

# canadian news

synthesis

project



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# canadian newssynthesis project

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

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

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

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Ottawa Citizen	OC
Montreal Star	MS
Vancouver Sun	VS
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HIGHLIGHTS  
MARCH 1976.

The Americanization of Northern Electric ..... and the high level shuffle of executives also puts Montreal workers on the unemployment lists. See pp14-15.

A massive demonstration by workers from across the country on Parliament Hill shows widespread protest against wage controls. See Labour, p19.

Common Front negotiations affecting 200,000 Quebec workers drag on with little positive response from the Quebec government. See Quebec Labour, pp25-27.

The proposed Peace and Security package received country-wide reaction. For response from the public, the government and the press, see Police, p30-31.

Argentina: The bloodless coup in Argentina this month surprised no one. The new military junta quickly put tight controls on the economy and the workers. See p35.

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announcement:

Northern Development Kit

by the Corporate Action  
Research Project.

Contains reports on corporations involved in oil and gas and mining activities in the Canadian North, corporations in the Amazon and the impact on Native Peoples in Brazil, and a press analysis of northern development as well as a submission to be presented to the Berger Inquiry.

Cost: \$2.00 per kit; 50¢ per report;

Available from: GATTFly,  
600 Jarvis Street,  
Toronto, Ontario,



# CANADA - INTERNATIONAL RELATIONS

## TRADE

February 1976: Exports \$3.13 billion \$47 million in merchandise  
Imports \$3.09 billion trade surplus

About 70% of gain in exports was attributed to automotive and related products.

The increase in imports was concentrated in auto products and other machinery and equipment.

GM 27/3/76 pB4 c6-7 DJ.

Exports declined 7% and imports 5% during 1975. (GM 17/3/76 pB6 c4-5 DJ)

### MONETARY POLICY AFFECTS TRADE

When international exchange rates were allowed to float in 1973, most economies became much more dependent and responsive to U.S. business cycles. This integration of industrial nations' economies means that economic cycles are going to be much more pronounced - bigger booms and more severe recessions - as the various economies reinforce each other. Each country is also under pressure to produce only those goods and services in which it can compete effectively. Canada will be pushed back to relying on primary industries and away from the manufacturing industries.

FP 27/3/76 p39 c1-5; R.Worzel.

### TRADE AND LABOUR

Close to one out of every two jobs in Canada's goods-producing industries depends fairly directly on Canada-U.S. trade. The failure to increase real new investment spending from 1967-1972 has left Canadian workers at a productivity disadvantage because of the lower quality technological plant and equipment in manufacturing industries.

FP 27/3/76 p6 c3-6 AJR Smith.

The abandonment of the export-profit levy has tilted the federal anti-inflation program in favour of corporate profit makers.

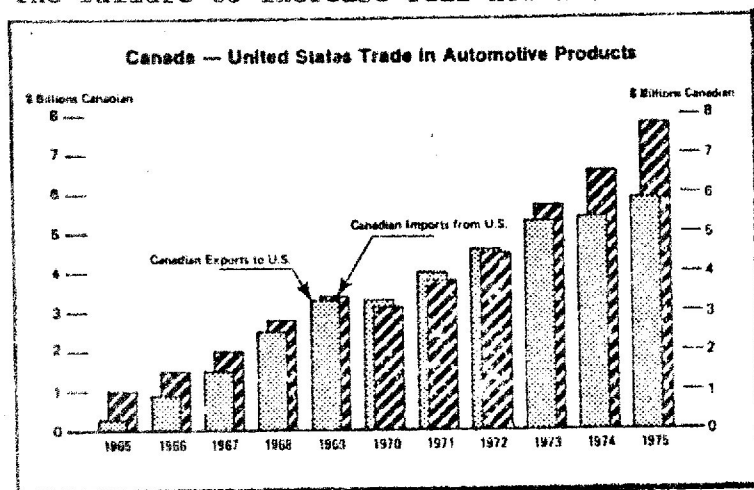
MG 2/3/76 p8c1-2 editorial.

### CANADA AND THE EEC

#### THE CONTRACTUAL LINK

On February 8, 1976, foreign ministers of the European Economic Community (EEC) formally approved the start of trade negotiations with Canada after receiving "limited assurances" from Canada regarding her two price policy for oil. (Denmark had objected to Canadian energy policy). The same day the EEC granted a \$78 million loan to British Steel Corp to participate in a joint venture at Fire Lake, Quebec to extract and pelletize iron ore. (British Steel 42%; SIDBEC 50%; Quebec Cartier Mining 8%). The operation falls under EEC policy regarding investments in projects aimed at securing raw materials supplies. Less than 10% of Canadian exports to the EEC are in manufactured goods.

WFP 10/2/76 p1 c3-7.





In Parliament today, External Affairs Minister Allan MacEachen denied that Canada has given the EEC the same access to energy supplies as Canadians.

HCH 11/2/76 pl c4-7.

There are rumours EEC countries pressured the Trudeau government to strengthen the naval arm of its NATO forces. The government is reported to be considering the purchase of 20 new fighting ships at a cost of \$400 million. It's feared the designs ~~concerat~~ may go to the U.S. or the U.K. while the machinery contract may go to Pratt and Whitney (United Aircraft). HCH 12/2/76 pl c7-8.

#### INITIAL NEGOTIATIONS BEGIN ON CANADA-EEC LINK

A Brief communique said negotiators will work to develop a framework agreement for economic and commercial cooperation. It will facilitate European investment and joint ventures in Canada, for example, in uranium exploration and development, forest products and non-ferrous metals. Canadians assert there will be no change in Canada's resource development or export policies which ensure exports only when they are surplus to long-term domestic needs.

WFP 12/3/76 pl5 c1-3 CP.

By and large foreign-owned Canadian companies have specific export market limits and are generally intended to supply only the local Canadian market. Ottawa frequently allows companies to import foreign machinery tariff free. Federal industrial research and development funds have been reduced from \$122 million ('75-'76) to \$70 million ('76-'77). FP 13/3/76 pl c2-3 C.Baxter.

The National Energy Board approves Manitoba hydro electricity exports to the U.S. and approved construction of a \$5.7 million transmission line to Minnesota.

EJ 5/3/76 p6 cl.

The government has shelved plans to close a tax loophole which according to Minister Ron Basford costs the country hundreds of millions of dollars. The loophole involves transnational corporations which set up subsidiaries and then divert income out of Canada to lessen their taxes. Lack of experts to evaluate the exports at their true value was the reason given.

WFP 27/2/76 p37 c1-3 Peter Cook.

#### JAMIESON LEADS SOUTH EAST ASIA MISSION

Industry, Trade and Commerce Minister Don Jamieson and 45 top Canadian businessmen are on a trade mission to Thailand, Malaysia, Indonesia, Singapore and the Philippines. Jamieson described the countries as the "last stand for our way of life in this part of the world". TS 11/3/76 pc8 c1-7)

#### TRADE WITH VIETNAM

Maurice Strong, president of PetroCan is enroute to Hanoi at the request of the North Vietnamese authorities to discuss their oil development plans and problems. Hanoi officials are anxious to get exploration and development in off-shore sites going again.

EJ 17/3/76 p88 c1-3.

The Export Development Corporation (EDC) has approved loans to Papua New Guinea, Algeria, Ivory Coast, South Korea and Mexico. GI 13/3/76 pB6 c3.



CANADA-LATIN AMERICA ECONOMIC RELATIONS

ALCAN is near agreement with the Government of Jamaica in negotiations over ownership of land, bauxite reserves, and national participation in the equity of Alcan's Jamaican subsidiary. In the earlier settlements with Kaiser Aluminum Co. and Reynolds Aluminum Co. of Canada Ltd., the Jamaican government took over a 51% interest in the companies. Because Alcan refines bauxite into alumina in Jamaica, the government may not make as many demands on Alcan.

FP 6/3/76 p11 c1.

FALCONBRIDGE DOMINICANA C por A reports a profit of \$8.8 million(U.S.) on its 1975 operations in ferronickel in the Dominican Republic. This is up from \$2.1 million in 1974. The company is 65.7% owned by Falconbridge Nickel Mines of Toronto. The Dominican profit represents a considerable part of Falconbridge profit of 65¢ a share down from \$6.05 a share in 1974. GM 18/3/76 pB3 c5-6.

TEXASGULF, INC. of New York, which is 45% owned by the Canadian Development Corporation, is developing the massive Cerro Colorado copper deposit in western Panama. It will conduct a feasibility study for a fee, then will have a 20% equity in a joint venture, and a management contract to develop the project and manage it for 15 years after start-up.

First phase will include a mine, a concentrator, smelter, and refinery to produce 150,000 tons of copper metal a year. Later phosphosphate fertilizer complex is contemplated using sulphuric acids from the smelter and refinery. Texasgulf would have 49% interest at this phase. The Cerro deposit includes more than a billion tons ~~xxxxxx~~ averaging 0.6% copper per ton with some molybdenum and precious metals.

FP 20/3/76 p36 c3.

MANITOBA TRADING CORPORATION(MANITRADE) officials are very pleased with prospects following their three-week, three-country tour of Mexico, Cuba and Venezuela which involved representatives of government and 12 companies from the four western provinces. The tour concluded with the Canadian Association for Latin America(CALA)-sponsored conference in Caracas, Venezuela at the end of January. Manitrade maintains a sales representative in Mexico City, Mr. Clem Wehner. He gained a contract for a Winnipeg firm to design and equip a slaughterhouse in Panama.

WFP 5/3/76 p13 c4-8.

Canadian life insurance companies, including Confederation Life Ins.Co., Imperial Life Assurance Co., of Canada, National Life Assurance Co. of Canada, Crown Life Insurance Co., and North American Life Assurance Co. have won round one in their battle with their government of Trinidad and Tobago. The government of Trinidad decided to enter the local insurance industry, but in his 1976 budget speech Prime Minister Eric Williams indicated that he would re-examine their proposals.

Canadian firms are threatened by the government's intentions since they dominate long-term life insurance markets of \$658 million(1974) in force. The government's action comes after years of Canadian firms studiously ignoring Trinidad's requests to incorporate their businesses in Trinidad and offer shares to Trinidadians. The government has reiterated its determination to withdraw the 40% allowance given to taxpayers who pay premiums to foreign companies, by January 1, 1978.

FP 6/3/76 p#2 c3-5.



Cuba has agreed to buy \$1.3 million in airport equipment from Canada, through Interimco Ltd., the company founded by Jean-Luc Pepin in 1972, and financed through the Export Development Corporation. FP 6/3/76 p3 cl-2.

Cuba receives 40,000 Canadians each tourist season, Unitours, Champagne Tours, Suntours and Treasure Tours and Treasure Tourd are all organizing trips. GM 13/3/76 p37 cl-8.

#### AID

Canada is providing Guatemala with \$3 million to permit purchase of temporary shelters for about 40,000 earthquake victims. The building materials will be purchased in Canada including tin roofing, plywood, nails and hand tools. Canada has delivered \$700,000 in food and other aid since the Feb.4th earthquake, and made a \$100,000 transfer to the Red Cross. EJ 10/3/76 p30 cl.

#### CANADA: NUCLEAR AID

Nuclear talks with Pakistan have been recessed after a week of intensive negotiations on safeguards. EJ 2/3/76 p13 cl. 3/3/76 p68 cl/

Canadian negotiators agreed in principle Saturday to end a ban on nuclear aid to India in order to complete a power project that was broken off after India set off its own atomic device in 1974. After the completion of this Rajasthan reactor there would be no more Canadian nuclear cooperation with India. The negotiations were conducted by Ivan Head, political advisor to Prime Minister Trudeau. EJ 3/3/76 p20 cl-6.

#### TRADE TALKS

Third World delegations in international trade talks deserve to be heard because they have united around detailed lists of proposals and demands, and have shown economic clout through OPEC. The 3rd world nations desire control over their own raw materials, more stable markets, control over transnationals, a transfer of technology, a reform of the world monetary system, and other improvements. MG 22/3/76 p9 cl-5.

Allan MacEachen, and Venezuelan International Economics Affairs Minister, Manuel Perez-Guerrero expressed optimism about the north/south conference on International Economic Cooperation in Paris, following a day long consultation in Ottawa. The two men are co-chairmen of CIEC. They discussed the possible effect of the May meeting of the United Nations Conference on Trade and Development(UNCTAD) on the June plenary of CIEC.

WFP 23/3/76 p7 cl-4.

Canadian corporations and governments seem headed for a record \$5 billion plus borrowing binge this year in foreign bond markets. It is possible that borrowers will add an extra \$1 to \$1.5 billion to the total in view of the Bank of Canada rate increase. The most spectacular pieces of this total involve the \$1 billion Hydro-Quebec and the \$650 m. Ontario Hydro private placements. Other big borrowers in the New York market are Canadian National Railways, B.C. Telephone, Manitoba Hydro and Bell Canada. In Europe, Canadian borrowers include the province of Quebec, New Brunswick Electric, Ford of Canada, Polysar, Dupont of Canada and Seagrams. All this borrowing means that the Canadian dollar will remain strong and rise to \$1.02 U.S. This will not help Canada's trade attractiveness. FP 20/3/76 p1 c2-3.

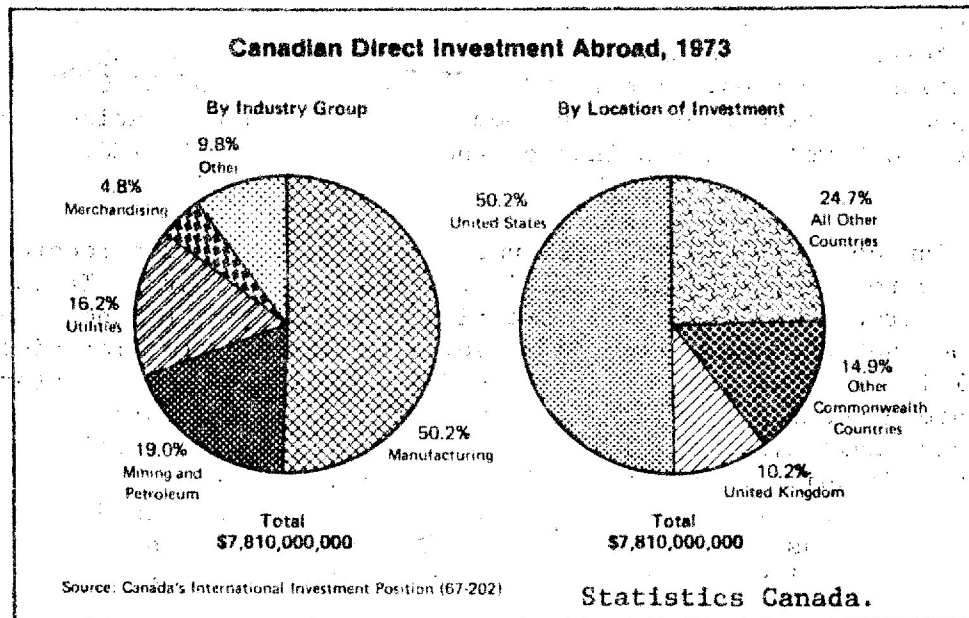


**ADVICE ON MULTINATIONALS**

The Canadian government is subscribing to a code of conduct for transnational corporations being drafted by the Organization of Economic Cooperation and Development(OECD). It is also making Canadian business executives who conspire to bribe foreign governments liable to prosecution under Canadian laws, through a provision in Bill C-71 now before the Senate. Public agencies like Air Canada, the Wheat Board and the Atomic Energy of Canada Ltd., are among the firms most likely to be tempted to bribery. FP 6/3/76 p21 c4-6.

Prof. G.Goundrey of the Commonwealth Secretariat and former economic advisor to Premier Frank Moores of Newfoundland criticized transnational corporations at a two-day symposium at the Center for Canadian Studies at Edinburgh University. He called their behaviour in Canada an attempt to subvert the process of government. He also accused government leaders of entering into contracts with transnationals without knowing what they are doing. He suggested a persistent pattern in Newfoundland's experience since 1905. The corporations seeking resource-based materials for which they have adequate markets, usually control the prices of these materials, thereby controlling the profits of their Newfoundland operations, and consequently the tax take of the government. Typically, these companies won generous resource concessions and lengthy holidays from most taxes when establishing their operations. Prof. Ian Drummond from Toronto attacked provincial governments for not only allowing but inviting multinational firms to gain influence. GM 8/3/76 p2 c4-6; HCH 9/3/76 p 14 c7-8.

Leading western countries have reached consensus on a code of conduct for transnationals, and hope that a final draft will be ready for ministerial approval at a meeting in June. The guidelines would not be legally enforceable. It is hoped that their moral impact would ensure the harmonization of transnational policies with national policies. The Scandinavians demand major disclosure of information by firms, while the United States, reportedly backed by Canada, argues that disclosure could be harmful to investor interests. GM 23/3/76 pB4 c5-7. CNSP NOTE: Based on past experience, it seems unlikely that moral persuasion will reform the transnational corporations.





# FOREIGN INVESTMENT

## GENERAL:

Foreign investors are worried about Canada; their worries include Canada's high inflation rate, big increases in Canadian pay rates, Canada's huge trade deficit, Ottawa's system of controls, and Trudeau's vision of a new society. This was reported by Toronto Star interviews in New York, London, Edinburgh, Zurich and Geneva. Foreign investors want a rising market, and Canada's stocks are not moving up rapidly enough. Swiss bankers advised Canada to give more advantages to foreign money to develop natural resources.

TS 1/3/76 pB9 c1-4; HCH 8/3/76 p7.

## OPINION FROM A CANADIAN POINT OF VIEW

Mel Hurtig, former chairman of the Committee for an Independent Canada(CIC), attacked Prime Minister Trudeau as the man who has sold Canada out more than any other. He attacked the Foreign Investment Review Act(FIRA) as a smoke screen. He stated that Canada's freedom of action will diminish if she allows the U.S. to become even more dependent on our natural resources. EJ 11/3/76 p48 c4-5.

In a disconcerting number of instances, commitments made by foreign investors to FIRA are not as yet fulfilled. FIRA does little to check on promise fulfillment or to establish schedules for their implementation. TS 13/3/76 pB1 c1-7.

## FIRA AND THE CABINET

The Westinghouse saga continued in March. The federal government has not yet wrested trademark control from White Industries. Meanwhile Robert Stevens of General Steel Wares has enlisted support from the United Electrical Workers union and from the Committee for an Independent Canada. John Munro has been GSW's most stolid ally in the cabinet. I.T.&C Minister Jamieson and External Affairs Minister Allan MacEachen fear that a rejection of White Industries would further unsettle foreign investors. White Industries have a bad reputation in London with regard to layoffs. UEW fears White's wage plans for the plant.

Planners at I.T. & C. would like to see a rationalized appliance industry in Canada and GSW has been moving to acquire plants and become the instrument of such a system.

FP 13/3/76 p6 c3-6.

The Crown petroleum corporation of the Saskatchewan government, SASKOIL, has purchased all the production, transmission and land holding assets within Saskatchewan, owned by Atlantic Richfield Canada Ltd. of Calgary. The transaction is estimated at \$23 million. Atlantic Richfield's production is approximately 38,000 barrels a day in western Canada, and of this 6,700 barrels a day are from Saskatchewan.

Atlantic Richfield has been negotiating a \$400 million sale to Petrocan of virtually all its holdings in western Canada.

Saskoil and Saskatchewan Power Corporation have been expanding their industrial program, and have acquired upward of 600 billion cubic feet of gas reserves, mostly in Alberta. Atlantic Richfield is selling out in Canada in order to gain financial liquidity to bring its substantial holdings on the North Slope of Alaska into production.

GM 11/3/76 pB1 c2-3.

FIRA needs some attention, argues a Financial Post editorial. A new commissioner is needed to replace Mr. Barrow who resigned in December only 4 months after Mr. Murray, the first commissioner, had left. The FIRA Act needs to be amended to plug loopholes, and to reduce the number of transactions screened. The Act does not deal effectively with control of trademarks and intellectual property. FIRA needs to reduce its obsessive and excessive secrecy. Fuller disclosures of the



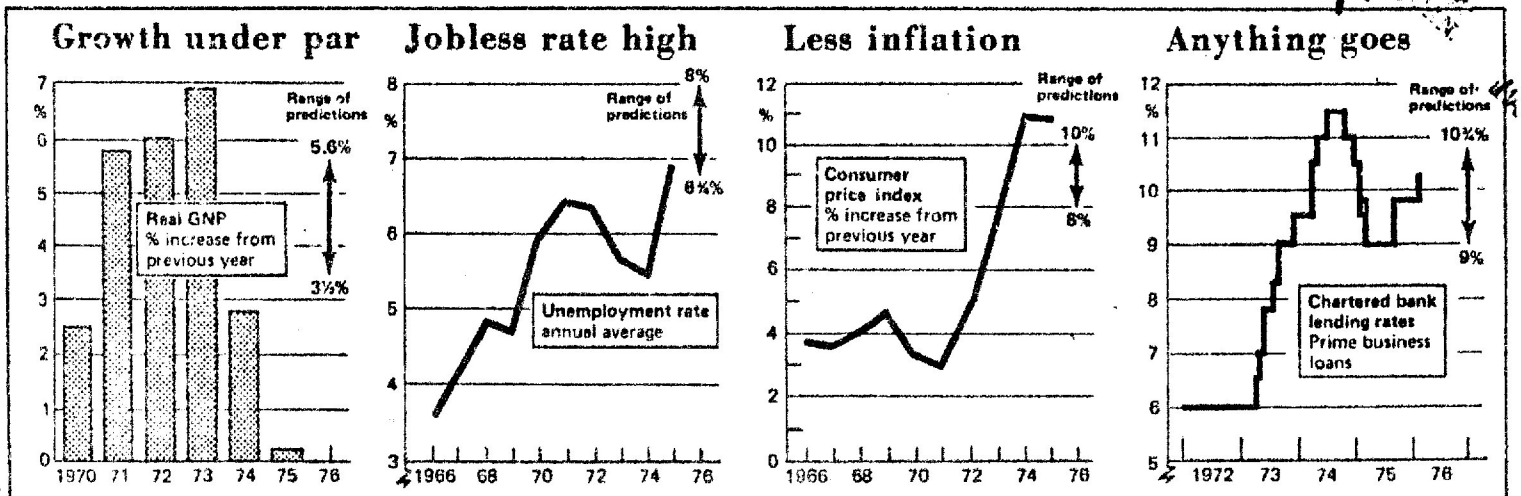
reputedly significant benefits exacted by FIRA from companies need not make them feel naked.  
FP 6/3/76 p6 c1-2.

Non-resident land-owners in British Columbia are creating problems for municipalities trying to undertake flood control operations and close roads.  
VS 27/3/76 p9 c6-8.

## ECONOMY GENERAL

### The Great Canadian Sweepstake: 1976 forecasts

F.R. 27/3/76  
P1 c25



#### COST OF LIVING RISE SMALLEST IN TWO YEARS

The Consumer Price Index rose 0.3% in February. The increase for the 12 month period up to the end of the month was 9.1%, the smallest annual rise in more than two years. Declining food prices helped keep the CPI rise low, claimed Statistics Canada.  
TS 11/3/76 pA1 c7-9.

#### 1975 REAL DOMESTIC PRODUCT DOWN

Statistics Canada said that the real domestic product for 1975 was 115.6, down 0.2% from 1974. (1971 = 100). The real domestic product is the best measure of the strength of the economy because it measures only real values of goods and services, as opposed to Gross National Product (GNP) which is distorted by monetary influences. In December, the mining index fell 0.7% and manufacturing fell 0.4%. Showing gains were motor vehicles (10.7%), department stores (4.9%), and food stores (3.6%). The real domestic product (RDP) decline over the year was caused by a 4.8% drop in industrial production. WFP 2/3/76 p1 c6-8; GM p6 c1.

#### CANADA RECORDS 1975 CURRENT ACCOUNT LOSS

Canada's current account, the measure of its international trade balance and overseas service payments balance had a record loss of \$5.07 billion. The main reason for the deficit was a shift in merchandise trade from a 1974 surplus of \$1.5 billion to a loss of \$800 million in 1975. HCH 18/3/76 p10 c2,3.

CNSP NOTE: *in the face of these figures, the HCH called for an increase in*

(HCH, 6/3/76)

productivity especially in manufacturing. An editorial said that Canada must not "piggyback" out of the recession on the back of the U.S. Another article pointed out that of all western countries Canada has the smallest percentage of the work force employed in manufacturing apart from Iceland and Greece. What these articles ignore is that it is the conscious policy of the Canadian and American governments to keep Canada closely linked to the U.S. as a supplier of raw materials at the expense of the development of a strong domestic manufacturing sector. (see last month's CNSP, for Canada/U.S. trade picture; also, this month's issue - manufacturing section).

#### GOVERNMENT MUST CUT BORROWING - BOUEY

Gerald Bouey, a governor of the Bank of Canada, said that all levels of government must reduce borrowing as this was a factor in the upward movement of the Canadian dollar in the exchange market. This upward movement has a negative effect on the balance of payments. WFP 13/3/76 p1 c1-3.

CNSP NOTE: The TS (13/3/76, pB5) reports that most economists are baffled by Bouey's actions. The Bank of Canada has a high bank rate of 9.5%. This causes high interest rates in Canada which stimulates foreign investment. Such foreign investment, while it may help the balance of payments in the short run, is inflationary and also pushed up the Canadian dollar on the foreign exchange markets.

#### FORMER AUDITOR-GENERAL CRITICIZES FEDERAL SPENDING

Maxwell Henderson, federal auditor-general from 1960-73, says that government spending at the federal level is reaching what promises to be the gigantic figure of \$35 billion by the end of this month, and will be \$42 billion by the end of March 1977. In 1966-67 federal spending was \$8.8 billion.

Federal spending at such a fantastic rate holds very serious implications for a country of only 22 million people, for it fuels domestic inflation even further. VS 16/3/76 p6 c1-6.

#### CONTROLS HURT THE POOR - CHURCH REPORT TO CABINET

A brief by the Canadian Churches to the federal cabinet warned government that cutbacks in social services will hurt the poor and widen the gap between them and the rich. The Churches state that those who are affluent should reduce their consumption, but it is important to be aware that in any call for restraint that there are many Canadians who do not yet receive an adequate return for their labour or a fair share of the wealth of this country.

The brief was signed by representatives from the Canadian Council of Churches, and from the Anglican, Lutheran, Presbyterian, Roman Catholic and United Churches. HCH 3/3/76 p34 c2-4; TS 3/3/76 pA3 c1-3.

#### QUOTE OF THE MONTH

John Meyer, writing in the Winnipeg Free Press (1/3/76 p17 c1-3) concerning the task facing the new P.C. leader Joe Clark: "Mr. Clark would also have to reverse the strengthening conviction of Canadians, particularly the younger voters, that the resources belong to the people".



# PRIMARY AGRICULTURE

## OPPOSE STRIP MINING OF PRIME AGRICULTURAL LAND

Unifarm, Alberta's largest farm organization, is supporting the Dodds-Roundhill Agricultural Protection Association which was organized to oppose a strip mine proposed by Calgary Power and Can-Pac, a subsidiary of C.P. rail.

Some 125 farm families and 55 square miles of high quality land are affected. It has been proven that stripped-mined land is too salt infected to be redeemable for agriculture. Unifarm has suggested that areas like Hanna and Fox Creek be used since they are not valuable for farming. In the provincial cabinet only Deputy Premier Horner and Agriculture Minister Moore strongly oppose the project while Utilities and Telephones Minister Warrack is promoting it.

EJ 1/3/76 p51 c1-8.

## MANITOBA MEAT RETAILERS PROFITEERING

An 18-month old provincial commission of inquiry accused major retailers of reaping fat profits by charging higher prices than warranted for meat and avoiding changes that would lower prices. Seventy percent of retail meat sales in Winnipeg are made by four major supermarkets. Prices are 10¢ a pound more than in Toronto where wages and wholesale prices are higher. The report recommended the promotion of private and cooperative meat stores to offer consumers lower prices through competitive outlets.

WFP 2/3/76 p1 c1-2.

## MEAT SUBSIDIES

Under the "beef stabilization program" cattlemen are eligible to collect half a cent a pound. Big operators who market 700 or 800 animals are collecting but the smaller cattlemen of eastern Ontario and Quebec who pay higher feed prices and receive lower prices are either overwhelmed by the paperwork or feel that payments are too small to be worth their participation. Again the larger operators of western Canada who benefit from higher market prices are the winners.

EJ 2/3/76 p2 c1-8.

## INCREASED FERTILIZER COSTS

Alberta farmers are currently paying \$210 for a ton of phosphate fertilizer and \$174 for nitrogen. In Montana, farmers are paying \$165. and \$146. for the same product. Two years ago the reverse was the case. This is partly attributed to the cost of hauling phosphate rock from Florida, as well as for the cost of transportation, materials, labour, and capital for new facilities. There is also the suspicion that firms have been preventing any development of competition in this sector. On April 9, six major fertilizer firms will appear in court to answer charges of unduly lessening competition. WFP 4/2/76 p10 c4-8; EJ 18/3/76 p48 c6-8.

## WHEAT PRODUCERS QUESTION OUTPUT INCREASE

Fergus Young, chairman of the Ontario Wheat Producers Marketing Board, is questioning the call for increased wheat acreage by Otto Lang, minister responsible for the wheat board. He stated that "world wheat markets are presently volatile, with supplies running close to demands. If wheat producers increase their output it wouldn't take too long to put export markets on the downswing, with resultant depressed prices to farmers.

GM 9/3/76 pB11 c1-2.

OIL AND GAS

Introduction: According to John Meyer in the Montreal Gazette (2/3/76), the annual crude oil deficit is expected to rise to \$6 billion in the next few years. That amount of deficit in one class of commodities is not readily covered by increased exports in other classes; especially not when the odds are so strongly stacked against significant export expansion. A persistent deficit brings about the reduction in the exchange value of the Canadian dollar. The discounted dollar will add to the cost of foreign debt service. The increase in long term borrowing abroad last year and this year has added about \$600 million to interest payments which Canadians must pay to foreigners.

The F.P. (6/3/76) claims that the federal tax regime and provincial royalty structures are weighted heavily to favour companies active in exploration and development. Revenues from the oil export tax and the gasoline excise tax totalled \$1.1 billion last year whereas the cost of subsidiary imported oil was \$1.4 billion.

The Toronto Star editorial (3/3/76) advocated that in the near future due to urgent shortages of oil and gas it would be only practical to buy out with fair compensation Imperial Oil in order to be inside the industry at all the levels from exploration to distribution.

Meanwhile, Imperial Oil and the Petroleum industry as well as the C.D. Howe Research Institute are urging that the domestic oil price rise to world levels as quickly as possible. (\$13.30 a barrel in Montreal).

A series on the National Energy Policy and opinion articles by Bruce Wilson (former president of Union Gas Ltd.) were carried by the TS urging that the national energy policy begin to be responsible to national priorities. The practice of the petroleum industry over the past 20 years of giving inflated reserve estimates and promoting excessive exports have created the energy shortage and the high prices. The field price between 1972 and 1975 has increased 400%, whereas in the U.S. the price of oil and gas discovered prior to 1973 is closely controlled by the government. In Canada, the government, rather than checking growth in demand for energy by regulation, has resorted to price increases which are in conflict with the anti-inflation program. (TS, 3/3/76, pB4 c3-5).

The Federal/Provincial Energy Ministers' meeting failed to set a new price for crude oil but did agree to look at an alternative oil pricing system. Dennis Timbøell, Ontario Energy Minister, suggested that Canada follow the pricing system of the U.S. which relates the price paid for domestically-produced crude oil to production costs.

An editorial in the Edmonton Journal (5/3/76) asked whether Ontario's long-protected industries deserve a \$3.50 per barrel cushion against international competition at Alberta's expense? And the Financial Post (6/3/76) suggests a crude oil price that would go up by a maximum \$2 per barrel with the provinces offsetting the price rise by a cut in sales taxes in order to prevent adverse effects on the economy's growth and consumer prices.

The Federal Energy Administration (FEA) in the U.S. imposed an average crude oil price of \$7.66 per barrel beginning February 1976 and a 3-year increase of \$2.88 per barrel to \$10.54 in May 1979. If new crude from Alaska is exempted from U.S. controls, the average price in May 1979 would reach \$11.02 per barrel. Final rules are to be adapted by the end of the month.

WFP 3/3/76 p40 c7-8 AP.



### BEAUFORT SEA DRILLING PERMIT HALTED AFTER U.S. EXPRESSES CONCERN

The State Department told Ottawa on Feb. 16 that it wanted "full and adequate consultations" before the Canadian government approved a drilling permit for Dome Petroleum Ltd. to drill in the Beaufort Sea. Washington is disturbed that an oil spill in the Canadian section of the sea would foul up the northern coast of Alaska. Also, an accident in the Canadian drilling program would effectively prevent drilling off the Alaska coast for at least a decade.

EJ 19/3/76 p39 c1-4; Financial Times News Service.

Cabinet has delayed the decision because Canada wants international acceptance of the unilateral action taken by the 28th Parliament when it enacted the Arctic Waters Pollution Prevention Act. This provision currently under discussion at the 3rd Law of the Sea session in New York if written into a global treaty would give "coastal states the right to establish laws and regulations to protect marine environment....". The Canadian delegation fears that Canada could lose this 'arctic exception' if drilling were permitted in the Beaufort Sea.

GM 24/3/76 p6 c1-2 Geoffery Stevens.

### NEB, ONCE STUNG, TWICE SHY

The Supreme Court of Canada, in a split decision, overturned a Federal Court of Appeal ruling, and effectively disqualified Marshall Crowe as NEB chairman in the pipeline hearings. Appointments to regulatory agencies have often been largely on the basis of the candidates record of past services to the Liberal Party. What the Supreme Court has done in its ruling is overturn a Cabinet decision. In order to avoid a further challenge the NEB picked a new panel to rule on a northern gas pipeline and decided to start back at square one on April 12.

GM 12/3/76 pB6 c2-7; FP 20/3/76 p5 c1-3 Stephen Duxan.

### SHAHEEN'S COME-BY-CHANCE DECLARED BANKRUPT

The potential 100,000 barrel a day oil refinery, Come-By-Chance, Newfoundland, built for subsidiaries of New York-based Shaheen Natural Resources Inc. has uncovered liabilities estimated at \$230 million. The collapse of the refinery has sent a wave of nervousness through the international shipping and banking markets with fears that the refinery's closure may trigger a series of collapses among tanker operators. Estimated revenue losses to shippers of \$70 million annually are regarded as extremely serious by the industry.

MG 16/3/76 p13 c1-8.

### PETRO-CAN.

Petro-Can, the government-owned oil company with assets of \$1.5 billion is negotiating partnership arrangements and joint ventures with a number of private companies. Exploration in frontier areas is top priority in order to determine the value of Canada's resource potential and to stimulate exploration.

Petro-Can - has committed \$5 million to Polar Gas Group for testing and research into northern pipeline development;

-will eventually receive federal government's 45% interest in Panarctic Oils Ltd.;

-will receive the federal government's 15% interest in Syncrude;

EJ 4/3/76 p40 c3-7.

-is negotiating possible purchase of Atlantic Richfield Canada Ltd. (ARCAN) valued at \$400 million by its parent company Atlantic Richfield.

EJ 6/3/76 p1 c3-3.

-is expected to participate with Dome Petroleum Ltd. in exploration of the Beaufort Sea;

HCH 17/3/76 p15 c1-2.

-holding discussions with the Vietnamese government regarding the possible Canadian participation through PetroCan's organization of and heading a consortium of private Canadian oil companies to develop Vietnam's offshore oil resources;  
GM 16/3/76 pB3 c5-8.

-plans joint ventures with Mobil Oil Ltd., the Murphy Group, Shell Canada Ltd., in an exploration program off the East coast and Sable Island;  
GM 27/3/76 pB1 c2-3;

-has been showing continuing interest in the Shaheen Refinery in Newfoundland;  
HCH 3/3/76 p3 c3-6.

## MINING

### POTASH NATIONALIZATION

Speaking to the Canadian Fertilizer Institute, a group opposed to Saskatchewan's proposed potash nationalization, Provincial Premier Allan Blakeney attempted to dispel fears that his government would set up a potash cartel similar to that of the international oil producers and thus drive up prices. He said that unlike oil, potash was not a depleting resource and there were several other sources of supply.

He added that no Saskatchewan government would play games with the U.S. on potash if it meant jeopardizing supplies or prices of phosphates - the one ingredient of fertilizers (along with potash and nitrogen) which Canada must import from the U.S.  
EJ 5/3/76 p10 c1-3 CP.

In its annual brief to the provincial government, the Saskatchewan Federation of Labour urged the government to proceed with nationalization of the whole potash industry, rather than sticking to its plan to gain 50% of the industry. The SFL said that private ownership will leave much of the industry under the control of foreign corporations.  
WFP 11/3/76 p4 c7-8 CP.

Senator Kerman Talmadge, chairman of the U.S. Senate agriculture committee, will soon introduce a resolution demanding protection for American farmers from a potential potash embargo by Saskatchewan. The Senator's resolution says that Saskatchewan's intended takeover of the potash industry "might result in supply irregularities and price volatility similar to those experienced in petroleum due to the Organization of Petroleum Exporting Countries". It demands that the U.S. state department "express concern" to Canada and Saskatchewan "that supplies of the critical plant nutrient, potash, not be disrupted".  
Montreal Gazette, 12/3/76 p35 c1-6, FT.

Premier Blakeney plans to visit China in May to try to increase potash sales.  
Montreal Gazette, 18/3/76 p37 c5 CP.

### NOVA SCOTIA COAL PRODUCTION

According to William Marsh, president of District 26, United Mine Workers of America, Premier Regan is just coming to realize what the union has been saying for years. Said Marsh, "Ten years ago we presented the provincial government with briefs outlining the future importance of coal as an alternate power source in Nova Scotia, and 10 years later they are taking our advice and making making like they are saving this province from the energy crunch". Marsh says that Premier Regan was anti-coal and had shut down and discouraged coal mining in Cape Breton. With the rise in oil prices, the value of coal is reasserting itself. "any increase in the coal mining industry could mean a boost to the sagging economy of this province", said Marsh.  
HCH 5/3/76 p25 c4-8.



SECONDARY: MANUFACTURING

## JOBS LOST TO FOREIGN IMPORTS

The importing of foreign manufactured goods into Canada is strangling our secondary industry capacity and causing more inflation. In 1975, imports of finished goods exceeded \$20 billion. The imbalance of trade in finished goods that this created represented approximately 560,000 lost jobs to Canadians.

It is a myth that the retarded development of secondary industry is due to lack of managerial ability and international marketing expertise. Rather, the flooding of the Canadian market with foreign imports, and the domination of secondary industry by foreign-owned companies, is systematically preventing the development of new products in Canada.

FP 6/3/76 p36 c1-8 K.Eckhardt and P. Northey.

## INDUSTRIAL PLANS CURTAILED IN ATLANTIC PROVINCES

The recent Nova Scotia budget announced that "agriculture and fishery resources are the foundation of our provincial economy and must be encouraged". This statement is an indication of a shift in emphasis by Atlantic provinces away from the promotion of large scale industrial projects which have dominated government plans over the past 15 years. The hope of creating prosperity for the region through industry has been shattered lately by the collapse of the Come-By-Chance refinery in Newfoundland, the Bricklin fiasco in New Brunswick and the failure of the Glace Bay Heavy Water Plant in Nova Scotia. While some industrial plans are still in the works --- such as those for a modern steel industry in Sydney, Cape Breton -- the provincial governments seem to be returning to dependence on the traditional resource sectors of fishing, forestry and agriculture.

GM 27/3/76 p8 c3-4.

## STEEL PRICES RAISED -- NO A.I.B. INTERVENTION

Canada's three major steel producers - the Steel Company of Canada (STELCO), Dominion Foundries and Steel Ltd. (DOFASCO) and Algoma Steel Corp. Ltd. - have announced almost simultaneous price rises for some of their products. A spokesman for the Anti-Inflation Board said that the price increases comply with AIB guidelines and that the board would not intervene. GM 27/3/76 pB1 c5-6.

## 1975 AUTO PACT DEFICIT AT \$1.9 BILLION

Canada had an automotive trade deficit with the U.S. of \$1.9 billion in 1975, up \$701 million from the 1974 deficit, according to Statistics Canada.

GM 23/3/76 pB3 c3-4; TS 23/3/76 pC10 c8-9 DJ.

## QUEBEC UNION CONFEDERATION URGES TARIFF BARRIER FOR TEXTILES

A report by the Confederation of National Trade Unions (CNTU) says that the adoption of tighter tariff protection by the federal government could lead to the creation of between 20,000 -- 30,000 new jobs in the clothing, textile and shoe industries. The CNTU report says that the free trade policy recommended by the Economic Council of Canada would kill the three industries. Cheaply priced imports from South Korea, Hong Kong, and Taiwan are commonly cited as causes of the problems of the industry. But the CNTU report says that only 14% of clothing, textile and shoe imports came from these countries in 1974; meanwhile, 74% of all the imports came from the U.S. and the European Economic Community.

TS 17/3/76 pC9 c4-6 CP.

*CNSP NOTE: Throughout the month the Senate's committee on Banking, Trade and Commerce has been examining Canada's textile and apparel industry. Most reports on these hearings have surfaced in the Montreal Gazette through reporter Alan D. Gray. Most of the testimony by company and union representatives recommended increased tariff restrictions on the import of foreign goods in order to protect Canadian jobs. Witnesses have claimed that Canada has a much more liberalized*

*tariff structure than other industrial nations which maintain many more restrictions against foreign imports.*

*While the CNTU brief identifies imports from the U.S. and the EEC as the greatest source of the problem, most testimony seems to be aimed at restricting imports from low-wage Asian countries. Such a stance may reflect a feeling in the industries that it is easier to apply import restrictions on the Asian, developing nations than on the more politically powerful nations of the U.S. and the EEC.*

AMERICANS BUY INTO MASSEY FERGUSON (see also: CNSP Vol.III, No.9 p17).

The world's second largest manufacturer of agricultural implements and machinery, Massey Ferguson, has attracted American buyers of the company's shares. As a result of favourable recommendations from U.S. investment magazines, American investors are now rushing to buy into Massey Ferguson, pushing the value of the company's shares from a November level of \$16 to a high in February of \$33. U.S. ownership of Massey stocks has jumped from November's 14% to about 25% at present. Controlling interest in the company still resides with the Toronto-based Argus Corporation which owns 15.4% of the stock.

Seventy-two percent of Massey sales in 1975 were accounted for by farm machinery, and sales are expected to double by 1985 as developing nations try to become more self-sufficient in food production. Presently, Massey Ferguson sells 93% of its products outside Canada; 52% of all tractor sales are made in Latin America, Australia and Africa. 1976 sales are expected to reach the \$3 b. mark since Massey is the only one of the big three farm equipment manufacturers (the others are International Harvester and John Deere) which is well established outside of the North American market. Montreal Gazette, 12/3/76 p35 cl-4A. Gregor; Gm 12/3/76 cB1 pB4.

#### THE AMERICANIZATION OF NORTHERN ELECTRIC

A high level executive shuffle in the ranks of Bell Canada and its subsidiary, Northern Electric, marks another phase in the continuing Americanization of the latter company. John Lobb, currently chairman of the Montreal-based Northern Electric, will be placed in charge of U.S. operations in Nashville, Tennessee, while current Bell Canada chairman Robert Scrivener will replace Lobb at Northern Electric. The appointment of Lobb, a former vice-president of International Telephone and Telegraph Corp. (ITT) to the U.S. indicated that the company is trying to expand its markets in the U.S. during the next few years. Currently, Northern's sales to the U.S. account for 10% of the \$1 billion total. The company would like to see the U.S. market account for one-third of its total revenue in the future.

There is also speculation that the company may relocate its head office to Tennessee from Montreal. The Americanization of the company continued a few weeks ago when the company changed its name from Northern Electric to Northern Telecom, the same name the company has been using in the U.S. for several years. The company's stock was listed on the New York stock exchange last year to attract more American buyers. In the past Northern officials have threatened to shift some of its manufacturing to the U.S. because of what they claim are high Canadian wage levels. One of the reasons Northern has selected Nashville for its U.S. headquarters is lower wage rates in the area. In addition, the company will be locating in an area where it will be able to take business away from the GTE corporation without running into competition from the U.S. giant telecommunications network of A.T. & T.

Montreal Gazette 25/3/76 p37 cl-3 T. Corcoran.



Nous  
avons  
besoin  
de vos  
compétences

COMPAGNIE  
**Northern Electric**  
LIMITÉE

CNSP BACKGROUNDER: "At Northern Telecom we're creating an impressive image of Canada abroad....by doing this we're also creating good jobs here for more Canadians".

Northern Telecom advertisement (EJ 1/3/76 p7).

The people of Pointe St. Charles disagree. Northern Telecom may be developing a good image abroad, but it's never been lower in this working class neighbourhood of Montreal. The "good jobs" that the company boasts must be for someone else. The principle employer of the residents of Pointe St. Charles, Northern Telecom Ltd. has recently announced the closing of its Shearer Street factory and the dismissal of its 4,000 workers.

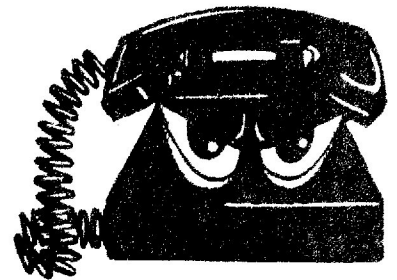
Northern Electric opened its Pointe St. Charles plant in 1914 as a producer of telephone and electronic equipment. The company employed as many as 6,500 workers in the past, taking advantage of the transportation facilities of the Montreal port and the relatively cheap labour force of the area. But in the post World War II period the company began an expansion programme in other parts of Canada. In 1946, 84% of Northern employees worked in Quebec. By 1971, this figure had been reduced to 57%. As the company opened up new plants at Bellville, Bramalea, London, Calgary, Ottawa and Kingston, the Quebec workforce dwindled. Between 1969 and 1975, the number of Quebec workers employed by the company fell from 20,000 to 9,900. And there may be 4,000 less by the end of the year.

The company's philosophy, by which it decides where to locate and who to employ, is best expressed by Northern chairman, John Lobb: "new investments will be made where profit levels are highest and where the labour climate is the best". This explains in part the company's interest in the U.S. marketplace, and the appointment of Lobb as head of its growing American operations.

But to call this process one of "Americanization" - as does M.G. writer Terence Corcoran, - is a distortion of the facts of ownership. Northern Electric (now Northern Telecom) is 90.1% owned by Bell Canada, and acts as Bell's chief supplier of everything from telephones to wire cable. This fact in itself has been of some concern to the Consumers' Association of Canada. The Association pointed out that Bell's demands for higher telephone rates are based on their claim that equipment costs are soaring. It's a case of Bell asking for, and usually getting, permission to charge higher rates to pay for costlier equipment that is made by its own subsidiary, Northern Electric. Both Bell Canada and Northern Electric have been doing well on the bottom line.

Bell Canada itself claims to be 98% "Canadian". What is not said in the company's advertisements is that the remaining 2% ownership of Bell Canada stocks is held by the American Telephone and Telegraph Corporation (A.T. & T.), the giant of the U.S. telecommunications industry. This 2% is not insignificant. Because stock ownership of Bell Canada shares is so diversified among small shareholders (over 2/3 of Bell shareholders own less than 100 shares), the 2% A.T. & T. interest leaves the American corporation with the largest block of shares - and effective control.

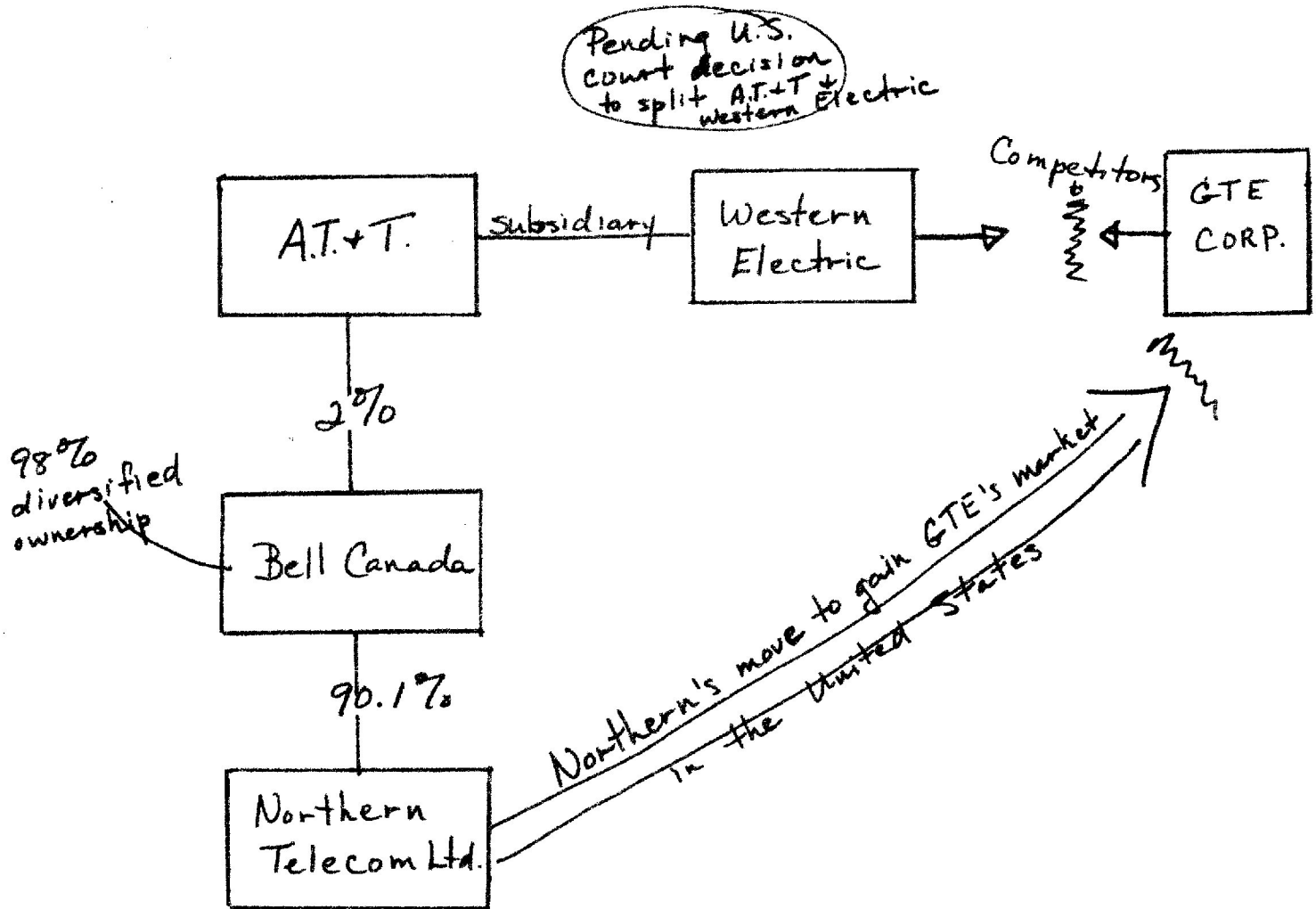
So Northern Telecom is not as Canadian as it seems. Nor is the "american connection" unrelated to Northern's expansion into the U.S. market. In recent months, a U.S. court has been considering the possibility of demanding that



AT&T divest itself of ownership of Western Electric - the U.S. manufacturing counterpart to AT&T which is similar to Northern's relation to Bell in Canada. Should this court decision be made, AT&T's competitors, such as GTE Corporation, could gain part of the AT&T-Western Electric market/. But at this point, in comes Northern Telecom, an apparently "Canadian" company breaking into the American market with a keen eye towards taking away some of GTE's business.

The corporate infighting goes on. The odd wisps of information provided to readers of the Canadian press only allude to the character of the 90% of the iceberg that is not seen.

The people of Pointe St. Charles, however, will bear the consequences of decisions taken in corporate offices, far away from their community and with little regard to anything else but the dictates of profit maximization.



SOURCES: Financial Post Survey of Industrials. 1975. Le Lien, Vol.3,#2, February 1976, p5-7.



# TERTIARY

17

## FINANCE

### FINANCE COMPANIES BATTLE EXPANSION OF BANKS

The newly formed Association of Canadian Financial Corporations says it will actively fight any revision of the Bank Act in 1977 that will allow the banks to enter the industrial leasing field. The banks' share of the consumer credit market has grown from 34.6% in 1967 to 52.6% in 1974. The finance companies' share fell from 14.2% to 8.7%.

FP 20/3/76 p.B19 c. 1-5  
HCH 5/3/76 p. 30 c. 2-5

### BANKS' FIRST QUARTER PROFITS RISE

	1st quarter 1976(\$000)	change from 1st quart. (%)	change from 4th quarter (%)
Bank of B.C.	609	+ 141	-40
Bank of Montreal	28,390	+ 51	- 2
Bank of Nova Scotia	29,390	+ 26	- 4
Banque Canadienne	6,084	+ 17	-18
Banque Provinciale	4, 727	+ 49	+ 4
Mercantile	3,420	+ 57	+13
Royal	47,396	+ 32	+18
Toronto-Dominion	25,452	+ 27	- 1
Unit 1	(Loss 123)		

FP 6/3/76 p. 25

### MACDONALD SAYS PROFITS EXCEED GUIDELINES

Finance Minister Macdonald stated that the banks' first quarter profits exceeded the federal guideline and he warned that unless profits fell in the next quarter of the year then this would be subject to AIB enforcement procedure.

HCH 6/3/76 p. 3 c.1  
WFP 6/3/76 p. 7 c. 1-2

## COMMERCE

### INFLATION CONTROLS COULD LEAD TO RETAIL CONCENTRATION

The Montreal investment firm Nesbitt Thomson and Co. has claimed that federal attack on inflation could lead to a greater concentration of retail sales in the hands of the larger, well-organized firms at the expense of the smaller merchants.

MG 28/2/76 p. 17 c. 1-7

**ONTARIO TO INTRODUCE WARRANTY BILL**

Ontario Minister of Consumer and Commercial Relations, Sydney Handleman, says that the province will introduce legislation to make consumer product warranties simpler and more comprehensive. The legislation, he claims, is an attempt to "restore consumer confidence in the market system".

EJ 17/3/76 p. 37 c. 1-2

**MILK SURPLUS COULD REACH 400,000,000 POUNDS**

The Canadian Dairy Commission guaranteed to buy milk for 64 cents per pound, but now has a surplus that could reach 400 million pounds by the end of the year. At the same time there is a glut of powdered milk on the world market, so the CDC has been attempting to sell it to Eastern Europe for 14 cents per pound, or even to give it away to underdeveloped nations. Presently, storage costs for the milk are expected to reach \$33 million this year.

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

GM 3/3/76 p.8 c.3-4

*CNSP NOTE: Canada sent mil powder as aid to Guatemala. Milk was sent because Canada had to get out of its surplus, not because it was the most useful thing for the Guatemalans.*

**LABOUR GENERAL**

*Introduction: Major new restrictions may be forthcoming on unemployment insurance, a leaked UIC study indicates. On the anti-wage controls front, the Canadian Labour Congress made their annual trek to Ottawa while thousands demonstrated outside on Parliament Hill. In Ontario, an arbitrator's decision to declare the federal government's anti-inflation bill invalid has heightened interest in the Supreme Courts hearings of the constitutionality of the legislation scheduled for April. The CLC will be one of eight labour groups presenting their case against the controls.*

**Unemployment Rate Jumps**

The national unemployment rate rose from 6.6% to 7% in February using the new measuring techniques. While the total number of unemployed remained constant at 800,000, there were 63,000 more jobless than in February, 1975. The rate for young workers (15-24) rose from 12.1 to 13.1. Alberta continued to have the lowest jobless rate (3.6%) while Newfoundland had the highest (13.1%).

GM 17/3/76 p. B6 c. 2-6

**Labour Income Down in Fourth Quarter of 1975**

Over-all labour income rose 1.6% during the fourth quarter of 1975 dropping from 1.7%, 2.9% and 4.5% in the first, second and third quarter respectively.



Total labour income was up 14% over 1975 compared to 16.9% in 1974 and 13.4% in 1973.

GM 6/3/76 p. B3 c. 8

### More UIC Restrictions Predicted

Mouvement d'Action-Chomage, a Montreal citizen's group, says the Unemployment Insurance Commission is planning to shorten the maximum period of benefits (to 28 weeks from 51 weeks) and double the minimum employment time needed to qualify for benefits (from 8 to 16 weeks). A study prepared for the UIC says the restrictions would save \$60-million a year and cut off 14% of Canada's unemployed from benefits. The amendments may be adopted this June.

MG 4/3/76 p. 4 c. 1-5

### Wage and Price Controls Extended

Federal wage control legislation has been extended to 500,000 more workers in five industries which bargain with labour as a group. These are trucking, grain handling, longshoring and shipping.

HCH 9/3/76 p. 1 c. 5-8

### CLC Will go to Court to Fight Controls

The Canadian Labour Congress, seven other labour groups and five provinces have been granted the right to present arguments in a Supreme Court review of the constitutionality of the Anti-Inflation Act. Labour will argue the act invalid on the grounds that it infringes on areas of traditional provincial jurisdiction such as labour relations.

WFP 19/3/76 p. 1 c. 7-8

### Arbitrator Upholds AIB Challenge in Ontario

Arbitrator G.J. Brandt, appointed by the Ontario government, has ruled that Ontario's wage guidelines agreement with the federal government is unconstitutional. Brandt made his preliminary ruling on a case involving 5,500 Ontario government technical employees. The wage guidelines were considered invalid because they were authorized only by a cabinet order instead of the Legislature. Finance Minister Donald Macdonald said the real test will come when the Supreme Court of Canada rules on an AIB rollback of wages awarded to the Renfrew County teachers near Ottawa.

TS 2/3/76 p. A1 c. 1-8

### Cabinet Rejects Irving Workers Appeal

The federal cabinet has rejected a Canadian Paperworkers Union request to overturn an AIB wage cutback decision endorsed by AIB administrator Donald Tansley. At the same time, the government announced new appeal procedures involving a 3-member tribunal which could, if necessary, refer a case to the Federal Court. The changes would remove the provision which required unions to defy the controls in order to qualify for an appeal. Finance Minister Donald Macdonald said the

cabinet rejected the appeal of the Irving Pulp and Paper workers in New Brunswick because it was a complicated issue and there was not enough time to deal with it properly.

TS 12/3/76 p. A3 c. 6-8

### Massive Labour Protest Against Controls

Thousands of workers marched on Parliament Hill in Ottawa to protest against government wage controls. Estimates varied from 10,000 to 32,000 depending on the source. All agreed that it was the largest show of labour solidarity in recent memory. The size of the crowd did much to undercut Prime Minister Trudeau's claim that the rank-and-file support his wage control programme.

TS 22/3/76 p. 1 c. 6-8

TS 23/3/76 p. A3 c. 1-6

GM 23/3/76 p. 8 c. 3-9

*CNSP NOTE: The demonstration was timed to coincide with the CLC's annual brief to cabinet. The presentation of the brief did little but verbally clarify the gulf which exists between organized labour and the government. The most interesting aspect of the press coverage of the demonstration was the emphasis on the peripheral incidents, mainly the partying and isolated scuffles with the police which occurred enroute to Ottawa. The Toronto Star devoted 25 and a half column inches to the CLC confrontation with cabinet and the demonstration itself while devoting 27 and a half inches to the minor troubles which occurred prior to the demonstration, in an article with a two-line head: "300 fight with police in bid to board train".*

### CLC Withdraws from Two Federal Groups

Following labour's protest on Parliament Hill and the CLC brief to cabinet, the CLC formally pulled out of the tripartite Canada Labour Relations Council and the Economic Council of Canada. The government had considered the CLRC a major channel of communication between labour, management and government. CLC President Joe Morris said it was useless to discuss long-term solutions to collective bargaining when there was no way of predicting what the anti-inflation programme would do to the system. In response, Labour Minister John Munro described the CLC's decision as "petulant". The withdrawal from the ECC was based on labour's objections to a recent ECC document which supported the controls programme.

GM 24/3/76 p. 1 c. 1-9

## STRUGGLES

### Metro teachers' knocked again and again

The provincially-appointed arbitrator brought in with the back-to-work legislation in January decided Metro's secondary teachers should receive an average wage increase of 39.2 per cent over 2 years. This is the offer of the school board rejected by the OSSTF prior to their strike. Dubin, the arbitrator, argued teachers work only six-hour days and that, had Metro teachers been given a higher settlement than other Ontario teachers, others would have "leap-frogged" their salaries resulting in "an economic crisis".

TS 4/3/76 p. A1 c. 7-8

The AIB rolled back the Dubin-awarded settlement by about 8 percent. Confusion reigns over the amount of the rollback since OSSTF, the board and the AIB each have calculated the per cent age increase of the award differently!

TS 26/3/76 p. A1, c. 1-2

### No sweet deal for sugar workers

After a nine month strike, workers at the B.C. sugar Refining Co. reached a tentative agreement calling for a 26.5% increase in the first year. The AIB ruled the proposed settlement "unreasonable." After further negotiations, workers ended their strike by agreeing to a 16.5% first year increase. They work while awaiting a further AIB decree.

EJ 3/3/76 p. 68 c.1

GM 22/3/76 p. 9 c. 4-5

Members of the Bakers and Confectionary Workers Union at Atlantic Sugar Refinery, St. John, have been ordered by the AIB to pay back wages deemed excessive. The AIB considers the legally negotiated settlement of a wage raise of 14% too high and 8.29% appropriate. The company was ordered to recoup the excess wages by August 31. AIB reasoned that the agreement gave workers higher salaries than those paid other sugar industry employers. Also their previous agreement gave wage increases well above the CPI for the same period.

TS 27/3/76 p. A1 c. 1-2

### Other AIB moves

The AIB reversed its decision regarding the University of Toronto librarians (see CNSP Feb. '76) and has stated that in light of "other pertinent data" the board would allow a wage increase of 16.2% rather than the earlier ruled increase of 12.2% or the negotiated rate of 18.5%. Could the "other pertinent data" be related to the fact that



CUPE has taken the University to court for failing to live up to the collective agreement?

TS 5/3/76 p. A2 c. 4-5  
TS 20/3/76 p. 1, c. 3-5

### CPU again

The CPU local at Domtar, Red Rock and at the Ont.-Minn. Pulp and Paper Co. mills in Kenora and Fort Francis signed agreements giving the now standard 14%, 10% and 8% wage increases.

HCH 1/3/76 p. 2 c. 1  
WFP 10/3/76 p. 3 c. 3-6

### Teachers on strike in Kirkland Lake

OSSTF members in Kirkland Lake have been on strike since the beginning of January. Although both sides are close to agreement the board claims an insurmountable impasse and will not resume bargaining. The Education Relation Commission can now recommend return-to-work legislation if it deems the strike is jeopardizing the school year.

GM 8/3/76 p. 1 c. 7  
TS 10/3/76 p. All c. 9

### Transport workers

Conciliation talks between railway companies and unions resolved several long-standing issues re: job security. Some of the agreed provisions are: benefits to equal 80% of full salary when workers are laid off (the 80% is made up of UIC payments and the negotiated benefit); period of benefit is up to three years for those with 20 years of service; retraining for those with 2 years service; maintenance of medical and pension premiums during layoffs. However the union and companies are still far apart on wage issues. The companies claim they can offer only 9.3% increase under the guidelines. The unions claim the formula developed by Emmett Hall in the 1973 strike (legislated end) gives them 18.7% increase. The government has suggest that Emmett Hall, the current conciliator, should confer with the AIB before making recommendations.

TS 1/3/76 p. B10 c. 2-4  
EJ 3/3/76 p? c?

Teamsters Local 31 at the B.C. railroad have rejected a recommendation by an industrial inquiry commission and walked out. Other BC railroad workers honoured the teamsters picket-line and closed the railroad, again.

EJ 3/3/76 p. 2 c. 2-4

Follow-ups

448 workers at the Come-by-Chance, Nfld. refinery have received layoff notices. Federal and provincial governments are attempting to find alternate employment. HCH 5/3/76 p2 c3-8

*CNSP Note: Large amounts of federal and provincial money went into this refinery in order to provide jobs.*

The 10,000 I.B.E.W workers at the N.B. Electric Power Commission (see CNSP, Feb/76) ended their wildcat and were fined \$15,000 for defying a court injunction ordering them back to work.

HCH 2/3/76 p2 c1-2

WFP 9/3/76 p6 c4-5

The CUPW has filed a grievance over introduction of automation, claiming workers are not being given the negotiated notice of technological change.

WFP 3/3/76 p36 c1-2

Repression

A CSN union has been on strike at the Greb factory in Trois Rivieres, Que. since September. The company has removed all its machinery from the factory to Ontario. Workers are requesting a first-year increase of 42¢/hr., bringing their salary to \$3.31/hr. and abolition of the bonus system.

HCH 6/3/76 p36 c1-2

NATIVE PEOPLESAlberta Indians Present Land Claim

Alberta's Blood Indians have presented a claim to the federal government for 173-square miles of land and \$60-million in cash. The Indians base their claim on Treaty 7, involving Blackfoot, Stoney, Peegan and Blood Indians and signed in 1877. Bob Young, lawyer for the Indians, says they first want to agree on the amount of land owed and then agree on which land they want. They will go to court if the government is not prepared to settle through negotiations.

EJ 3/3/76 p30 c1-2

WFP 3/3/76 p36 c1-2

Inuit Land Proposal Worries Metis Group

The Metis Association of the Northwest Territories is worried that the recent Inuit land-settlement proposal could jeopardize native interests in the north and undermine the Metis Mackenzie Valley claim. Richard Hardy, President of the Metis Association, notes that the Inuits willingness to "extinguish all their claims, rights, titles and interest subject to the first agreement does not make our case any easier." The Metis

Association with the Indian Brotherhood of the NWT is seeking to retain native control of the land. Hardy also criticized the proposal of a majority rule concept for administration of the land the Inuits would give up. "I would fear for the long term. We know through the lessons of history that there is not one place in North America where indigenous people have been able to maintain a majority position after the settlers have begun to move in."

EJ 4/3/76 p14 c6-8

#### Indian Brief to Commons Committee

In a brief to the Commons Indian Affairs committee, David Ahenakew, president of the Federation of Saskatchewan Indians, told the government that young Indians are becoming angry and militant. The brief recommended that Ottawa return to the single-agency concept for delivery of traditional services to Indians rather than the present fragmented approach where responsibilities get sloughed off to other departments not equipped to deal with them. The areas of employment, housing and education were cited specifically.

EJ 5/3/76 p8 c1-2

HCH 5/3/76 p5 c1-8

#### No Land Settlement Guaranteed Before Pipeline

During a panel discussion on native land settlements, Judd Buchanan, Minister of Indian Affairs, said he could not guarantee there would be a land settlement before the construction of the pipeline in the north.

GM 11/3/76 p4 c6

#### NDP Endorses Inuit Claim

The 16 New Democratic members of Parliament have endorsed in principle the goals outlined in the Eskimo land claim presented to the federal government.

EJ 5/3/76 p8 c1

#### Alberta Chiefs Meet

A meeting of Indian chiefs from the Saddle Lake-Athabasca region of the north-eastern Alberta, sought a wide range of policy-making and administrative powers. Their recommendations include a request for a business development officer to be placed on each reserve under contract, a less restrictive approach to granting of loans for economic ventures, and more native input into hiring procedures of department staff who relate directly to the reserve. The chiefs seek federal policy which would encourage economic development on reserves in order to reduce the high percentage of Indians on welfare.

EJ 28/2/76 p3 c3-5



## QUEBEC LABOUR

*Press Analysis: Reading the newspaper in March most Canadians would not be aware of the Common Front negotiations which are affecting close to 200,000 workers in Quebec. English language newspapers outside that province offered only a few scraps of information about this important labour conflict.*

*Readers of the Toronto Star would have learned that 170,000 students were without classes on March 3; Quebec unions rejected the government's offer March 18; and workers predicted more strikes, March 26. Globe and Mail coverage was similar, emphasizing walkouts and disruptions. The WFP reported BOURASSA SLAMS UNIONS FOR URGING 'DISOBEDIENCE' on March 6; and QUEBEC UNIONS CHARGED AFTER ONE-DAY WALKOUT on the 11. The FP questioned: LABOUR FIGHT IN QUEBEC: A GUERRILLA ACTION OR ALL-OUT WAR? on March 20. The Montreal Gazette offered slightly more coverage with its correspondent Gordeon Barthos reporting regularly on events.*

*Only the French papers offered a coherent picture of events to their readers. Le Jour in particular went behind events to provide analysis of some of the complexities of the Quebec liberal government and sympathetic to Common Front workers.*

## MAJOR ISSUES IN THE NEGOTIATIONS:

- insecurity of tenure for 10,000 adult education teachers(LJ 5/3/76 p4 c3-8)
- cutbacks in hospitals; in one Montreal hospital staff was cut back 12% in the last 3 years which places a heavy burden of work on remaining staff. (LJ 25/3/76 p5 c1-6)
- the proposal to give hospital administrators the authority to shift staff between departments at peak hours which workers claim is an intolerable intensification of their work load. (LJ 5/3/76 p4 c1-2)
- the December legislation (Bill 253) which states that in strikes, 53.3% of staff are required to maintain "essential services" which hospital workers argue takes away their right to strike. Fines for disobeying the legislation are from \$2000 to \$10,000 a day for union officials and \$5000-\$20,000 for unions. Already some hospital workers have had charges laid against them with this legislation. (LJ 10/3/76)
- two-thirds of Common Front workers are women who are demanding paid maternity leave benefits; they estimate they lose an average \$1500 when they become pregnant. (LJ 3/3/76 p4/ 29/3/76 p9 c3-6)
- since wage negotiations only began in earnest March 29, few details were given, although the basic minimum wage of \$165/wk. has been demanded by the Common Front.

## ACTION: GOVERNMENT SIDE

Parent promises salary negotiations could begin next week. (LD 12/3/76 p1)

Government hints at special decree to end harassment tactics of Common Front. (LJ 24/3/76 p4)

Government denies preparing special legislation to use against Common Front. (LJ 25/3/76 p3)

## COURT ACTION

2 unions charged with failing to maintain essential services during a walk-out. (WFF 11/3/76 p8)

## SUMMARY AND CONCLUSION:

*The month's events showed the government delaying and using rumors of special legislation to bring the Common Front to terms. Tactics to divide hospital workers from teachers and maintenance workers are having some effect. The government offer is even less than federal wage control legislation allows. Intimidation through the courts and police brutality were further evidence of the government's hard-line position.*

*Though the Common Front continued to show strength as shown in widespread half-day study sessions and strikes in both hospitals and schools, and in a 75% rejection of the current wage offer by the rank and file, some cracks are beginning to show. Leaders are reluctant to set a precise date for a general strike. Teachers prefer the tactic of rotating strikes, perhaps*

*be*

## ACTION: COMMON FRONT SIDE

delay in vote for general strike till March 20 (LJ 9/3/76 p3 cl-4)

175,000 workers on half-day strike (LJ 16/3/76 p2)

75% reject current government offer (LD 19/3/76 p3)

public opinion poll shows the majority of Quebecois feel gov't is responsible for lack of settlement of public service negotiations. (LD 20/3/76 p6)

Common Front leaders refuse to set precise date for general strike. (LD 22/3/76 p1)

120,000 workers demonstrate in Quebec; 10,000 join CLC demonstration on Parliament Hill; 1-million students out of classes March 22. (LD 23/3/76 p3 cl-6)

Common Front workers promise more strikes to force gov't to terms. (TS 26/3/76 pA7)

## POLICE ACTION

Police charged a demonstration of teachers, injuring 10. (LJ 27/3/76 p4 cl-6, GM 23/3/76 p11 cl-6, TS same day pA3 cl-2)

because they fear public disapproval of a general strike, while hospital workers and maintenance workers were more inclined to a general strike, but do not want to go it alone without the backing of the teachers.

The Common Front faces a time squeeze re: teachers who are finished classes by the end of May and the delicate question of how effective a general strike would be in the hospital sector given Bill 253 which limits strikers to a minority. Although a public opinion poll showed a majority of Quebecois felt the government was to blame for the lagging negotiations, it is not clear whether they would support workers in a general strike.

The Common Front leadership is therefore in an increasingly difficult position: delay at this point works in favour of the government while support for a general strike is somewhat questionable within the ranks and among the general public in Quebec. Outside the province, Canadians are ill informed about the issues and significance of the conflict since the press has virtually maintained silence on the conflict.

## WOMEN

### First Conference on Women Trade Unions

The 400 delegates to a women's trade union conference held by the CLC passed a resolution saying no collective agreement should be signed if it contains a wage differential based on sex, unequal fringe benefits or a department seniority clause. The resolution also supports paid maternity leaves and wage increases that close the salary gap between men and women. GM 8/3/76 p12 c1-6

### More Women working: As clerks

Proportionately more women are working as clerks than in 1962. Only 4.2% of all women working in 1972 were managers against 3.7% in 1962. In the banking industry, 1.2% of all managers were women while 70% of all bank workers were women. TS 17/3/76 pC9 c3-4  
MG 13/3/76 p17 c1-5

### Tribunal on Crimes Against Women

Women's organizations from 27 countries met in Brussels for a five-day conference. Witnesses described cruel treatment of female prisoners in Chile, Iran and the Ukraine. Delegates planned one-day international women's strikes to publicize women's problems in the work place. Twenty-eight resolutions were approved including wages for housework, freedom to determine one's own sexuality and support for single mothers, older women and female political prisoners. TS 10/3/76 pF13 c1-2 HCH 10/3/76 p9 c1-2 WFP 8/3/76 p35 c1



## GOVERNMENT:

## PROVINCIAL

British Columbia's new Premier William Bennett unveiled his first legislative package, announcing minimum income benefits to the poor to start at age 55. The Socred government also tabled their budget, including a range of higher taxes with the provincial sales tax going to 7% from 5%. GM 18/3/76 pl c1 TS 27/3/76 pA3 c6

Restrained spending with no increases for social welfare programmes highlighted a \$2.961-billion budget presented to the Alberta legislature. TS 20/3/76 pB11 c4-5

Massive increases in the borrowing powers of Saskatchewan Power Corporation (\$1-billion from \$650-million) and Saskatchewan Housing Corporation (\$200-million from \$75-million) were among provisions presented to the Sask. legislature.

Ontario's new plan to require able-bodied welfare recipients to work will apply to both men and women, including mothers with children. Changes GM 10/3/76 pl c5-7

## FEDERAL-PROVINCIAL RELATIONS

The Constitution

The Bourassa government in Quebec categorically rejected unilateral action by the federal government to bring the constitution back to Canada. Unilateral action would "put in doubt the very principle of federalism", Bourassa said. HCH 17/3/76 pC2 c4-6

Capital Transfusion

Federal-provincial agreements to pump \$155-million into Nova Scotia primary industries over a 5-year period are in the final stages of negotiations. EJ 12/3/76 p15 c1-2

## FEDERAL GOVERNMENT

C.M. Drury, Public Works Minister, and Andre Ouellet, Corporate and Consumer Affairs Minister both resigned after allegations of judicial interference were made against them. Drury's resignation was not accepted by Prime Minister Trudeau but Mr. Ouellet's was. The Consumer Affairs Minister was charged with interference in a case of 3 sugar firms accused of price fixing. GM 17/3/76 pl c1-9

## SOCIAL WELFARE

Children's Aid Spending Ceilings Raised

Ontario Social Services Minister James Taylor has announced that Children's Aid Societies will be allowed to exceed the strict provincial spending ceilings this year, by as yet an undetermined amount.

TS 12/3/76 pB1 c6-8

Piecemeal Approach to Social Assistance

The poverty gap between family income and needs will continue to grow as long as the provincial and federal governments use a "piecemeal" approach to social security, says the Ontario Economic Council (OEC). OEC Chairman, Grant Reuber, recommends a negative income tax whereby those in need would be paid an income supplement rather than paying tax to the government. The council also advocates income supplements for the working poor as an incentive to people to stay off welfare while raising their incomes above the poverty line.

GM 2/3/76 p12 c1-4

TS 2/3/76 pA3 c1-9

Mothers Protest Welfare Crackdown

The Mother-Led Union, a group of 500 mothers who live on welfare or mother's allowance, have seriously protested the welfare crackdown by the Ontario government. They oppose regulations that would require a review of mothers receiving welfare in order that those considered "able-bodied" could be made to work. Social Services Minister James Taylor says the new law would apply only to women with children 15 years or older. The union says no one should be forced to work if they have family responsibilities.

TS 24/3/76 pB1 c7-9

## MILITARY

Lockheed Work Goes Ahead Despite Ottawa Haggling

Although there is still discussion over the Lockheed contract to supply Canada with 18 Orion patrol planes, a team of about 200 engineers are already working on the programme.

EJ 26/3/76 p3 c2-4

*CNSP Note: If the government doesn't sign the contract with Lockheed by April 1, the \$1-billion deal will cost Canada an extra \$150-million. After that date, all foreign military sales will require US congressional approval and be required to meet statutory financial arrangements including a 1% tax-type levy. The new US move reflects congressional desires to have some control over the American armaments industry, especially exports to big spending arms buyers like the Arab states. The Canadian government is also trying to persuade Canadian banks to lend Lockheed*

between \$200 and \$300-million so that the financially troubled and scandal-plagued aerospace giant can get its production lines rolling on Orion production. Heavy lobbies by the Department of Industry, Trade and Commerce under pressure from Canadair -- which has subcontract work in the Orion production -- was largely effective in tipping the scales in favour of Lockheed over Boeing.

#### Trident Sub Base Near Vancouver

The Canadian government will make no protest to the United States over the location of a Trident nuclear submarine base at Bangor, Washington, 100 miles south of Vancouver, Defence Minister James Richardson says, noting "a strong Trident capability is a deterrent to war." On the other hand, Richardson says the Soviets and other Warsaw Pact countries are building far more weaponry than is necessary for their own defence.

EJ 1/3/76 pp38 c5-7

#### POLICE

#### Peace and Security Package

*CNSP Comment: There was a great deal of press coverage this month centering on reaction by the public, government and press to the proposed peace and security bill which abolishes capital punishment and imposes a compulsory 25-year minimum term for first-degree murder. Among other tighter security measures, the bill calls for relaxed restrictions on wiretapping and the recording or all sales of guns and ammunition and the licensing of owners and buyers of weapons.*

*Public Reaction -- Last month a campaign was instigated by various police unions in B.C., Alberta, and Ontario which placed advertisements in local newspapers urging voters to write their MP's telling them their views on the issue of capital punishment. The advertisements were worded heavily in favour of capital punishment. An initial survey of replies reveals that MP's who are retentionists are receiving a fair number of letters demanding retention of the death penalty.*

*A recent Gallup poll in the Toronto Star and the Winnipeg Free Press (3/3/76) showed 48% of Canadians in favour of the death penalty, 41% who favoured stiffer law and order measures in place of the death penalty. Meanwhile, the Canadian Civil Liberties Association called the bill, "the most regressive action taken by the government since the imposition of the War Measures Act in 1970. (EJ 2/3/76 p13 c3-6)*



Government Reaction -- The law and order bill drew NDP support but the PC and Social Credit parties attacked its firearms control provisions. (EJ 9/3/76 p8 cl-3) PC leader Joe Clark is an abolitionist, although 16 of the 19 PC MP's from Alberta are retentionists. (EJ 3/3/76 p1 cl)

Press Reaction -- In terms of editorial coverage, there was very little. The HCH saw the package as an "issue of numbers and of politics" beyond the actual issue of capital punishment and law and order. (HCH 26/2/76 p7 c2-4) Three editorials, (MG 3/3/76, GM 8/3/76, EJ 25/2/76) recognized the proposed amendments of the Protection of Privacy Act -- or wiretap law -- as interference with civil liberties. One editorial in the EJ called the gun control law, "cosmetic, bureaucratic and vague" and also implied that the public and lawmakers lack "decent statistical information about crime and the justice system.:" (EJ 25/2/76 p13 cl38) A report commissioned by Solicitor General Warren Allmand, written by criminologist Ezzat Fattah, received widespread coverage. Fattah says, "support for the death penalty is stronger among men, older people, Roman Catholics, the less educated, occupational groups such as police and prison guards and people with 'right wing political beliefs'... Support also seems to be high among people who are insecure, who are maladjusted socially or who were severely brought up. (GM 11/3/76 p9 c5-9)

## MEDIA

### CRTC Expands Powers

On April 1, the Canadian Radio Television Commission (CRTC) will assume broad new powers. (see CNSP, March/75 ) The system will be more centralized and also have control over telephone rates -- in effect it will have regulatory powers over all forms of broadcasting and telecommunications. (WFP 18/3/76 p6 c3-5)

### Government Steps Criticized

David Mintz, president of KVOS-TV, Vancouver, strongly criticizes the fashion in which the government wants to strengthen the Canadian communications industry. "There never was an open forum to decide how to achieve these objectives," he says. Bill C-58, with its disincentives to Canadian advertising in US media, does not affect the position of smaller Canadian stations who cannot command larger audiences. It is this rather than the fact that US stations are selling \$20-million a year in commercial time to Canadian advertising that affects the revenue position of smaller stations. (GM 24/3/76 p35 c2-5)

## EDUCATION

**CNSP Comment:**-- *Combined with public uneasiness over escalating labour disputes and government cut-backs on social service expenditures, the quality of the Canadian educational system now seems to be under attack from several quarters. The following headlines give a picture of the recent criticisms levelled at the school system.*

-- School System Gets Blame for Students Lack of Skill. (WFP 15/3/76 p21 c1-4)

-- Canadians Losing Confidence in Public Schools .(HCH 27/3/76 p40 c1-6)

-- Spending On Schools Accelerates As Quality Decreases.  
(TS 1/3/76 pC4 c3-5)

-- Economic Council Urges Return 'To the Basic 3-R's'  
(TS 1/3/76 pA1 c1-2)

*One article in the Toronto Star presented some counter arguments:*

**Are We Getting Our Money's Worth?**

A University of Toronto study indicates no decline in Ontario educational standards. Many students still take traditional subjects in spite of numerous newer options. The article concluded by calling schools "a whipping boy for society's ills." TS 27/3/76 pA14 c1-6)

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## IMMIGRATION

**Introduction:** *Critical reaction begins to grow to the anti-terrorist law pushed through the House of Commons lastt month by Immigration Minister Robert Andras. (See CNSP, Vol. III, No.12 p38). Two groups concerned with civil liberties protested to the Senate Committee studying the Temporary Immigration Security Act. They stated that the bill was dangerous and unnecessary. However, there has been little concern expressed over the bill in general - and many Canadians are probably not aware of its passage and possible uses. Letters of concern can be directed to the Hon. Robert Andras or to your local member of parliament, at the House of Commons, Ottawa.*

**ANTI-TERRORIST LAW DESCRIBED AS DANGEROUS**

Representatives of the Canadian Federation of Civil Liberties and Human Rights Associations and the Voice of Women appeared before a Senate Committee studying the proposed bill to voice their misgivings.

Don Whiteside of the civil liberties group said he fears the bill will give wide discretionary powers to immigration officials without any checks on those powers.

Immigration officers will obtain information on suspected terrorists from informers who may provide wrong information to suit their own ends, Senator G, Issac Smith (PC-Nova Scotia) said. The proposed law provides no guarantees of protection in cases where information is distorted for political reasons. EJ 10/3/76 p12 c6-8; EJ 4/3/76 p48 c3.

THE THOMPSON COMPLEX

Lord Thompson of Fleet commands an empire that stretches across twenty-four nations. The Thompson Organization Ltd. does own numerous travel, trucking and other companies across the world but newspapers, especially in North America, are its main concern. Thompson collects small, often ailing papers and streamlines them to fit the local market conditions in order to assure financial success. The organization has gathered a lot of experience defining markets. This process has been somewhat detrimental to the quality of news coverage since copy varies little from newspaper to newspaper.

Thompson newspapers in Canada are inter-related through a highly involved corporate structure directed by the Woodbridge Co. Ltd. It has the third largest distribution with 8.5% control. The newspapers chain has 30 dailies, 11 weeklies and a 400,615 circulation(1970). There are six associated publishing companies.

**Dailies**

*Daily Sentinel* (Kamloops).....  
*Daily Courier* (Kelowna).....  
*Daily Free Press* (Nanaimo).....  
*Herald* (Penticton).....  
*Times-Herald* (Moose Jaw).....  
*Daily Herald* (Prince Albert).....  
*Examiner* (Barrie).....  
*Daily Times & Conservator* (Brampton).....  
*Daily News* (Chatham).....  
*Standard-Freeholder* (Cornwall).....  
*Evening Reporter* (Galt).....  
*Mercury* (Guelph).....  
*Northern Daily News* (Kirkland Lake).....  
*Daily Packet and Times* (Orillia).....  
*Times* (Oshawa).....  
*Observer* (Pembroke).....  
*Examiner* (Peterborough).....  
*Observer* (Sarnia).....  
*Star* (Sudbury).....  
*Daily Times-Journal* (Thunder Bay).....  
*News-Chronicle* (Thunder Bay).....  
*Daily Press* (Timmins).....  
*Evening Tribune* (Welland).....  
*Daily Sentinel-Review* (Woodstock).....  
*Chronicle-Telegraph* (Quebec).....  
*Evening News* (New Glasgow).....  
*Guardian* (Charlottetown).....  
*Evening Patriot* (Charlottetown).....  
*Western Star* (Corner Brook).....  
*Telegram* (St. John's).....

**Weeklies**

*Enterprise* (Yorkton).....  
*Chronicle* (Arnprior).....  
*Enterprise-Bulletin* (Collingwood).....  
*Chronicle* (Dunnville).....  
*Standard* (Elliot Lake).....  
*Standard* (Espanola).....  
*Herald* (Georgetown).....  
*Post* (Hanover).....  
*Post and News* (Leamington).....  
*Hanner* (Orangeville).....  
*Northern Light* (Bathurst).....

**Bi-weeklies**

*News* (Vernon).....  
*Sun* (Swift Current).....  
*Free Press Herald* (Midland).....

**Tri-weeklies**

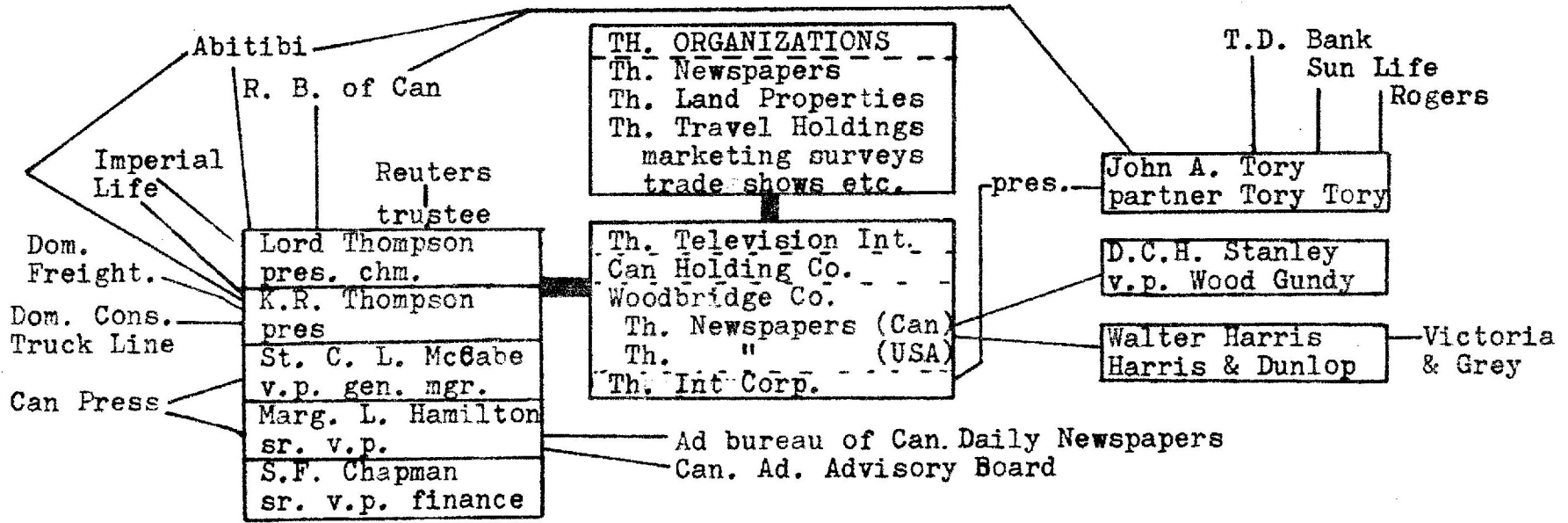
*Trentonian* (Trenton).....

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SOURCE: *Canadian Advertising Rates and Data*, December, 1969

Prepared by: Canadian News  
 Synthesis Project,  
 Box 6300, Station A,  
 Toronto 1, Ontario.





# LATIN AMERICAN & CARIBBEAN NEWSFILE

## ARGENTINA

Introduction: *The stage has been set for a long time for a coup d'etat in Argentina. For months we have been reading about the weakness of Isabel Peron as a ruler, the corruption of her government, the terrorism of the right and the left and the guerrilla movements in the province of Tucuman, the numerous strikes and the labour pressures on the government, and general "economic and political chaos".*

On March 23, 1976, Le Devoir's headline read "Coup d'etat Imminent in Argentina?" and named General Jorge Videla, Commander-in-Chief of the Army, as the main force. By Wednesday, March 24, General Videla had replaced Isabel Peron as the Chief of State, without firing a shot. One of the first actions, however, was to begin massive arrests. Informed sources say 2,000 people were arrested before midnight Wednesday. The ruling military announced decrees suspending political parties and trade unions, imposing censorship of the press, and setting up "special Councils of War" to judge charges of subversion. Anyone found in possession of firearms is liable to 10 years in prison.



Latin American Week, a business publication from Buenos Aires, began its April 2nd issue with "The sudden removal of Maria Estela Martinez de Peron's hopelessly incompetent government by the armed forces March 24, and its replacement by a military administration not too different in character to those Argentina has known in the recent past, has sent tremors of muted hope through the business community". No wonder - the new "economic team" comprises people like Jose Martinez de Hoz, new minister of the economy and enamoured with the policies of the Chicago School of Economics, well known for its devastating hard line in the handling of the Chilean economy. His new economic plan will include the following:

1. Foreign investment will be made welcome. The new government plans to repeal the existing foreign investment law and replace it with a new one which would prohibit retroactive investment legislation, maintain the distinction between foreign and locally owned firms, reduce the number of activities "off-limits" to foreign investors, discourage "argentinization of foreign firms", and make foreign firms eligible for incentives.
2. Labour. The government has temporarily suspended the activities of unions - but not banned them. They will place strict control over finances. Political activity by unions will be banned. The right to strike will be regulated and prohibited in public services. All wage negotiations between companies and workers are to be suspended. All wage increases are to be determined by the government.
3. Inflation. Price controls are to be eliminated. The plan to combat inflation is through the reduction of demand by curbing wages.

Whatever the prospects for the businessman, the future holds higher unemployment, increasing poverty and general repression for the majority of Argentinians as long as the present military junta is in power.

Sources: Latinamerican Week, 2/4/76 p1-2;  
 LD 26/3/76 p8 c1-3; Reuter;  
 LD 26/3/76 p10 c1-6 Reuter, AP, AFP.  
 LJ 25/3/76 p12 Reuter, PL, AFP;  
 LD 23/3/76 p9 c1-4.  
Business Latin America 31/3/76 p1-2.

CNSP NOTE: For more detailed information on the new military junta, see Business Latin America, March 31, 1976.

## BRAZIL

### BALANCE OF PAYMENTS PROBLEMS

Latest indications show that preliminary figures for the 1975 balance of payments are far worse than at first reported.

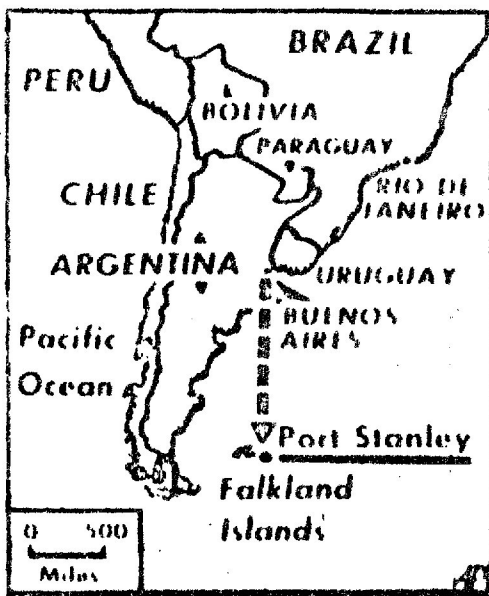
In the January issue of Conjuntura Economica, considered the official record for economic data, the January - November (1975) trade balance (using preliminary figures from July to November) was calculated at \$7.8 billion for exports against \$11.47 billion for imports. This made the eleven month deficit \$3.59 billion, higher than all the estimates given for the year as a whole by the Government at various times. The trade deficit problem is also apparent this year. On Feb. 18, O Estado de Sao Paulo published preliminary trade figures for January, 1976: only \$430 million for exports compared with \$993.6 million for imports, a huge deficit of \$563.6 million. The following day, Mario Henrique Simonsen, the Minister of Finance, said the import figures were accurate but he hoped exports were over \$500 million. (GM 13/3/76 p9 c5-6 -- LAER)

### STRONG ARM TACTICS CONTINUE UNDER GEISEL

Clear rules for the political game under President Geisel have recently been leaked by the military a few days after Geisel's 50,000-word message to the Congress which said little except that the government would accept no dissenters. The rules indicate that the use of repression will continue to be widespread and flexible, that amnesty for persons punished by the "revolution" is inadmissible and that legal guarantees remain suspended. The government's position

on repression is clear. Since the beginning of this month, over 100 people associated with the opposition Movimento Democrático Brasileiro (MDB) have been arrested. These include many intellectuals and journalists. The distinction between these arrests and those that occurred last year on the orders of the generals opposed to Geisel is that warrants for arrest are now being issued by a military judge, reinforcing the official character of the current wave of repression.

(Latin America, Vol. X #13, 26/3/76 p100-101)



CHILE**CHILE'S CATHOLIC CHURCH AGAIN UNDER ATTACK**

The continuing dispute between the Church and the Chilean military junta is now being fought within the Church itself, as right-wing Catholics seek to discredit the liberal leadership of Cardinal Silva and other bishops. The campaign is organized by an ultra-right Catholic organization -- The Chilean Society for the Defence of Tradition, Family and Property, a Chilean branch of an organization that operates in Brazil under a similar name. The group has recently published a book entitled "Chile's Silent Church". It contains a bitter denunciation of the Church in Chile during the last 15 years -- for supporting the Christian Democrat land reform program and more recently for having supported the government of Salvador Allende. The society, largely ignored until recently, received an entire page of publicity in the official government newspaper El Cronista. The page described the group's new book under the headline -- Book Reveals Drama of Church in Chile. The bishops are fully aware that they are faced with a major attack on their credibility actively backed by the government. A similar attack caused a division in the Lutheran Church in Chile and led to the expulsion of Bishop Frenz. However, Cardinal Silva is receiving strong support from the office of the Papal Nuncio representing the Vatican -- an indication that the Vatican is not yet willing to play the junta's game.

(EJ 28/3/76 p9 c2-7 AP) (Latin America  
26/3/76)

COLOMBIA**MID-TERM ELECTIONS AND STATE OF SEIGE**

Widespread civil disorders, strikes in both the private and public sectors, and violent clashes between students and police especially during the recent visit of U.S. Secretary of State Kissinger, indicate that the promised removal of the state of seige will not take place for the mid-term election to be held April 18 for the departmental and municipal authorities. The state of seige was originally declared last June under pressure from conservatives in the government who felt violence was getting out of hand. Observers have attributed the initial social unrest to high inflation and unemployment, but the more recent public strikes seem to be protests against the use of the military. For example, late in February the workers of the state oil company ECOPETROL struck for 24 hours after troops occupied the refinery at Barrancabermeja.

(GM 20/3/76 p9 c1 M. Dawson)

**MASS ABSTENTIONS POSSIBLE**

Voting registers closed in Colombia with every indication that the government's worst fears of mass abstentions had been fulfilled. In Bogota, only 130,000 voters had registered out of a potential electorate of 2 million; in Barranquilla, only 30,000 registered out of a total electorate of 300,000 compared with 92,000 registered in 1972.

(Latin America Vol. X #14 2/4/76 p109)



CUBA

*Much of the news on Cuba this month concentrates on Castro's visit to Africa and Kissinger's threats regarding further Cuban support for liberation movements in Africa. The most significant article talks about growing Cuban influence in the Caribbean.*

**CUBAN INFLUENCE WIDENS: CARIBBEAN ALLIES**

The younger generation of political leaders throughout the Caribbean see Cuba as the most successful model of social and economic development in their experience. The primary friends of the Cuban government or Premier Castro in the Caribbean region are Guayana and Jamaica, both of which endorsed Cuba's intervention on behalf of the Popular Movement for the Liberation of Angola (MPLA).

The rise of leftist sentiment among the 15.7 million people of the Caribbean coincides with a decline of the marginal economies of Haiti, the Dominican Republic, and such islands as Barbados, Grenada and St. Lucia.

(GM 23/3/76 p12 c3-4 NYT)

URUGUAY**INSITUTIONALIZED TORTURE**

According to Newsweek of June 2, 1975, there were 3,000 political prisoners in Uruguay. Amnesty International sets the figure at 5,000, out of a population of 2.5 million -- which means that one in every 500 Uruguayans is a political prisoner. Twelve percent of the country's population has chosen exile since the June, 1973, coup d'etat. There are now about 25,000 Uruguayans in Canada.

(LJ 16/3/76 p14)

(LD 16/3/76 p11 c1-3)