two consulting firms and a

lawyer to formulate a joint stand on railway costing matters. The provinces believe that the estimates of the railways are overstated. This results in branch line abandonment or excessive federal subsidies to the railways and lends weight to the case of abolishing the statutory Crow's Nest grain rate.

WFP 7/2/76 p2 c4-6.

WARNING AGAINST MULTINATIONAL GRAIN COMPANIES

The national secretary of the Farmers' Union of the U.S. warned Canada to guard against the encroachment of U.S.-based multinational grain companies. He said these firms have shuttled top executives in and out of the U.S. government for a half a dozen years. Their influence on government policies has resulted in torpedoing the International Grains Agreement of 1969 and the systematic disipation of the country's grain reserves.

WFP 13/2/76 p1 c2-4 CP.

In 1963, Cargill, a U.S.-based multinational grain firm, purchased National Grain Co., giving it 184 Canadian delivery points. It is now reducing these to 120 and building two high capacity elevators. The farm community is divided between those who support Cargill as a new stimulus to competition and those who predict that farmer-owned wheat pools cannot survive a sustained campaign to garner the major share of the wheat market. In the 1920's, farmers solved the problem of exploitation by private traders and the railways by forming cooperatives. Prairie wheat pool officials are concerned that younger farmers, who did not experience the manipulation 30 years ago, are more interested in premiums paid by Cargill than cooperative loyalty.

Farmers were amazed that Cargill's takeover was approved under the Federal Foreign Investment Review Agency review legislation. Prairie grain handling had been one sector of the economy almost fully Canadian owned in contrast with most other sectors which are dominated by foreign capital.

In a recent visit to Saskatchewan, U.S. Senator G,McGovern, said the Canadian grain handling system is better organized while the amount of corruption in the U.S. system is a national scandal. WFP 20/2/76 CP.

World grain stocks are at their lowest levels in 20 years. The International Monetary Fund said world stocks (including Russia and China) are 97 million metric tons compared to 100-110 million metric tons considered a minimum safe level for an

uninterrupted flow of supplies. EJ 24/2/76 p35 c2-3 CP

ISSUES AT MEAT PACKERS MEETING

At the annual meeting of the Meat Packers Council of Canada, Alberta's Agricultural Minister Marvin Moore urged long term production contracts as a means to assure processing plants a stable supply of raw materials, and producers a more stable income. He warned against tampering with the Crow's Nest Pass rate. If lowered, grain farmers would lose \$200 million yearly while the cattle industry would only gain \$30 million.

Transport Minister Otto Lang told packers the federal government will work to gain more access to markets for processed agricultural products at the forthcoming GATT talks. He said it makes more sense to export meat rather than grain from Canada. EJ 7/2/76 p33 c2-4.

The Western Canadian meat industry is in trouble. Dr. Burton, an economist, and rancher, pointed out that eastern Canadian livestock producers receive freight assistance which gives them competitive advantage. He also attacked the Canadian Wheat Board for discriminatory selling and pricing policies which means that Western livestock producers pay more for feed grain than competitors in eastern Canada.

Meanwhile, the price for livestock is set by the U.S. market where producers enjoy vastly cheaper feed grains. The president of Burns Food of Calgary, S.Child, said the processing industry is suffering from a lack of raw material and over-capacity. He blames this on high grain prices and inequitable freight rates which encourage the livestock industry to move to markets rather than near the source of feed grains. He said Saskatchewan and Alberta are experiencing the worst year since the depression. Calculated on a one-shift basis, most Alberta plants have one-third capacity. He pointed out that recent hog contracts with Japna will aggravate the problem of reducing work in the processing sector. EJ 11/2/76 p64 c4-9.

MINING

POTASH

SASKATCHEWAN'S POTASH NATIONALIZATION (See CNSP Vol.III,#11, P7.)

The Saskatchewan legislature ratified the potash takeover legislation on January 26, '76. The government intends to acquire "some or all" of the existing industry, aiming at about half the production capacity or more. The province has 40% of world potash reserves and 70% of the production goes to the U.S. TS 27/1/76 pC8 c2-3.

Premier Blakeney's plan, announced last November 12, to acquire control of the province's potash industry have met with cries of outrage by the private Canadian and U.S. owned companies. In addition, the federal government has expressed concern that the move will damage the Canadian ability to borrow abroad (since investor confidence will be lost). The government's latest plans are to gain control of 50% of the potash production capacity within 18 months. WFP 11/2/76 p5 c1-6; Foster Barnsley.

The Canadian Potash Producers Association and the Saskatchewan Mining Association joined in a more than \$130,000 publicity campaign against the government's proposed takeover of the industry. The organization, representing the private Canadian and U.S.-owned companies in the industry, recently bought two uninterrupted hours of television time to state its case and to field questions from the public. FP 14/2/76 p10 cl.

The Saskatchewan government has revealed that potash firms operating in the province owe almost \$32 million in reserve taxes and pro-rationing fees. Of the taxes due and not yet paid, Central Canada Potash Co. (a 51%-owned subsidiary of Noranda mines Ltd.) owes the largest amount - \$11,383,000.

FP 14/2/76 p43 c4-9.

Federal Mines Minister Allistair Gillespie accused Saskatchewan of harming Canada's reputation abroad by taking over potash, stating their actions were "shortsighted". Gillespie emphasized that foreign capital is welcome in Canada, and that Canadian provincial politicians should enhance, not harrass, mineral export opportunities. GM 26/2/76 pB1 c5-7.

The managing director of the Mining Association of Canada, John Bonus, has called upon the federal government to block Saskatchewan's takeover of the industry, stating that the move "has had a devastating effect on Canada's international reputation as a country in which to invest and do business with".

TS 26/2/76 pC9 c2-3.

CNSP Backgrounder: *Most of the companies involved in the Saskatchewan Potash industry are international in scope, and foreign-owned, although two are very much Canadian. Central Canada Potash Company is controlled by Noranda Mines Ltd., Canada's eighth largest corporation and a worldwide producer of metals, metallurgical products and forest products. Also in the potash field is COMINCO LTD., a giant in its own right and controlled by Canadian Pacific Investments Ltd. - by far Canada's largest corporation if all of its various mining, transportational and other activities are counted together.*

Noranda has been in the news lately with its announcement of a proposed \$350 million copper mine and smelter investment in Chile, adding another country to the list of 13 nations where it has operating subsidiaries. But its diversification is not limited to the international sphere. Domestically, the company has interests in 13 major mining companies, including a fertilizer plant in New Brunswick. In that province potash exploration has recently renewed, a fact perhaps not totally disconnected from events in Saskatchewan.

The mining associations mentioned in this month's CNSP are also connected to the Noranda sphere of influence. When John Bonus of the Mining Association of Canada calls for federal intervention to prevent Saskatchewan nationalization, it should be remembered that his immediate boss is Alfred Powis, this year's president of the Mining Association of Canada and also president of Noranda Mines Ltd. One of the sponsors of the publicity blitz in Saskatchewan against the nationalizations - the Saskatchewan Mining Association - is currently operating under the presidency of John Gordon, the manager of Noranda's Central Canada Potash. And recalling the mining industry's recent campaign in B.C. against the re-election of the Barrett NDP government, it should be noted that the president of the Mining Association of B.C. is

Doug Little, executive vice-president of Placer Development Ltd., a company in which Noranda holds a controlling 33.2% interest.

This concentration of influence in the mining industry's lobby groups is not surprising given the general concentration in the ownership of mining facilities. Noranda, COMINCO Ltd., and the International Nickel Company of Canada (INCO), represent only 1.3% of the total number of mining companies in Canada. But they account for more than 66% of total sales of metals and 50% of all mining assets in the country. (For more on concentration in the mining industry in Canada see: Steel Labour, January 1976, page 9).

OIL & GAS

NUCLEAR ENERGY

HYDRO

Subsidy payments on crude oil imports will take 74% of the energy department's budget in 1976-1977 (\$1.4 billion). The expected increase in domestic crude prices, July 1, which Ottawa estimates at \$2. a barrel, and the producing provinces, Alberta, Saskatchewan which are pushing for \$4. per barrel as well as the extension of a pipeline from Alberta into Montreal later this year, are expected to help reduce the subsidy payments. In 1975-1976. they were \$2.2 billion.

Loans for construction of nuclear reactors and heavy water plants were chopped through the Atomic Energy of Canada Ltd. (AECL). Eldorado Nuclear Ltd., a crown corporation involved in exploration and refining of uranium has been cut off the public purse. However, the National Energy Board (NEB) budget will increase with the additional funds going to the hearings on proposals for a MacKenzie Valley Pipeline.

HCH 19/2/76 p8 c2-3; MG 19/2/76 pl 6P.

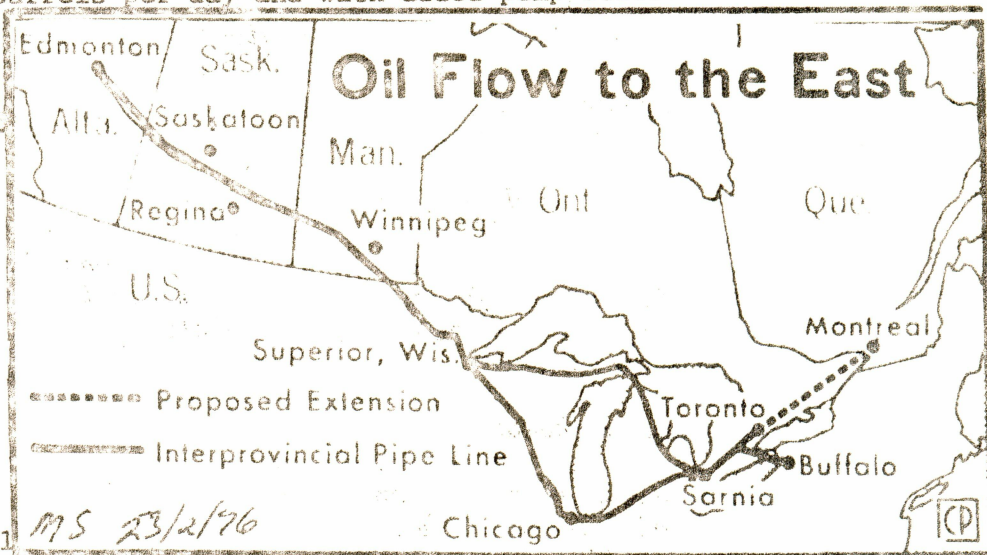
The Interprovincial Pipelines Ltd. 520-mile Sarnia to Montreal Extension will have a capacity of 350,000 barrels per day and with added pump stations computerized with monitoring systems) and a capacity of 700,000 barrels per day. Montreal's market is 600,000 barrels of imported oil daily,

MS 23/2/76 pC3 c3-8.

Ontario Hydro announced a \$5.2 billion cutback in its expansionary program to fit within the borrowing limits of the province. The cutbacks cancel construction of the Heavy Water Plant at Bruce and delay the nuclear plant at Bowmanville, as well as 6 others. A federal-provincial task force was

formed to investigate radiation reports in 109 locations in Canada; the majority are in Ontario.

TS 11/2/76 pA1 c1-3; 20/2/76 pA10 c2-5.



HEARINGS: MACKENZIE VALLEY PIPELINE; BEAUFORT SEA.

The Northern Economic Development Arm of the Northern Affairs Department
Has a Serious Conflict of Interest.

Introduction: *The Department of Environment is excluded from establishing or enforcing environmental restraints on the oil companies or other forms of development in the Arctic. This power was given to the Department of Northern Affairs in 1970. Northern Affairs is also responsible for native peoples and oil and gas development in the North.*

The Beaufort Sea Research Project has confirmed that a blow-out of an off-shore oil well in the Arctic constitutes a major hazard - as technology to clean it up in the Arctic is non-existent at the present time. Two hundred wells have been drilled in the Arctic and 2 have blown out to date. The Arctic Waters Oil and Gas Advisory Committee has the report and should now recommend that Judd Buchanan not give approval to Dome Petroleum to drill in the Beaufort Sea. Pressure is mounting on the committee (composed of scientists, and technologists) to advise otherwise according to Douglas Pimlott, a member of the Canadian Arctic Resources Committee (CARC).

TS 10/2/76 pB4 c3-5.

Biologists appearing before the Berger Inquiry on behalf of the Committee for Original Peoples Entitlement (COPE) claim the Beaufort Sea Study Project backed by the Arctic Petroleum Operation Association is totally inadequate. They have asked Judd Buchanan not to issue offshore drilling rights to Dome Petroleum.

EJ 11/2/76 p69 c4-6.

Offshore drilling decision already made, says Federal Minister Buchanan.

EJ 13/2/76 p8.

The NEB adjourned the MacKenzie Valley Pipeline hearings until after the Supreme Court of Canada has determined whether NEB chairman Marshall Crowe can continue. CARC, the Committee for Justice and Liberty Foundation, and the Consumers Association of Canada have claimed Crowe's previous affiliation might make him biased toward construction of the pipeline.

TS 3/2/76; 6/2/76, CP.

Finance Minister Donald MacDonald, Senior officials of the Prime Minister's office, the Energy Department and the Northern Affairs Department would not rule out the possibility of legislative action, either to accelerate or shorten the NEB and the Berger Hearings. GM 12/2/76 pB2 c3-4.

The Science Council of Canada has claimed that the pipeline is not for the benefit of the North. Given the relationship between the NEB and the Cabinet and between Cabinet and industry, it is questionable whether the NEB will be receptive to information on the environment and native peoples.

EJ 30/1/76 p18 c5-8 CP.

Pipeline Treaty Considered Aid to Arctic Gas Pipeline

A group of mid-western senators have set the stage next week for a bitter congressional fight over the route that Canadian and Alaskan natural gas will take. The Commerce and Interior Senate Committees will hold joint hearings. A decision is to be reached by June.

According to Jerry McAfee, chairman of Gulf Oil Corporation of Pittsburgh (former chairman of Gulf Oil Canada of Toronto) the pipeline treaty will clinch the case for the Canadian Arctic Gas Pipelines Ltd. proposal.

GM 6/2/76 pB10 c7

CNSP NOTE: Cost estimates are rising on all pipeline proposals and both Canadian and U.S. federal administrations want to cut short the "prolonged" debate of hearings. The delay in the NEB hearings is threatening the Canadian government's timetable which is to coincide with the U.S.'s. Both governments want to facilitate the earliest possible start for pipeline construction in accordance with industry pressures.

Forestry

The Future of the Pulp and Paper Industry--Less Employment

The Pulp and Paper Research Institute of Canada predicts that Canadian pulp and paper production will continue to grow at average yearly rates between 3.6% and 4.2% until 1990. In a discussion of technology, however, the institute noted that despite growing production, there would be a decline in the number of woodland workers (now about 38,000). Canada would have to double its newsprint production in order to maintain its present position as the world's leading exporter. In 1974, Canada accounted for 69% of all the world's exports of newsprint.

FP 21/2/76 p39 c1-2

Canadian Newsprint Production Losing Ground

The Canadian Pulp and Paper Association says that Canada's share of world newsprint production will slip substantially by 1980. (from 37.6% to 33%) This is due to the construction of new foreign newsprint mills.

GM 26/2/76 pB1 c5-7

CNSP NOTE: In light of the above two items, note last month's article detailing MacMillan Bloedel's development of a tree plantation in Brazil, one new area of expansion for the international forest giant. (Vol. III #11 p2)

SECONDARY MANUFACTURING

Textile Industry in Trouble

John Armstrong, President of the Canadian Textile Institute, said that if the Canadian textile industry is to survive, Canada must limit the growth of textile imports and bring them to levels prevailing in other developed countries. Since 1969 textile imports have grown by an average of 17% a year.

He said Canada imports four to five times more textiles per capita than the U.S. which supplies 88% of its own market. He said the textile and clothing industry employs 207,000 people, one out of every eight employed in manufacturing in Canada and one out of every four in Quebec.

GM 12/2/76 pB9 c6-9

DuPont of Canada Ltd. has called a halt to any expansion in new fibre facilities because of problems created by rising low-cost imports, J.E. Newall told a hearing of the Senate Committee on banking, trade and commerce. Domestic manufacturers of fibre, fabrics and garments have had their share of the market decline from 64% to 44% and there is no sign of a halt to the decline.

MG 19/2/76 p43 c1-5

The Quebec government will no longer support the Tricofil worker-controlled textile and clothing plant in St. Jerome. Guy St. Pierre, Minister of Quebec Industry, Trade and Commerce said he does not believe the company will ever become profitable.

Tricofil started production only 5 months ago and now has more than 90 clients and \$700,000 worth of orders. Tricofil thinks it can be profitable in about 6 months.

The Quebec Federation of Labour (QFL) and Tricofil officials accused the government of only superficially examining their books.

Tricofil recently asked every bank in Quebec for a credit margin but they all refused, some saying the case was too hot politically.

EJ 18/2/76 p72 c1-4

Auto-Parts Makers Seek Ontario Help in Financing Costs

The Automotive Parts Manufacturing Association in a brief on Feb 6, 1976 to the provincial government asked for help for the Ontario based companies to meet financial requirements on a competitive basis. The Association stated that the future of many Canadian independent parts companies is related to their ability to finance expansion to achieve the economies of scale reached by their competitors in the U.S., Japan and Mexico.

The brief recommends that the Ontario government should:

- re-affirm its interest at the federal level in a reconstructed Canada-U.S. auto trade pact
- oppose the export levy proposed by the federal government as part of its anti-inflation program
- permanently abolish the 7% sales tax on production machinery and equipment including related components
- establish an Ontario productivity council with representatives from government, business and labour.

T.S. 6/2/76 pC7 c2-3

GM 6/2/76 pB2 c4-5

Bricklin Repair Bill \$30 a Person

New Brunswick's Bricklin sports car firm has finally gone into bankruptcy court and will cost New Brunswick taxpayers \$20 million or more than \$30 each. DREE, the Department of Regional Economic Expansion will lose \$2.7 million on the short term job creating project that employed 600 workers before collapsing. Production halted in September, 1975/ Banks and financial institutions will lose \$3-4 million and American creditors \$2 million.

FP 21/2/76 p1 c2-3

Petrochemical Complex for Alberta

The first phase of a \$1 billion petrochemical complex for Alberta was given official cabinet approval at the end of January. The projects approved include an ethylene plant at Red Deer, the expansion of Dow's caustic chlorine plant at Fort Saskatchewan and the building of a new vinyl chloride monomer plant at Fort Saskatchewan. Approval is on the basis that they will bring substantial economic benefits to the province of Alberta. Unfortunately no comprehensive studies on negative effects were carried out by the province.

EJ 28/1/76 p77 c1

CNSP NOTE: For background on Alberta's move into petrochemicals see Last Post article in January, 1976 edition.

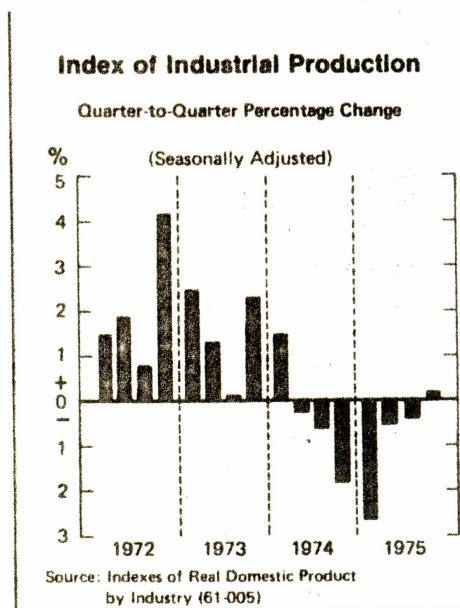
FINANCERoyal and Mercantile Profits Jump

First quarter profits from operations of Royal Bank of Canada rose from \$36 million in the quarter ending in January 1975 to \$47.4 million for 1976, an increase of 22%.

TS 26/2/76 pC10 c2-4

The profits of Mercantile Bank rose from \$2.1 million to \$3.4 million, an increase of over 60% in the period.

TS 26/2/76 pC13 c8





Consumer Credit at All-time High
 At present Canadians owe \$23.2 billion for consumer goods and services (not counting housing loans and mortgages). This figure is \$2 billion more than the national debt. The interest on consumer debt is 50% higher than on the national debt. Consumer debt averages out to \$2,340 for each worker. The largest creditors are the chartered banks (\$12.5 billion) followed by finance companies (\$3 billion) credit unions and caisses populaires (\$3 billion) and department stores, trust and loan companies and insurance companies (\$1 billion each)

TS 25/2/76 pC7 c1-9

Financial System Too Concentrated: CRDE

A ten volume study issued by the Centre de Recherches en Developpement Economique (CRDE) of the University of Montreal has concluded that financial decision making is too concentrated in Toronto. This leads to a lack of awareness of regional and community needs and it prevents the narrowing of regional disparities, the study concluded.

MG 10/2/76 p33 c1-4

Co-ops Against Bank Act Control

Representatives of Canadian chartered banks have argued that the 1977 Bank Act revision should widen its jurisdiction to include credit unions, trust companies and other "near banks". The Canadian Bankers Association argues that these "near banks" take deposits, issue cheques and carry on other banking functions without being subject to the same costly regulations that the chartered banks face.

Mr. B. Martin of the Cooperative Credit Society of Manitoba argues, however, that co-ops are subject to provincial regulation and do not need more federal rules. The important point, he says, is that the chartered banks already control most of the banking capital and are themselves seeking wider powers through activities in unrelated fields.

WFP 20/2/76 p21 c3-8

AIB Rules on Bank Profits

The Anti-Inflation Board announced regulations freezing service charges and preventing long term widening of the spread between interest paid and rates charged on loans. The regulation will be in effect for 1 year at Oct. 13, 1975 levels. Profits on domestic operations will be limited to 95% of the average profits of the 5 year period up to Oct. 31, 1974. The regulations will not apply to profits that are below 1.05% of assets. The Banks can still increase dollar profits by expanding their volume of business or by increasing profits of purely foreign operations.

WFP 21/2/76 p1 c3-6

Also TS/GM/MG same day.

COMMERCE

Food Retail Concentration UPS Price

Professor Bruce Mallen of Concordia University has charged that concentration of food retailing in the hands of the four large chains causes overpricing of 4% nationally and as much as 6-7% in the West. Concentration is most marked in the West. Ologopolistic concentration leads to higher prices, less product variety and fewer free services, Mallen claims. He says that the government should prohibit further expansion by the big four--Dominion, Steinberg's, Canada Safeway and Loblaws--Weston--in areas of high concentration. The report was prepared for the Food Prices Review Board, which has failed to strongly support it since there was not enough time for the study before the Board ended.

GM 18/2/76 pB3 c6-9

Transportation

CNSP ANALYSIS:

Reaction, mostly negative, to Transport Minister Otto Lang's new rail passenger policy (see CNSP Vol III No 11 p.15) has come almost exclusively from newspapers in the Maritime provinces and from the Western press. Central Canadians, whose transportation facilities, including rail, are more highly developed don't seem to care about the new policy at all. Since the Maritime and Western provinces depend much more heavily on rail services as the transportation link between themselves and the rest of Canada, Lang's suggestions to cut out passenger service in these areas seems like more-of-the same historical experience; preferential treatment to central Canada over the West and the East. And the fact that the only new commitment of funds in the minister's statement was for passenger service to central Canada's corridor (Windsor to Quebec City) adds salt to the wound.

The three Maritime Premiers seem united on the issue. In separate statements they questioned the policy's concept of the service being economically self-sufficient. They noted that traditionally the transportation system has been used as a development tool, especially for less developed regions of the country. A HCH editorial asked if the rejection of the 'development tool' idea meant that the new policy "is to become a method of strengthening the central economy where the bulk of projected investment is to be directed". (5/2/76 p6) In the West, WFP writer Nicholas Vincent cited other arguments against the new policy:

- at present, gross federal spending on land and air transport is 80% highways, 15% aviation and only 3% on passenger rail. All forms of transportation are heavily subsidized but rail transport the least. But transport administrators have a notable anti-rail, pro-highway and pro-aviation bias. Governments have put over \$1 billion into the new Mirabel airport and \$200 million into the Montreal-Ottawa STOL experiment, both of which are prestige products, while these funds could be better used supporting Canadian rail industries both for domestic use and for export.
- rail service is the most economical in energy requirements.
- the improvement of rail routes would require only limited funds in comparison with the huge capital outlays for aviation and highway projects.
- the policy proposal to reduce Western passenger service to just the one CP line means that major population centres such as Saskatoon and Edmonton, plus many rail-dependent small communities will be left with no rail service if the CN line is turned over to freight use only.

WFP 21/2/76 p21 c3-6

Communication

AIB Rejects Bell Canada Dividend Hike

The AIB has rejected a request from Bell Canada for permission to increase its dividend to 94¢ per share from the previous level of 86¢ paid last April. Bell said it would re-apply to the AIB for the increase which would assist the company in raising foreign capital for new expenditures. The company is registered with the U.S. Securities and Exchange Commission to make a public debenture offering in the U.S. for \$175 million.

TS 26/2/76 pC13 c7-9

MG 26/2/76 p35 c1-3

LABOUR General

Introduction:

The unemployment rate continued at record high levels this month in spite of the introduction of new statistical methods introduced by Statistics Canada.

Wage increases in the last quarter of 1975 were revealed as the lowest percentage increase in a year and a half.

Ottawa and at least one province, Ontario are acting to dampen summer unemployment for students by pumping large sums into temporary job creation. A report presented to the House of Commons recommends further strictures on the right-to-strike in the public service.

Organized labour maintained its rhetorical stance vis a vis wage controls, while AIB administrator, Donald Tansley endorsed the AIB's roll-back of wages for the workers at Irving Pulp and Paper in New Brunswick.

StatsCan Revision Drops Unemployment Level

Under a revised labour force survey, the seasonally adjusted unemployment rate dropped to 6.6% in Jan. from 7% in December. The actual number of workers without jobs, however, rose by 107,000 to an estimated 800,000. The jobless rate for young men (15-24) remained high at 13.4% while the rate for young women dropped slightly to 10.5% from 12.4%

WFP 10/2/76 p1 c1-2

GM 11/2/76 pB13 c2-6

CNSP NOTE: The new survey asks if a person was looking for work in the past six months. However, it includes as unemployed only those who looked for work in the past four weeks or those who had not looked for work because they were laid off for 26 weeks or less or were starting a new job within four weeks. This statistical juggling ignores a large segment of the seasonally unemployed--those who are jobless and have stopped looking for jobs that don't exist. It also ignores those unemployed who have simply dropped out of the job market. The actual unemployment rate remained at a record high 8%.

Wage Settlements Going Down

The Department of Labour reported collectively-bargained wage settlements in the fourth quarter of 1975 at 14.3%, the lowest average increase in base wage rates over the last 18 months. The yearly average for 401 major collective agreements was 16.8%. A major factor contributing to the decline was the drop in public sector settlements (from 23.2% in the second quarter to 13.6% in the fourth. AIB controls, though they didn't have a significant direct impact on wage settlements in the last 3 months of 1975 put a psychological damper on negotiations.

TS 12/2/76 pC8 c7-9

GM 12/2/76 pB1 c2-7

CNSP Note: Workers, by mid-1975, were just beginning to catch up the large losses in purchasing power suffered during the initial inflationary bite three years ago. Labour's portion of the national income had risen to 70.8% by the 2nd quarter of 1975 up from 67% a year earlier. Profits accounted for 14% down from 16.8%. Between 1971 and 1974 corporate profits increased from \$8.6 billion to \$18.3 billion or 111%. In the same period, wages and salaries increased by only 25%. For a full analysis see Canadian Dimension, March 1976 p34-44.

LIP Funds Directed Towards High Jobless Areas

The government's job creating branch is shaky. There is some concern that LIP which had its budget axed from \$135 million to \$100 million, may follow OFY to the grave. However, Manpower Minister Robert Andras says there will be a shift of LIP funds to areas of high unemployment.

HCH 17/2/76 p4 c2-4

GM 21/2/76 p5 c5-9

Summer Jobs

Ottawa has allocated \$24-million for the creation of 12,000 summer jobs for students involving 8 federal departments.

TS 6/2/76 p.A-9 c. 1

The Ontario government will spend \$10.3-million to provide 7,800 summer jobs. Nearly 120,000 out of 1-million students are expected to go jobless this summer.

TS 25/2/76 p. A-1 c.1

Lay-offs and Cutbacks

General Motors (Oshawa) has laid off indefinitely 150 to 200 workers out of a total of 2,200 production workers.

EJ 24/2/76 p. 40 c.?

Alcan Canada has laid off 52 workers at its Kingston, Ontario plant.

TS 11/2/76 p. A-1 c.1

Douglas Aircraft of Canada Ltd. (Malton, Ont.) has withdrawn notice to 435 workers following discussions between union, company and government officials. The UAW wants the government to intervene and nationalize the company to save jobs. Douglas announced last month it intends to lay-off 800 to 1,000 of its 1,650 employees.

GM 14/2/76 p.4 c.3-4

CNSP Note: Douglas, an American-owned branch plant, holds an option to purchase.

CNR announced it will lay off 610 repair and maintenance workers over the next few months.

MS 20/2/76 P. B6, C. 7-8

Public Service and the Right to Strike

A Senate-Commons Committee on employee-employer relations in the public service has recommended fines up to \$25,000 plus daily fines of \$5,000 against union bargainers supporting "illegal" strikes in the federal public service. Union officials could be fined \$5,000 plus \$500 a day while workers would be subject to disciplinary action by employers or fines of \$300 for each day on strike.

The Committee proposed expanding the current definition of essential services to include health and the protection of public property as well as public safety and security. While unions should be able to bargain over classification and the effects of technological change, the Committee would outlaw strikes on those issues.

(cont'd)

The Committee also wants a special commissioner appointed to press charges against unions striking in essential public services. It would also allow non-union members to vote on strike or ratification votes.

GM 27/2/76 p.1 c.8-9
p.9 c.1-3

Canada Labour Relations Council Lurches Forward

The Canada Labour Relations Council -- an amalgam of government, business and labour executives -- has appointed a sub-committee to investigate the possibilities of industry-wide bargaining in four industries: air transport, Great Lakes and St. Lawrence Seaway shipping, meat-packing and West Coast grain-handling. Labour leaders on the CLRL expressed grave doubts about the eventual likelihood of industry-wide bargaining units.

GM 11/2/76 p.B2 c.7-9
GM 12/2/76 p.B2 c.2-5

The Irving Affair

Anti-inflation Board administrator Donald Tansley, in his debut decision, upheld the AIB's ruling on a 14 per cent wage increase for the 500 workers at Irving Pulp and Paper in New Brunswick. A 23.8 per cent increase had been negotiated without a strike last May and the company had paid the increase in spite of the AIB ruling. Tansley fined the company \$25,000 and imposed a further penalty of \$1000,000 equal to wages paid out over the 14 per cent limit.

WFP 14/2/76 p.1 c.3-5
GM 14/2/76 p.1 c.7-9

CNSP Note: The response from labour over Tansley's decision was fast and furious. There was widespread agreement that the decision was the harshest affront to free collective bargaining yet endured under wage and price controls. Speculation is growing about the possibility of a so-called "political strike" -- a general strike aimed directly at the controls. The CLC, in particular, is finding itself forced into a corner. With labour leaders only able to splutter rhetorically at government, and companies simply following the letter of the law in wage ceilings, labour leaders are caught in a pincer movement. A political strike may be the only solution if the CLC hopes to maintain credibility with the rank-and-file. The only other avenue open is to see its member unions knuckle under one-by-one. Even though it has shied away from the idea of a general strike over the years and there is little evidence of rank-and-file support at this time, the CLC may shortly find it has little choice in the matter.

Reactions:

Management: The decision showed the AIB was taking "a firm and fair position."

-- "it certainly indicates the government means business. On that basis, I think it's a good move. The objective is to control inflation and if it takes harsh measures, then it has to be done."

-- the pulp and paper industry "will be well served by constraints on wages."

GM 14/2/76 p.B1 c.2-3

MG 19/2/76 p.3 c.3-5

CNSP NOTE: Re control on prices see forestry section. Most newsprint is exported and therefore is uncontrolled.

Labour: "one more nail in the coffin that they've constructed for paperworkers"

-- "it's called strike-breaking"

-- "another step along the road to a fascist state in Canada"

-- "Canadian workers now seem to be at the total mercy of an authoritarian government machinery that substitutes compulsory arbitration by government fiat to free collective bargaining."

EJ 14/2/76 p.2 c.5-8

TS. 14/2/76 p.A1 c.3-5

Labour Struggles

Introduction: The incidence of wildcat strikes increased this month as did worker unrest, militancy and solidarity. Unions continue to negotiate wage settlements well above AIB guidelines. However, many of the CPU strikes were finally settled at government-set levels.

The suspension of Sydney policemen for their support of fellow union members was indicative of the antagonism between government and workers.

B.C.P.U. Strikes Broken

February saw the settlement of most of the C.P.U. strikes at the AIB-ordered wage settlement of 14%, 10%, 8-8.5% in a 3-year contract. The following locals settled (in chronological order):

--Consolidated-Bathurst at 4 Quebec mills. The contract called for a shorter work week and more jobs. TS 9/2/76 p.A1,c.8-9

--Bowaters in Newfoundland. TS 9/2/76 p. A3 c. 3

-- three Price mills in Quebec and Newfoundland. The contract calls for a 25-cent/hour adjustment for tradesmen, a 2% additional increase for papermakers and 1-cent/hour to be determined in a job evaluation plan. This wage settlement exceeds the AIB ruling.

TS 12/2/76 p.A3,c.5-7

GM 13/2/76 p. B6, c.5-6

HCH 13/2/76 p.4, c.2-4

--Bowaters-Mersey in Nova Scotia. HCH 13/1/76 p.1, c.4-8

-- Mirmachi Timber Resources, New Brunswick. GM 17/2/76 p.B7, c.3.

-- Kapuskasing Forestry complex, Ontario. GM 17/2/76 p.B7

-- 13 Abitibi locals in six Ontario centres. TS 19/2/76 p.4. c. 2-4

CNSP NOTE: Last spring Abitibi offered a one-year contract with a wage increase of 25%. The workers rejected this.

(cont'd)

- Great Lakes Paper Co. in Thunder Bay. TS 21/2/76 p. A8, c. 1-4
 -- Consolidated-Bathurst, Portage du Fort, Quebec. HCH 21/2/76 p.17
 c. 1-2
- Ontario Paper Co. Thorold Ontario.
 -- MacMillan Rothesay, St. John, N.B. GM 24/2/76 p. B5, c. 2-5

AIB strikes again

The B.C. forest workers agreement giving a wage increase of 16.1% was cut back to 15%.

GM 27/2/76 p.3 c.1-2

Other AIB-Labour moves

Jean-Claude Parrot, of the CUPW called for a one-day general strike to protest wage controls. Meanwhile, Shirley Carr of the CLC, stated that unions will continue to bargain as if wage controls do not exist.

WFP 21/2/76 p. 1 c.8

WFP 21/2/76 p. 15 c. 4-7

B.C. supermarket workers have accepted a 2-year contract, giving wage settlements well above AIB guidelines, as have west coast tugboat crewmen.

TS 9/2/76 p. A5 c.6-7

WFP 6/2/76 p.5 c. 1-2

Steelworkers at INCO, Thompson have ratified a new agreement giving a wage settlement above AIB guidelines; a joint job description and evaluation program; improved fringe benefits; and an unlimited COLA. The most important feature of this contract is a clause permitting USWA to terminate the agreement, reopen bargaining and strike if the AIB rejects the contract.

WFP 29/1/76 p.4 c. 5-8

GM 25/2/76 p. B1 c. 2-3

A contract negotiated by CUPE workers at the University of Toronto was rejected by the AIB in December. An arbitrator has ruled U of T must put the negotiated contract into effect.

TS 18/2/76 p.B15 c. 9

Ontario Secondary School Teacher's Federation has launched a court action claiming the agreement between Ontario and the federal government is unconstitutional and that the AIB law does not apply to Ontario public sector employees.

TS 17/2/76 p. A2 c. 2-4

Rail Unions in negotiations

Contract talks between the 11 railroads and the Associated Railway Unions
 (cont'd)

broke down and Justice Emmett Hall appointed conciliator. The Brotherhood of Locomotive Engineers also broke off talks. Both unions claimed the management refused to negotiate work rule changes because these would raise undetermined wage levels above the AIB guidelines.

MS 30/1/76 p. A8 c.5-6

HCH 13/3/76 p.4 c. 1-4

MS 24/2/76 p A3 c. 2-4

Worker militancy increases

A CUPE local representing outside city workers was on strike. Mayor Tubrett ordered Sydney police, also CUPE members, to cross a picket-line. The police refused and the entire force was suspended. Hundreds of workers came to a solidarity meeting where the police accused Tubrett of being a "police fanatic who watches too much television" and is "upset (we) don't go cracking skulls with our sticks." Sydney police had another run-in with Tubrett in the fall when they refused to use their riot gear against Maritime Tel. and Tel. picketers.

Nova Scotia Attorney General Pace forced the police back to work with the threat that their right to bargain collectively would be removed. Pace also expressed a unique view of picket lines: "a picket line was not intended to be a barrier...but an instrument of communication with the general public."

HCH 23/2/76 p.1 c.4-8

GM 24/2/76 p.1 c. 1-6

TS 25/2/76 p. A3 c. 1-8

GM 25/2/76 p.8 c. 4-6

Wildcats

10,000 N.B. Electric Power Commission workers defied a court injunction ordering them back to work. The I.B..E.W. walked off the job to protest suspension of a fellow member.

GM 25/2/76 p. B2 c.6

Ramp workers at Dorval walked off the job to protest the suspension of a shop steward for refusing to carry out an order.

TS 17/2/76 p.A12 c. 6-7

Guards at the Fort Saskatchewan jail in Edmonton walked off the job protesting reclassification and "complete indifference" to their needs.

TS 20/2/76 p. 2 c 2-3

USWA workers at McIntyre Mines Ltd. Grande Cache, Alta. mine staged a week-long walkout following the alleged assault of a fellow worker by a supervisor.

GM 13/2/76 p B11 c.5-7

NATIVE PEOPLES

INUIT, INDIAN AND METIS LAND CLAIMS IN THE NORTHWEST TERRITORIES

Crowe Bias to be Re-examined

Three public interest groups -- the Canadian Arctic Resources Committee, the Committee for Justice and Liberty, and the Consumers' Association of Canada-- have received permission from the Supreme Court of Canada to appeal a previous ruling by a Federal Court that Marshall Crowe, National Energy Board chairman, is not biased toward the construction of the Mackenzie Valley pipeline. The three groups are concerned that Crowe's involvement in a previous study of a Mackenzie Valley gas pipeline might have swayed his thinking to favour the line. The appeal will be heard on March 8. If Crowe were forced off the panel, four months of hearings would be lost and the pipeline could be delayed further.

EJ 3/2/76 p. 7 c. 1-8

MS 3/2/76 pB3 c3-5

HCH 3/2/76 p.23 c 2-3

Indians will appeal land claims rights

The Supreme Court of Canada gave permission to the Indian Brotherhood of the Northwest Territories to appeal a legal decision denying their claim to 450,000 square miles of the NWT. Originally, a 1973 decision by Mr. Justice William Morrow recognized that the natives had a legal claim to the land. Ottawa, however, refused to recognize the decision, appealed it, and won. The Supreme Court decision to allow another appeal could be the key to future developments if direct negotiations between the brotherhood and the government break down.

EJ 3/2/76 p7 c1-8

MS 3/2/76 pB3 c3-5

NWT council backs pipeline

A majority of the N.W.T. Council has passed a motion supporting the pipeline as a way to uplift the depressed regional economy. Councillor James Wah-Shee and other native councillors opposed the motion since it would give development of the pipeline priority over land claims and therefore take away the natives' bargaining strength with the federal government.

EJ 11/2/76 p33 c1-5

GM 13/2/76 p2 c5-9

Inuit Meet with Cabinet for Land Claim

Fifteen thousand Eskimos represented by the Inuit Tapirisat organization formally requested to Cabinet recognition of their claim to 750,000 square miles of land in Canada's northwest and 800,000 square miles of ocean in the Arctic. Tapirisat president James Arvelul presented Inuit demands which included

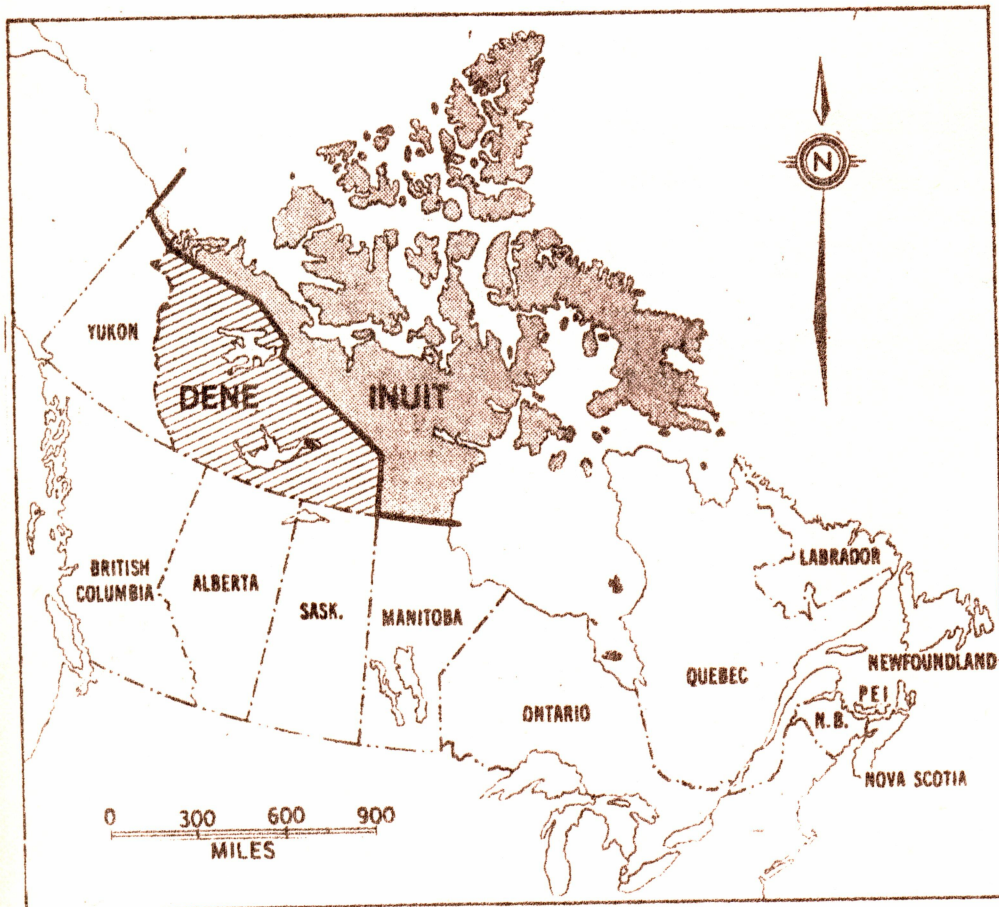
hunting, fishing and trapping rights in all areas; a 3% royalty from natural resource revenue from the 500,000 square miles of land apart from the 250,000 square miles to be owned outright; direct ownership of 250,000 square miles, including surface and sub-surface mineral rights, as the absolute minimum of land the Inuit require to preserve their culture, identity and way of life; and a degree of control in these territories to permit them to protect the environment for the future. Said Arvaluk:

"...the Inuit are no 'claiming' anything. Rather, we are offering to share our land with the rest of the Canadian population in return for a recognition of rights and a say in the way the land is used and developed... You may notice that the proposal does not call for any cash settlement. That's because Inuit land is not for sale... We are not calling for the establishment of a sovereign state. We are simply asking you to help us take the first step in the direction of regional self-government."

TS 27/2/76 pA1 c1-4

TS 28/2/76 pA3 c6-8

GM 28/2/76 p10 c1-9



CNSP NOTE: Since the Inuit have never signed a treaty with the government of Canada Canadian law recognized that they have unspecified "aboriginal rights" over the eastern Arctic and all Arctic lands north of the treeline.

Quebec Inuit voting on James Bay agreement

Indian Affairs Minister Judd Eucharan has rejected an appeal to delay voting by Quebec Inuit communities to ratify the final James Bay agreement. The current round of voting is to be completed by March 11. The appeal for delay was made by the Northern Quebec Inuit Association, the organization which represented Quebec Inuit peoples in negotiations with the provincial government. While the NQIA generally promotes support for the agreement, another group, the Inuit Tungavivat Nunaligni,

—Globe and Mail, Will Chauvin

The Inuit Tapirisat has presented claim for Northwest Territories (shaded area).

is asking the Inuit to reject it. Opponents to the agreement cite the loss of land stipulated in Section Two: "In return for the rights and benefits contained in the rest of the agreement...the James Bay Cree and Inuit of Quebec surrender and give up their native claims, whatever they may be, in and to the land in the territory of Quebec. Quebec and Canada accept this surrender."

MS 9/2/76 pA1 c1-3

MS 11/2/76 pA1 c5-6

MS 17/2/76 pA3 c5-6

MS 20/2/76 pA3 c4-6

Mercury poisoning in Quebec

The head of a provincial health team, Dr. Andre Barbeau, says that "the whole population of northwestern Quebec is endangered" by mercury poisoning. The medical team announced that tests on residents of the area confirmed that mercury poisoning is spreading. Of 21 Cree tested recently, three had definite symptoms of brain damage from mercury poisoning. No source of mercury contamination has yet been determined, although it may come from natural deposits or from the waste tailings of mines in the area.

MG 12/2/76 pl c 1-4

Protest against mercury poisoning in Northern Ontario

While mercury levels in blood and hair of residents of the Grassy Narrows and Whitedog reserves continue at unacceptable levels, a campaign has begun in Toronto against the Reed Paper company. Two hundred and fifty people demonstrated outside the Art Gallery of Ontario on February 13, protesting Reed Paper's sponsorship of an art show. The demonstrators charge that Reed-controlled companies have discharged mercury and untreated wastes into the river system of northern Ontario poisoning the Indians of the two reserves.

GM 14/2/76 p4 c5-7

GM 3/2/76 p8 c6

QUEBEC



Fédération des
FTQ Travailleurs Québécois



Centrale de l'enseignement
du Québec



Conseil des
Syndicats Nationaux

Introduction: For background on the 1975-76 negotiations see Oct, Nov. 1975 and January 1976 issue of CNSP. To review what occurred in the 1972 Common Front see Quebec: A Chronicle 1968-72 edited by R. Chodos and Nick Auf de Maur.

There are some significant differences in Common Front tactics in 1975-76 from those in 1972. In '72 there was much rhetoric about destroying the capitalist system and attention focussed on the leaders of the three centrals, Laberge, Pepin and Charbonneau. In '76 there is little rhetoric, very few speeches given by the leadership and much more extended action by teachers and hospital workers across the province. In '72 the Bourassa government gained public opinion on its side against the Common Front, isolated and defeated them. In '76 the teachers, in particular, have been careful to make allies of parents in many localities.

The Common Front, legally able to strike since Feb. 8th, has decided not to call a general strike before March 8th. Salary issues have not yet been tackled seriously and that is a crucial issue for both sides. The government faces a better organized and determined Common Front; it also faces a year of mounting debt from the Olympics and James Bay projects and has the federal wage control legislation to support its desire to keep government salaries to a minimum.

Press Analysis: English language coverage, outside of Montreal, of the Common Front negotiation which affects 185,000 workers, is almost non-existent. French language coverage has focussed on teachers and hospital workers' protests. There was little editorial comment in February, very little detail on non-salary issues and little from the government side reported.

Abbreviations: Le Devoir LD
Le Jour LJ

Vol III No. 12

Chronology

- Feb 5 The following school commissions have closed their schools to protest the rotating work stoppages by teachers: Bois Francs, Victoriaville, Plessisville, Davaluiville, Warwick.
LD 5/2/76 plcl-6 Lise Bissonnette
37 Cegeps, 2 universities and 3 high schools closed yesterday when teachers protested the impasse in negotiations. 120,000 students were affected.
LJ 5/2/76 p5 cl-3 Pierre Tanguay
- Feb 6 Unionists in the Common Front can legally exercise their right to strike, Feb *8.
LD 6/2/76 pl cl-4 Lise Bissonnette
The Quebec Federation of teachers (CEQ) accepted to allow a representative of parents to observe negotiations; the government refused.
LD 6/2/76 p3 cl-4 Gerald LeBlanc
- Feb 7 Protestant teachers in Montreal held a study day Friday which closed classes for 52,000 students. LJ 7/2/76 p4 c2-4
- Feb 9 The Common Front has decided not to call a general strike before March 8, but demands a central negotiating table by March 2 to begin salary negotiations.
LD 9/2/76 p7 c3-6 Gerald LeBlanc
CNSP NOTE: negotiations currently are on non-salary issues
- Feb 11 20,000 school maintenance workers held a ½ day study session at Chambly, Lignery, Taillon, Brossard, South Shore, Napierville, Laprairie, Saint Jean and Orsainville. These workers have not negotiated working conditions since 1971.
LJ 11/2/76 p3 c5-6 G. LeBlanc
- Feb 13 The government will not decide whether to have a central bargaining table March 2, 'til later in the month, said Oswald Parent, minister of the public service.
LJ 13/2/76 p5 c5-6
- Feb 17 7,000 teachers affiliated with the CSN are protesting the current government offer which sets no maximum level of students per teacher and would result in 150 fewer positions. 6,700 protestant teachers are to protest the same issue tomorrow. LJ 17/12/76 p2 cl-4
- Feb 18 The Common Front will begin an intensive series of rotating strikes to pressure the government to negotiate. The Common Front called for inter-sector solidarity (teachers to picket at hospitals and hospital workers at schools). The latter are protesting the government proposal to introduce 3 day 12 hour shifts in place of 5 day 8 hour shifts.
LD 18/2/76 p2 c3-6
- Feb 20 Parent called for a truce in rotating strikes in order to make progress in negotiations.
LJ 20/2/76 p3 cl-3.
- Feb 26 The leadership of the Common Front, in a bulletin entitled, "To Fight with clarity" asked its membership to consider carefully the question of a general strike. If the 170,000 members vote to strike they should recognize this means a commitment to defy all special legislation geared to ending such a strike. The vote will take place in March.
LJ 26/2/76 p4 c3-6 G. Tremblay
- Feb 27 More than 110,000 Common Front workers joined thousands of workers not in the Common Front in a protest lasting 4-6 hours yesterday. The protest closed 2,000 schools, all Cegeps and 2/3 of the province's hospitals. The CEQ estimated that 90% of its membership participated and the FTQ-CSN hospital workers up to 70%.
LJ 27/2/76 p4 cl-6 P. Tanguay

IMMIGRATION

Introduction: There was little news on the immigration front this month. The most significant item was the new ministerial power to ban suspected terrorists until December 31, 1976 for Olympic security. The bill passed without dissent.

Importing Workers is not a Government Answer to Shortages: Andras
Speaking to 900 delegates at the annual conference of the Housing and Urban Development Association (HUDAC), Manpower and Immigration Minister Robert Andras, told the housebuilders not to rely on immigration to fill manpower shortages in their industry.

Andras urged builders to increase their training programs, to make them shorter and to take advantage of existing programs to move workers from one part of the country to another.

OC 4/2/76 p9 c1-4

Employer Demand for Canadian Experience Found to be Illegal Discrimination
The Ontario region of Manpower and the Ontario Human Rights Commission, in separate statements, express strong suspicion that 'Canadian experience' is deliberately used to get around fair employment laws. The Commission sent a notice to newspapers in the province telling advertising managers it is "anxious to eliminate this practice".

GM 7/2/76 p5 c1-4 Arnold Bruner

Andras Rams Visitor Curbs Through House

Tough new temporary measures to enable immigration officers to stop suspected terrorists at the Canadian border were pushed through the Commons yesterday. The Temporary Immigration Security Act received support from Opposition members although they questioned whether the rights of some visitors might be endangered since the minister is not required to produce the evidence which leads to rejections.

Andras says the Act differs from the War Measures Act. It is aimed at visitors, not Canadians, and the people under question would not be jailed, only turned back at the border.

The act will last until the end of 1976 when, Andras says, a new immigration act will cover all the holes that presently exist for visitors.

GM 27/2/76 p8 c6

GM 28/2/76 p11 c4-8 John Manthorpe

GOVERNMENT**FEDERAL**

Federal budgetary spending will soar 16% to more than \$39.6 billion in 1976-77 despite the government's austerity program. The estimates are almost 20% higher than last year.

MS 19/2/76 pA1 c1-6

PROGRESSIVE CONSERVATIVE LEADERSHIP CONVENTION

A bitter fight tinged with anti-Quebec backlash and a left-right split in the Progressive Conservative party catapulted Alberta MP, Joe Clark (Rocky Mountain) into the PC leadership.

Clark represented the left in a convention where a preponderance of delegates were of the right. He won because the forces of the right collected around Claude Wagner and many of the right wingers couldn't vote for a Quebecker to lead the party.

For Clark to establish a power base he had to become a favourite of the left without offending the right. Good fortune took a hand since his principal rival for the 'Red Tory' support was a woman, Flora MacDonald. Paul Hellyer's efforts to become the rallying point of the right foundered when a frontal attack on the 'red Tories' put delegates backs up, shattering the illusion of party unity.

MG 23/2/76 p10 c1-5

MG 23/2/76 p76 c1-8

PROVINCIALMcKeough Hints at tax increase

Ontario Treasurer Darcy McKeough hinted that taxes may be increased when his budget is announced in April. Pressures are mounting against the government's spending cutbacks and the "easiest thing to do is to raise taxes so that spending can continue." Options include a rate increase in the Ontario Health Insurance Plan.

GM 26/2/76 p1 c7-9

Manitoba

Manitoba's NDP government announced 1976-77 spending estimates of \$1.16 billion, reportedly within the federal anti-inflation guidelines.

GM 25/2/76 p10 c2-3

Francis Laurence Jobin, mayor of Flin Flon has been appointed Lieutenant-Governor of Manitoba, Prime Minister Trudeau announced. He succeeds William John McKeag who held the post since 1970.

GM 20/2/76 p8 c4

Alberta

Alberta expects to get a minimum of \$2 billion over the next 18 years from the sale of natural gas to TransCanada Pipelines Ltd. 1.4 trillion cubic feet were sold, primarily for Ontario consumption.

TS 9/2/76 pB9 c3-5

The federal and Alberta governments are combining to take advantage of consumers by raising oil and natural gas prices, Alberta Liberal leader Nick Taylor told a news conference. "Consumers are paying through the nose to pad the pockets of government", he declared.

WFP 10/2/76 p7 c3-4

British Columbia

The B.C. government faces a deficit of \$541 million in the fiscal year ending March 31, 1976 according to a government-commissioned report on the province's finances. Premier Bennett said the Social Credit government will be forced to borrow about \$400 million this year.

GM 24/2/76 pB5 c1-5

Saskatchewan

The first session of Saskatchewan's 18th legislature ended late Wednesday afternoon after giving final approval to the controversial potash take-over legislation.

EJ 29/1/76 p?

FEDERAL/PROVINCIAL RELATIONSManitoba

By a vote of 238 to 165 Manitoba NDP's gave preliminary approval to a resolution questioning the value of wage and price controls but approving the province's 'reasonable effort' to cooperate with Ottawa.

HCH 2/2/76 p3 c1-3

Quebec

Quebec is nearly ready to sign an agreement to follow federally imposed wage and price controls. Quebec Finance Minister Raymond Garneau said final agreement on the sharing of powers is almost complete.

HCH 2/2/76 p1 c7-8

Nova Scotia

Nova Scotia expects to sign its 'anti-inflation agreement' with the federal government soon according to Premier Gerald Regan.

HCH 3/2/76 p2 c6-8

Newfoundland and P.E.I.

The two governments formally agreed to permit the federal Anti-Inflation Board to monitor wage and price increases in the provincial public sector.

GM 3/2/76 pB2

Ontario

A federal provincial task force is to be set up to investigate and clean up radioactive areas around Port Hope, Allastair Gillespie, Minister of Energy, Mines and Resources announced.

GM 20/2/76 p1 c1-3

SOCIAL WELFARE

Introduction: This month we see a continuation of massive cutbacks in both federal and provincial spending for social services; at the same time there is increased spending in areas such as national defence and police.

Vol III No. 12

Guaranteed Annual Income

Agreement in principle was reached on a new cost-sharing scheme for social services at a two-day federal provincial welfare conference. The poor will be eligible for income support if they are unable to work for reasons of physical disability, heavy family responsibilities or unavailability of job opportunities. Also included is an income supplement for the working poor. Single persons or childless couples under 55 years of age are eliminated.

Provincial governments will administer the income plan and Ottawa will pay most of the costs.

June is the deadline for final agreement but it is not expected to come into effect until 1978 or 1979 when "the federal and provincial governments have the human and economic resources".

EJ 5/2/76 p6 c4-8

OC 4/2/76 p5 c1-4

WFP 4/2/76 p6 c6-8

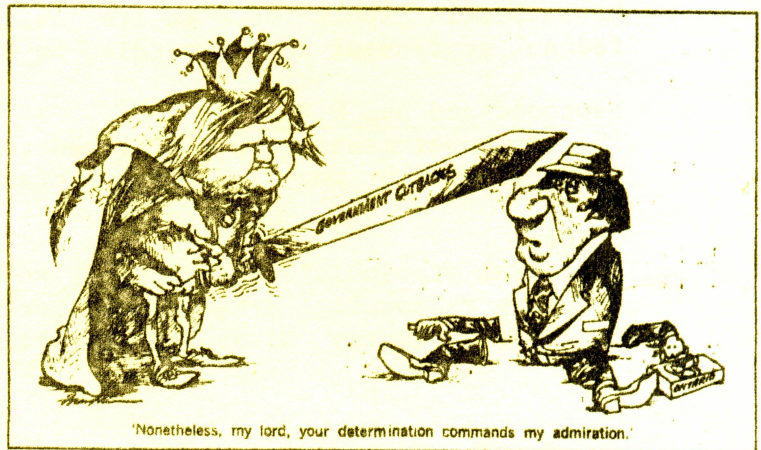
New Legislation Tightens Welfare Eligibility

Employable welfare recipients will lose their benefits as soon as Canada Manpower offers them a job (whether they take the job or not) under new legislation proposed by James Taylor, Ontario Minister of Community and Social Services. Welfare to persons under 18 will also be limited. There will be tougher rules applying to persons living together and drawing single person benefits.

Other changes indicate a tightening of eligibility rules of the General Welfare Assistance Act in order to stay within the government's 5.5% budget increases for 1976-77.

GM 17/2/76 p1 c6-9

CNSP NOTE: The 5.5% increase in social services budget indicates a decrease in spending since it does not cover the 10% inflation rate.



Increased Welfare Payments in the North

Welfare payments in the NWT rose by 25% in 1975. Territorial Councillors in Yellowknife are asking that welfare money be re-directed into make-work programmes. Few jobs are available to northerners because industry continues to import workers from the south. An experiment now taking place in three communities has money go to the local council to be spread out to a labour pool working on community projects.

GM 12/2/76 pF4 c2-5

Police

Introduction and Comment

A wide-ranging peace and security package was introduced into the House of Commons on Feb. 24th.

It calls for the abolition of capital punishment but proposes to lengthen prison terms and give police more powers. It concretizes a government thrust to more social control.

The NDP caucus favours abolition of the death penalty while the PC and SC parties favour its retention.

It appears that the package is designed to introduce the stronger police powers, the relaxation of rules on wiretapping thus opting for law enforcement over civil liberties.

Peace and Security Package

The package contains two bills. The first abolishes capital punishment and imposes minimum 25 year sentences without parole for pre-meditated 'first degree' murder and minimum 10 year sentences without parole for other murders. Convicted murderers would not be granted unescorted temporary absences or day passes until the last three years of the non-parolable portion of their sentences.

Defeat of this bill in a free vote would not affect passage of the second bill which:

- tightens up restrictions on gun controls and licensing but does not require registration
- imposes indeterminate sentences on newly-defined dangerous offenders
- gives the provinces powers to conduct inquiries into organized crime
- relaxes rules on electronic eavesdropping and the admissibility of evidence thus obtained with
- replaces statutory sentence remission earned remission and increases the maximum penalty for escape from prison

The new package also includes plans to speed up the government program for replacing larger obsolete maximum security institutions with smaller more manageable prisons and for reducing the inmate population in existing medium security prisons.

OC 25/2/76 p1 c1-6

MILITARY

Government to Pick up Tab

Defence Minister James Richardson told the Commons that \$24 million to be incurred by the 13,000 armed forces (17% of Canada's total strength) during the Montreal Olympic Games will come from the federal treasury. The number of armed forces is more than double the total forces deployed in Quebec during the 1970 FLQ crisis.

OC 1/2/76 p18 c1

MS 24/2/76 pA10 c5-6

Vol III No. 12

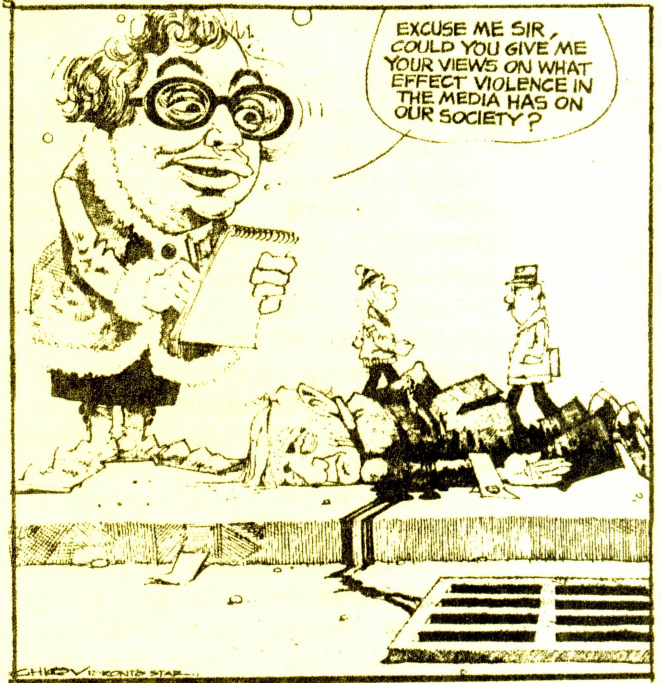
MEDIA

Introduction: When Premier Davis set up a commission to study media violence in Ontario commentators laughed. Judy LaMarsh's polls have raised serious questions about how both news and entertainment affects the audience. Respondents expressed their dissatisfaction strongly. Among other things they suggested some form of censorship. The press quickly chorussed "Freedom of the Press" and denounced Judy LaMarsh.

In the interim report on Media Violence released early this month, the commissioners concluded that "we've heard nothing that should make people in the communications industries sleep easier". A steady diet of news and entertainment violence may produce desensitization even in a fairly well-balanced individual to a point where hurtful or violent acts against others become unconsciously accepted as normal behavior. As example, the report compared the high school shootings in Brampton and Ottawa to a film with similar events. Among those polled, many favoured some sort of censorship.

OC 7/2/76 p4 c3-7

The reference to licensing and censorship of the press aroused reactions from newspaper editorials across the country. One commissioner accused the press of using "freedom of the press" as a means of avoiding public accountability. (EJ 20/1/76 p9)



Martin Goodman, editor-in-chief of the TS, maintained that the press must report violence so that society may protect and cure itself. Instead of the government, the Ontario Press Council should act as policing agents in cases of the exploitation of violence.

WFP 12/2/76 p36 c1-2

Magazines-Films

After prolonged negotiation, the government has made last minute concessions that will allow Reader's Digest to continue to publish in Canada. The reason given is that digests, being special publications of collected material, cannot fall under content guidelines. Time, however, has dropped its Canadian edition, now that advertising can no longer be deducted as a business expense. Time could not meet the 80% Canadian content ruling.

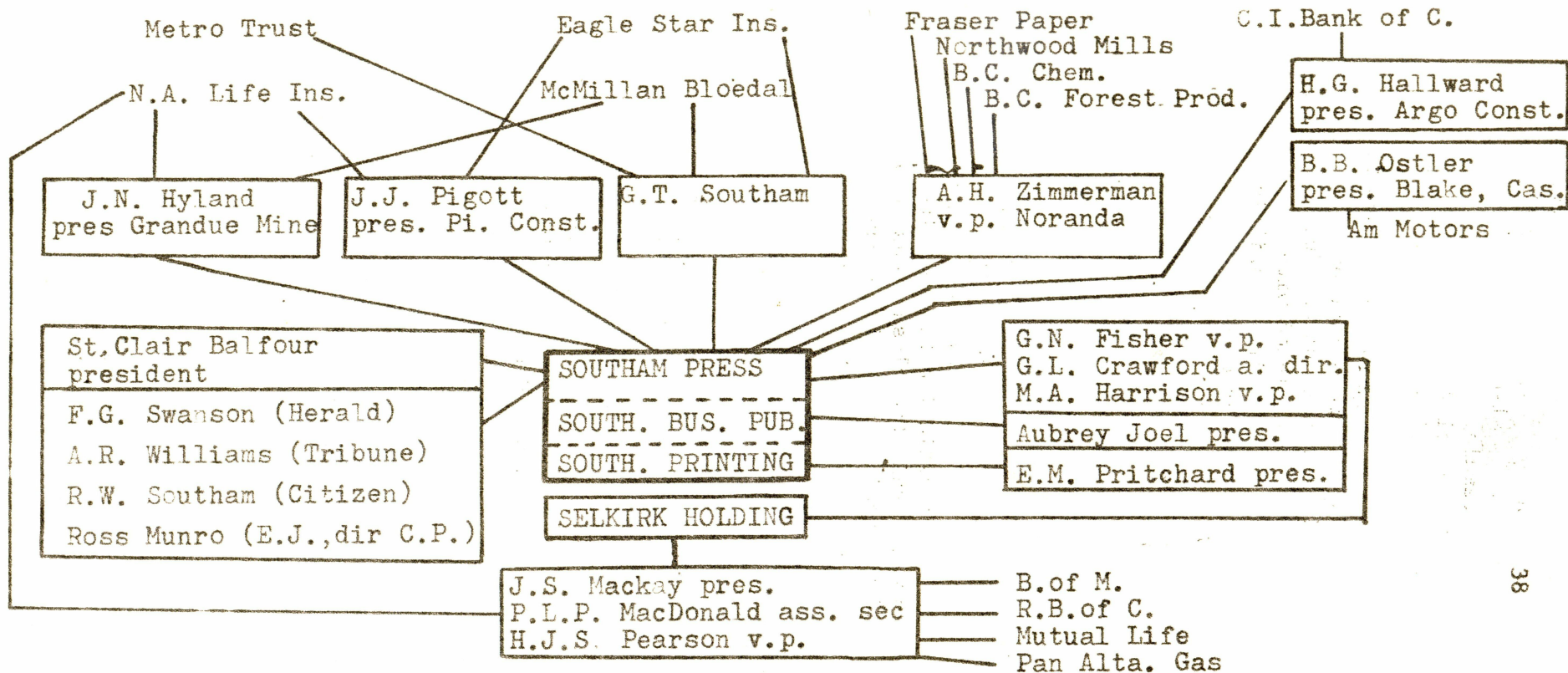
OC 8/1/76 p1 c1

GM 26/2/76 p1 c1-6

A group of film-makers and writers says that monopolistic practices by multinational companies are strangling the Canadian film industry. Famous Players and Odeon took in 63% of gross Canadian box revenue. Eight American film distributors control 80% of motion picture rentals to Canadian movie houses.

EJ 6/2/76 p45 c1-5

Vol III No.12



SOUTHAM SELKIRK

The Southam media complex is the largest, most diversified media group in Canada. Total revenues for 1975 were \$257,4 million. The corporation is vertically integrated as it has control over the complete production process from pulp to access to markets with printed and broadcast information. The directors have links with paper and construction firms while Southam proper owns the stages from paper to finished product. Southam Printing Ltd. publishes for Southam Business Publications and Southam Press Ltd. It represents 13 publishing and printing companies and shares Pacific Press with F.P. and South Star with T.S. Ltd. Southam Business Pub. Ltd. directs 44 trade magazines, 19 annuals and owns 50% of C.O. Nickel Pub. Co. The Southam group has a 30% controlling interest in Selkirk Holdings Ltd. which has 23 radio and T.V. outlets across Canada. It has extensive interests in trade shows and 8 other assorted companies. Southam Press Ltd., the parent company has 13 dailies totalling over 849,364 in daily circulation (18% of Canadian total circulation). Southam News Service provides wire services to the dailies.

<u>DAILIES</u>	Citizen (Prince George)	Province (Vancouver)	Herald (Calgary)	WEEKLIES	Financial Times of Canada
	Journal (Edmonton)*	News (Medicine Hat)	Sun Times (Owen Sound)		News and Chronicle
	Tribune (Winnipeg)	Spectator (Hamilton)*	Nugget (North Bay)		(Pointe Claire)
	Citizen (Ottawa)*	Sun (Brandon)	Record (Kitchiner-Waterloo)		The Canadian
	Star (Windsor)				Canadian Homes

* indicates papers used by CNSP (Revenues for 1975 were reported in MG 4/2/76 p34)

LATIN AMERICAN NEWSFILEKissinger's Latin American Tour

-- Secretary of State Henry Kissinger flew to Venezuela to begin his long-postponed tour aimed at easing hemispheric tensions over trade and the future of the Panama Canal. The nine-day tour will also take Kissinger to Peru, Brazil, Colombia, Costa Rica and Guatemala.

HCH 16/2/76 p4 c1-2

HCH 17/2/76 p4 c1-3

-- During a three-day official visit to the Brazilian capital of Brasilia, Kissinger signed a 10-point agreement on high level consultations between Brazil and the US on major world and bilateral issues. Such a "consultative agreement" had only previously been signed with powerful and/or wealthy nations such as Japan, Iran, India. Brazil is the first country in Latin America to sign such an agreement.

MG 23/2/76 p15 c1, MS 20/2/76 pD11 c8

OC 20/2/76 p13 c1-8

ARGENTINA: APPROACHING TOTAL CHAOSPERON CLOSSES CONGRESS

In the face of a 24-hour business strike against her economic policies, President Peron decreed an end to a special session of Congress. A government announcement said the congressional session was closed because of recent cabinet shakeups and the need for new legislation to cope with the national crisis. Political sources, however, said the closure was designed to prevent a scheduled session of the Legislature's lower house in which opposition and dissident Peronist lawmakers were thought ready to push for her impeachment, resignation or removal.

TS 17/2/76 pA10 c1-2, WFP 17/2/76 p38 c1-3, EJ 17/2/76 p14 c1-5

GM 17/2/76 p1 c9, MS 17/2/76 pC8 c1-3

Two days after closing Congress, the government recalled the legislative body. At the same time, Mrs. Peron announced that while she would not resign, she would not seek a new term in office, and declared that elections would be held before the end of this year. As the week wore on, it was announced that elections would be held on December 12, with Mrs. Peron's term ending May 25, 1977. The announcement was seen a compromise with critics who have urged her to resign. Despite the efforts to diffuse the situation, Peron came under renewed pressure, and was facing demands for sweeping cabinet shuffle and complete change of government policy.

This time, the pressure was coming from the entire Peronist movement and included a demand for the removal of the President's "clique" of right-wing personal advisors. Six members of the Peronist Ruling Council resigned, charging the council with disloyalty to Mrs. Peron, and accusing Jose Baez -- acting party leader -- of being a traitor to Peronism. Theoretically headed by Mrs. Peron, the council includes representatives of the Peronist party, labour movement and youth and women's branches.

GM 19/2/76 p2 c1-2, OC 19/2/76 p66 c1-4, HCH 20/2/76 p15 c2,
WFP 20/2/76 p5 c1-2, GM 21/2/76 p14 c7-9, OC 21/2/76 p17 c2-4

BRAZIL

The heart of northeastern Brazil -- a million square miles of tropical and semi-arid farmland -- is suffering from severe drought. The 32-million inhabitants represent the greatest concentration of poverty in Latin American. The seemingly insoluble backwardness has created widespread pessimism over the efficacy of the economic development model adopted by Brazil's 12-year old right-wing military regime. According to the SUDENE, the region's development agency, there are more than 1.5-million people practising subsistence farming or working without pay in exchange for food rations and substandard housing. In all, there are 5-million jobless or underemployed. Nationally, the average income is about \$750, but in the rural areas of the NE, the figure drops to \$150. Infant mortality is as high as 25 per cent. Until 100-years ago, sugar, cocoa and tobacco plantations here accounted for two-thirds of the national economy. Today, the NE accounts for less than 15 per cent of the GNP. There have been ambitious plans by successive governments to tackle the region's endemic poverty, and the present government has announced its own development plan, which is supposed to pour more than \$15-billion into industrialization, health, education and social welfare projects by 1979. But in times of drought -- which occur every five to ten years -- the efforts are reduced to emergency work programmes, food rationing and optimistic official statements.

MS 18/2/76 pE2 c4-7, MS 11/2/76 pD17 c1-8

Brazil has assured the US that it has decided not to join any raw material producer cartels. However, Brazilian Foreign Minister Azeredo da Silveira appeared to warn the US not to take for granted low prices for Brazil's raw materials. He said Brazil was willing to find other alternatives for its products if US tariff barrier reductions were not satisfactory. Brazil has a \$1.6-billion trade deficit with the US and blames it partly on restrictive US duties.

TS 21/2/76 p5 c5-8, MG 21/2/76 p7 c1-3

CHILE

Andres Pascal Allende, leading figure in the MIR and nephew of ex-President Allende, arrived in Costa Rica after three months asylum in the Costa Rican embassy in Santiago. Even though agreeing to safe conduct from Chile, President Pinochet announced his government would ask extradition.

MG 3/2/76 p18 c7

Despite protests from West European countries, the World Bank approved a \$33-million loan to Chile. The loan, the third the Bank has made since the military coup, will help finance a \$77-million project to improve copper mining facilities.

EJ 4/2/76 p17 c1-2, MG 4/2/76 p39 c3-5

CNSP NOTE: See Economy -- Primary: mining regarding a new Noranda investment in Chile. p11-12

US Senate Bans Aid to Chile

The US Senate approved an amendment to stop all military aid to Chile. It will prevent the delivery of arms already en route, valued at \$100-million.

LJ 19/2/76 p11 c4-6

Pinochet Has Received \$2-billion in Loans

According to an article in the New York Times, Chile, although "actually bankrupt", has received more than \$2-billion in foreign loans since the military coup in 1973. Quoting World Bank sources, the paper says Chile will receive another \$500-million by 1980. Most of the credits come from private commercial banks, as well as international organizations such as the World Bank and the Inter-American Development Bank. The \$2-billion is composed of \$729-million from international organizations, including the IMF; \$295-million in bilateral aid, notably from the US, Brazil and Argentina, and \$275-million in credits. A group of Canadian and American banks has recently granted a supplementary loan of \$150-million to Chile. The most active foreign banks in Chile are First National Bank, Bank of America, First National Bank of Boston, Manufacturers Hanover Trust Company, Banco de Brazil and Bank of Tokyo.

LJ 21/2/76 p17 c4-6

UN Torture Report

A UN report prepared by a special five-man group appointed by the UN Human Rights Commission, asserts that cruel and degrading treatments have become a pattern of government policy in Chile. It says the international community "should not watch passively" when the overthrow of a government by force leads to the kind of situation that exists in Chile today. The report cites "voluminous evidence" that there are a "number of well-trained professional torturers on the payroll" of the secret police and similar organizations. The 32-man UN Commission later voted in favour of a resolution which called on Chile to stop using torture as policy.

EJ 11/2/76 p19 c1-6, MS 11/2/76 pE15 c2-8, MS 17/2/76 pD1 c2-5,
MG 20/2/76 p11 c1-5

GUATEMALA

Introduction: The tragic series of earthquakes that hit Guatemala during the past weeks, killing as estimated 25,000 and leaving thousands homeless, was the Latin American event most intensively covered in the Canadian press. Severe damage occurred in the "altiplene", an area that had supported small but significant opposition movements against the ruling coalition under General Langerud. The situation of disaster and international aid will, in the short-term at least, strengthen the right-wing government.

Canada Sends Aid to Victims

The Canadian International Development Agency, national church agencies, Oxfam, UNICEF, Care Canada and many concerned individuals and groups are responding to the appeal for help from Guatemala.

MS 7/2/76 pA10 cc3

MEXICONo Opposition in 1976 Presidential Elections

The ruling Institutional Revolutionary Party (PRI), formed in 1929 after years of revolution and civil war has yet to lose an election in Mexico. Elections are held every six years. For the first time the PRI's presidential candidate, former finance minister Jose Lopez Portillo, will be going alone into the elections. In late January, the major opposition party, the rightist National Action Party (PAN) unexpectedly announced it would not field a candidate. The other two registered parties had already opted to back Lopez Portillo. The rate of abstention is the major pre-occupation of the PRI. Increasing numbers of ordinary people have been staying away from the polls in recent elections and even more abstain than vote.

MS 4/2/76 pA12 cl-3 Reuter