

# canadian news

# synthesis project



June  
1976

Volume  
IV  
Number 4

\$1.00

# canadian newssynthesis project

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

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

## clipping service

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

## newspapers used

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

## special publications

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

## subscription rates

box 6300  
station 'A'  
toronto 1

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

# JUNE 1976 HIGHLIGHTS

For major coverage and overview of Habitat in Vancouver with special emphasis on the Land Use Proposal . See Pages 3-5

( note: for further information on habitat write or phone:

The Canadian NGO Participation Group

63 Sparks St. Room 808

Ottawa, Ont. K1P5A6 ( Phone 232 -2723 )

The Supreme Court of Canada began to hold hearings this month to determine the constitutional validity of wage and price control.

An overview of the Nuclear power debate currently going on in Canada and the U.S. is given with indication of the growing pressures to use nuclear energy over fossil fuels such as coal , gas & oil. See pages 15 -18

The nationalisation of the potash industry in Saskatchewan received a good deal of coverage. This month particular note is made of U.S. concern over this step. See Mining p.20

A meeting with representatives from government and labour was held to discuss the C.L.C."s push for a tripartite arrangement.

See Labour General - p. 22

For developments and press analysis of the bilingualism struggle in air traffic control See pages 26 & 27

## INDEX

### CANADA/ INTERNATIONAL

UNCTAD	1-2
Canada - Latin America Relations	2
Habitat	3-5
Trade	6-8
Foreign Investment	9 - 12

### ECONOMY

General	12-14
Energy	15-18
Forestry	18
Mining	20

### POLITICAL

Military	33
Health	34

<u>MEDIA</u>	35
--------------	----

### WORKERS, PEOPLE , OPPRESSED

General	22
Struggles	25
Quebec Labour	28
Native People	29
Women	32

SPECIAL OLYMPIC REPORT :	36
--------------------------	----

# CANADA—INTERNATIONAL RELATIONS

UNCTAD

## Background

Apart from oil 12 major raw materials and commodities account for 80% of Third World export earnings. In 1974 these exports earned the Third World \$30 billion. Consumers, however, paid \$200 billion for these exports as finished products. "The bulk of the difference was absorbed by wealthy processors and middlemen in the developed world" says Barbara Ward. Rene Servoise in Le Monde calculates the industrial world's windfall at between \$50 and \$100 billion. Aid from industrial countries was \$10 billion, "a modest fee for access to a gold mine."

GM 7/6/76 p6 c1-2 edit

U.S. and other commercial banks will curtail loans to poor nation borrowers. This will mean that they will have to rely on loans they can get from bodies like the International Monetary Fund (IMF) and the World Bank. The IMF will increase its lending capacity to \$3 billion. The IMF imposes economic policy conditions in return for its lower lending rate. (These usually mean forcing Third World countries to cut back social service spending and impose wage restrictions. The aggregate deficit for poor nations in 1975 was \$35 billion. In 1975 Morgan Guaranty Trust lent about \$12 billion to Third World countries. Debt servicing costs (interest) alone are expected to rise by \$2 billion this year.

FP 19/6/76 p18 c1-3

In 1976 the U.S. is expected to have a net inflow of service income of \$10 billion. By 1977 income will be \$12 billion.

HCH 1/6/76 p24 c7-8

## Decisions of the UNCTAD Conference

Representatives of rich and poor countries agreed to meet by March 1977 to negotiate a common fund to finance commodity buffer stocks in order to stabilize commodity prices.

The conference rejected the U.S. proposal of an international resources bank (IRB). (See Puerto Rico article below).

EJ 3/6/76 p7 c1

HCH 1/6/76 p23 c6

## Canada at UNCTAD

Canada provisionally agreed to contribute to the common fund but would not clarify what its remaining hesitations were. Mr Sharp said, "Questions remain about the whole idea".

A group representing non-governmental observers called the UNCTAD IV ACTION GROUP accused the Canadian government of fence-sitting and delay. The UNCTAD secretariat had made detailed reports on the common fund proposal a year ago. Canada could have prepared a commitment before the conference opened.

WFP 29/5/76 p6 c3-8

MS 9/6/76 pD9 c8

## ON TO PUERTO RICO

Canada joined the U.S., France, Italy, Britain, West Germany and Japan at the summit conference in Puerto Rico. Kissinger announced that the meeting will discuss the results of the UNCTAD meeting. "It is essential" he said, "that major industrial countries adopt common positions...to avoid being constantly outvoted and outmanoevred by developing and Communist states."

MS 4/6/76 pA9 c1-8

## THEN ON TO PARIS

A conference of senior officials from 27 countries will take place on July 9-10 in Paris. The U.S. will propose again the IRB plan. "The resources proposal is meant to be a way of reducing the political risks of foreign investment--an insurance vehicle" according to Gerald Parsky, assistant secretary to the treasury.

GM 8/6/76 p12 c1-2

GM 17/6/76 pB16 c6-7

## FOOD FUND

An international fund to ease food shortages has been postponed because the \$1 billion target has not been met by the industrialized countries.

EJ 14/6/76 p59 c3-4

## CANADA/LATIN AMERICAN ECONOMIC RELATIONS

Loan for Peru=

Canada has agreed to lend \$300 million to Peru to finance development projects. The loan will be used over the next three years to finance the development of mines, telecommunications, the metal industry and forestry programs.

The agreement was signed by Roberto Keyl Rojas, director of the Peruvian economy and finance ministry, and Claude Charland, deputy director of the exports section of the Canadian industry department.

MS 9/6/76 pD9 c8

EJ 9/6/76 p15

U

U.S. Democrats Blast Loan to Chile from Canadian/U.S. consortium.

Widespread criticism among congressional Democrats has greeted disclosures that a consortium of Canadian and U.S. banks has made a multimillion dollar loan to the military government of Chile.

The loan is intended to help finance a balance of payments deficit and a whopping \$4 billion Chilean foreign debt. European banks and governments have been reluctant to provide any new financing.

WFP 18/6/76 p38 c1-4 CP

## OTHER INTERNATIONAL EVENTS

### HABITAT CONFERENCE

*Introduction: The main issues at Habitat were land use, clean water by 1986, limitation of nuclear energy and the Third World show of power over an anti-Zionist resolution. Most of the press coverage was descriptive of events and not analytical of issues. Commentary tended to be skeptical, lacking specificity and dealt with dominant issues rather than regional problems. At Habitat there was a broad exchange on technical, economic, political and social issues very little of which was reported in Canadian newspapers. As the conference itself proceeded resolutions were carefully reworded to become more vague and thus gain acceptance. In speeches both MacEachen and Marchand tried to rationalize Canada's do-nothing policy.*

#### MacEachen

"Unlike most of the participants at the conference which are unitary states, Canada is a federation. Coherent and effective human settlement policies in Canada can only be achieved through intergovernment cooperation. Under the constraints of the nation it is not possible for me today to declare a new land policy for Canada.

TS 2/6/76 pl c1-4

#### Marchand

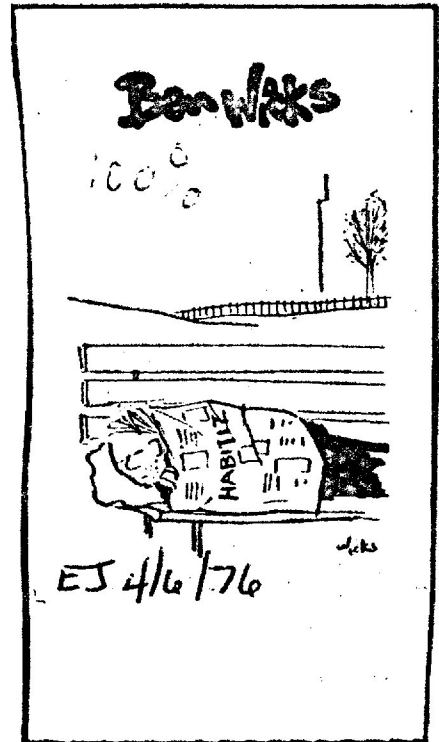
"The federal government would risk defeat if it sought a radical redistribution of wealth to developing countries. For example, we should increase foreign aid and we need better distribution of wealth but how far can we go? How much can we deprive Canadians of their so called standard of living without being defeated in the next election.

TS 4/6/76 pA11 c6-7

#### Land Use Proposal

A report on human settlement in Canada by Dr. P. Nicholson, a senior researcher with the federal urban affairs ministry, attacks windfall profits from land speculation as having no economic or social justification. These profits should go straight into the public purse through taxation, the report said. It pointed out that twenty big development corporations control most available land in Metropolitan Toronto. Developers' tactics of sitting on land blocks instead of developing them, to avoid higher municipal taxes were criticized.

The answer is to make taxes on undeveloped land as high as taxes on developed sites. In Ontario there is a 20 per cent tax on profits made in land sale but only for three categories: unimproved land, sale of



non-owner homes, and sale of apartment buildings owned for less than ten years. This land speculation tax is full of loopholes and encourages the growing monopoly of giant companies. Big corporations can avoid the tax by holding onto the land and building on it much later while the small groups can't afford to tie up their money for very long. The report, well-received by Third World delegates, pressed for public land-banking. Nicholson spent two years preparing the report, which charts Canada's development in the past ten years. Urban affairs minister Danson described the report as 'completely unofficial'.

TS 2/6/76 pA2 c5-9 Paul Dalby

The ownership, use and control of land was seen by delegates as a more urgent issue than the types of housing and shelter developments that might be placed upon it. The emerging nations have long regarded land reform as a prerequisite to any hope of self-sufficiency. The original draft proposal of the 56 nation Habitat preparatory committee included a statement that land "cannot be treated as an ordinary asset, controlled by individuals and subject to the pressures and inefficiencies of the market." It argued that private land ownership was a principal instrument of accumulation and concentration of wealth and therefore an obstacle to planning. The detailed recommendations for national policies on land use included a proposal that "profits resulting from the increase in land value due to development and change in use must be recaptured by the community." Other recommendations strongly urged public land ownership, taxation policies that bordered on confiscation, redistribution and expropriation at marginal compensation levels.

FP 26/6/76 p9 c1-3 Blair Jackson

The final draft proposal on land control and ownership was moderated by the Canadian representatives to allow for the widest interpretation. The approved recommendations made reference to "excessive profits" being subject to "appropriate" recapture and public land ownership "wherever appropriate". John Gilbert (NDP Broadview) labelled that position weak, saying the government could not support the earlier resolution because most of the land suitable for housing is in the hands of a small group of private land developers who reap profits with government help through such tools as capital allowances. The position Canada should have taken was as proposed by a Canadian delegation of non-governmental people, he said. That position included a philosophy that land be treated as a community resource instead of as a market commodity.

WFP 22/6/76 p7 c3-6

#### Clean Water and Nuclear Energy

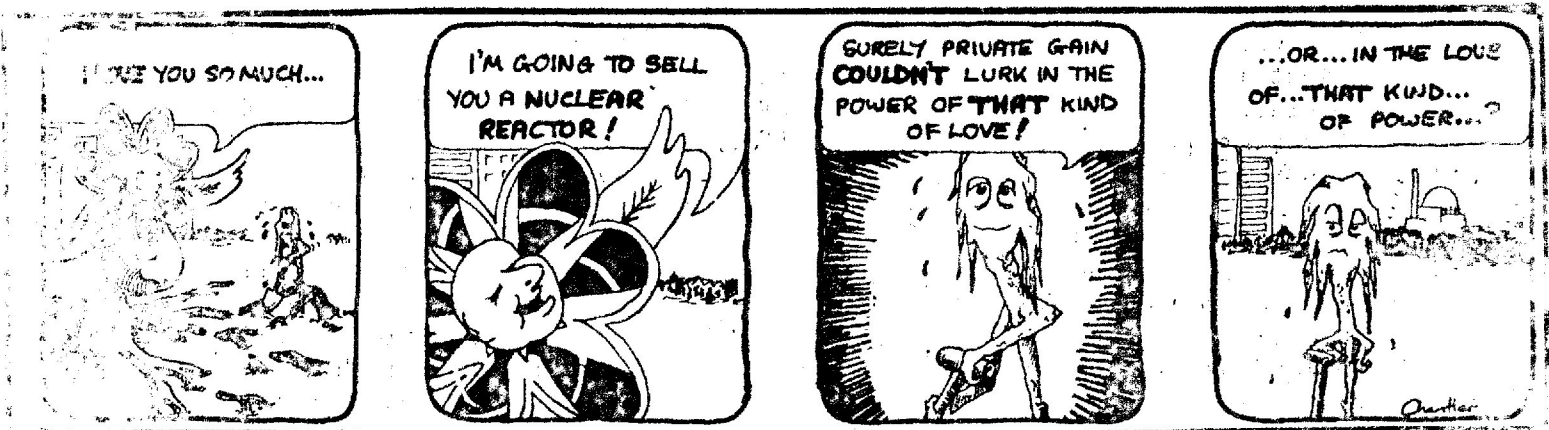
A symposium of 24 leading experts forecasts violent upheavals if wealthy countries do not share their riches with the poorer countries. A program to provide the basic needs of the Third World's settlements--transport, housing, sanitation and water would cost \$300 billion (\$30 billion a year for the next ten years). This compares with a global spending on armaments of \$300 billion a year. Other recommendations included:

governmental control over land use, a moratorium on depletion of nuclear power, with emphasis shifting to cheaper and safer energy sources such as solar power, reinforcement of small cities and rural settlements to lesson pressure on big cities and conservation and recycling.

TS 31/1/76 pA2 c1-5

The Canadian delegation opposed committing rich countries to paying for the programme of clean water for the whole world. Justice Minister Ron Basford said Canada does not consider it "in the realm of the conference to attach specific dollar targets" to such goals as clean water for everyone.

TS 5/6/76 pA3 c2-6



A proposal by Papua-New Guinea that would have limited energy technologies known to be hazardous, including nuclear power was blocked in the conference by a working committee. The final resolution dropped the specific reference to nuclear power, deleted the reference to limitation and ended up with a call for "rationalization of technologies currently known to be hazardous to the environment." At the same time the Greenpeace Foundation said it was offered an ounce of pure plutonium, the key ingredient in nuclear devices. The group charged that the government claim to have a failsafe system of strict control of plutonium supplies was 'a pile of nonsense'.

EJ 9/6/76 pl c1-7

GM 10/6/76 pF6 c3-9

### Third World Resolutions

Instead of unanimity, the Habitat conference split 89 to 15 with 10 abstentions on the final declaration of principles which contained an anti-zionist resolution which asked the conference to condemn all forms of racism referred to in General Assembly resolutions, a clear reference to last year's bitterly fought resolution branding zionism a form of racism. The declaration also included demands for a new world economic order with changes in international trade and monetary systems, complete disarmament, and public control of land-use and tenure. Canada's only objection was the anti-zionist statement. Earlier a controversial Panamanian resolution alluding to that country's right to control the Panama Canal was adopted. An Arab sponsored amendment was passed condemning Israel for establishing settlements in occupied territories.

TS 12/6/76 pA3 c6-9



# TRADE

*Introductory Comment: Canada's trade problems have increasingly been blamed on Canadian workers. Productivity statistics have been brought forward to argue that Canadian workers are relatively less productive than other workers (especially U.S. workers) while their wage demands are "pricing Canadian goods out the international markets". Productivity figures are an extremely misleading index if it is used to explain a nation's trade problems. Other factors such as the relative value of the nation's currency to other currencies, the proportion of raw material exports to those of finished goods and the level of imports are among the factors that must be taken into account in trying to account for a nation's trade problems. The first article reveals a dramatic shift in productivity figures that illustrates the problem.*

*In view of the recent signing (July 6, 1976) of the Canadian-European economic agreement, sometimes called the 'contractual link', background information is presented together with an assessment of the agreement itself. Finally some aspects of the Canadian-American relations are analysed.*

## First Quarter Statistics

Balance of Payments  
deficit \$1.38 billion

Trade Balance  
deficit \$ .2 billion

Balance (including Capital  
Inflow)  
surplus \$ 2.44 billion

Borrowing \$2.8 billion  
Securities \$2.9 billion      inflow

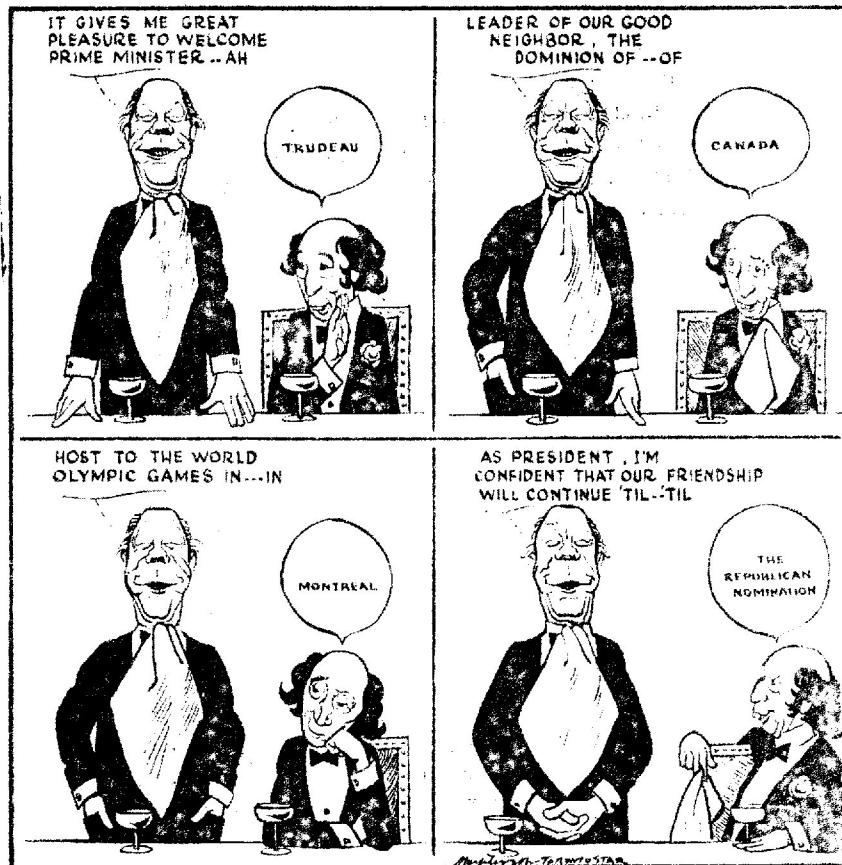
Interest on  
previous  
loans etc. \$2.3 billion      outflow

## May Statistics

### Merchandise Trade

Exports \$3.12 billion = +\$.24b.  
Imports \$2.88 billion

GM 18/6/76 pB1 c2-3  
OC 18/6/76 p9 c4-8  
GM 26/6/76 pB4



TS 15/6/76 pB4

BETWEEN FRIENDS

CANADIAN WORKERS' PRODUCTIVITY ALMOST TWICE THAT OF U.S.: REVISED STATISTICS UNDERMINE RATIONALE FOR WAGE CONTROLS

U.S. productivity rates increased annually by 1.5% between 1969-74 instead of the 3.8% annual increase previously reported. In the same period the Canadian rate of increase was 2.9%.

NDP leader Ed Broadbent argued in the House of Commons that these figures show there is no need for wage controls.

Finance Minister Donald Macdonald countered that the government did not use pre-1975 data but brought in wage controls because of "the developing situation" i.e. "the rising level of wage demands and some high wage settlements".

WFP 10/6/76 p39 c2-5

*CNSP COMMENT*

*No explanation was given for the inaccuracy of the previous U.S. productivity figures. The Canadian finance minister also gives no explanation for ignoring pre-1975 data and taking into account only a highly selected set of wage demands and settlements to justify wage controls.*

*PRESS ANALYSIS*

*In contrast to the volume of newspaper articles that have made Canadian workers responsible for Canada's trade problems for over a year and a half, the WFP article which appeared on p.39 was the only example of reporting that challenges the dominant anti-worker view.*

Export Consortia

The Federal law on Combines may be changed to encourage the formation of Canadian consortia involved in export projects. An example is CANAVEN a grouping of transportation and consulting companies who will bid on a rail project in Venezuela. Another is the Urban Transportation Development Corporation which will bid on a subway system projects also in Venezuela.

WFP 15/6/76 p27 c1-4

FP 28/6/76 p6 c1-2 edit.

Canada and the European Economic Community  
Background

The EEC is the largest trade bloc in the world. It carried on 36% of world trade in 1974. The U.S. and Japan have the largest shares of trade with the EEC. Since 1960 Canadian exports to the EEC have increased in value but dropped as a percentage of EEC imports.

The impetus for seeking a trade link with Europe came after England's entrance to the Common Market in 1973. At that time Canada lost the preferential tariff arrangements and the duty free exports of wheat and other grains.

Two thirds of Canada's exports to the EEC are made up of agricultural products, food, forest products, ore, metals and minerals. Only 12 % of our exports are in finished products. In 1975 in spite of vigorous Canadian efforts (trade missions, tours, talks) the volume of Canada-EEC trade declined. Economic Review May June 1976 Provincial Bank

% of total exports by Canada to:	1960	1975
U.K.	17.4%	5.6%
9 countries that now make up the EEC	26%	12.7%
U.S.	55.8%	65.2%

(see reference above)

#### The Agreement

The agreement which was formally signed on July 6, 1976 has still not been made public. Commentators however believe that it is simply an agreement to meet from time to time to discuss economic matters. It does not involve any trade concessions (which are not permitted under the General Agreement on Tariffs and Trade GATT) nor any concrete commitment to enlarge Canada's trade with the EEC. The EEC is mainly interested in supplies of raw materials. The agreement may facilitate the undertaking of some joint ventures in natural resource development projects.

FP 12/6/76 p44 c1-2 Clive Baxter  
MS 10/6/76 pB12

Canadian businessmen Alfred Powis of Noranda, Arthur Smith of INCO and Roy Phillips of CMA expressed skepticism about the agreement's concrete benefits to Canadian exporters. They feel the agreement is vague and that Canadian interests lie with increasing trade with the U.S.

GM 11/6/76 p7 c1-8 Hugh Winsor

#### Canada-U.S. Trade

##### Autopact

From Jan.-April Canada lost \$796.9 million on autoparts and accessories trade according to Patrick Lavelle, president of the AutoParts Manufacturers' Association. The surplus on vehicles rose to \$543 million. In 1975 the deficit in auto trade accounted for 40% of Canada's current account deficit.

TS 16/6/76 pC11 c3-6 CP  
EJ 21/6/76 p68 c1-2 CP

##### Steel

The U.S. has imposed import quotas on specialty steel products from Canada, Europe and Japan. The quota is thought to be an election policy to gain support from domestic steel producers now operating at only 60% capacity.

WFP 12/6/76 p21 c1-5  
EJ 16/6/76 p113 c1-3

##### Oil and Gas

Oil exports to the U.S. will drop to 450,000 barrels a day on July 1, 1976 because of the start-up of the Sarnia to Montreal pipeline. Imports from the Middle East and Venezuela will drop to 675,000 barrels.

OC 11/6/76 p1 c4 CP

Ottawa announced price increases for natural gas. U.S. sources estimate the increases at \$322 million annual extra cost. New prices will be:

Sept. 10 \$1.80 per thousand cubic feet  
Jan 1/77 \$1.94 per thousand cubic feet

EJ 16/6/76 p62 c1-2 FTS service

## FOREIGN INVESTMENT

### BLAKENEY SEEKS INVESTMENT IN JAPAN

The Saskatchewan government headed by Premier Allan Blakeney has concluded a week-long trade tour to Japan, and appears assured of important Japanese investments for joint uranium exploration ventures. Proposals to explore with the Japanese for uranium would involve unexplored regions of the province and only reserves that are Saskatchewan-owned.

Potash was also a main issue in the talks. The trade mission succeeded in calming Japanese fears about the plan to nationalize the province's potash industry. Premier Blakeney assured Japan of long-term supplies of the fertilizer-making ingredient and promised he would not use Arab-like cartels to negotiate the prices of resources in his province.

GM 3/6/76 P.B4 c1-2 N.N. Tsuji.

### TRADEMARK OFFICE DECIDES ON WESTINGHOUSE

In order to protect the Canadian public from possible confusion in the marketplace, the federal trademark office has decided that it cannot approve U.S.-controlled WCI Canada Ltd. of Guelph as a registered user "at this time" of the Westinghouse trademarks on appliances in Canada.

However, the federal trademark registrar says he will be willing to review the decision if additional evidence or arguments are submitted by WCI within six months.

WFP 5/6/76 P.31 c5-6 Jeff Carruthers

TS 3/6/76 P.C11 c7-8

### RCA TO CLOSE QUEBEC PLANT

The decision by RCA Corporation of New York to close down its Canadian research and development laboratory at Ste. Anne-de-Bellevue near Montreal is based on the company's plan to reorganize its international operations to increase profitability and does not take into account Canadian national interests.

The Canadian research centre, built to do advanced research in space electronics, used to employ 62 highly rated scientists and engineers. The company says 16 will be given positions in other parts of the Canadian subsidiary, but 46 others will be lost to Canada, most of them moving to jobs in the American parent organization.

Part of the reason for leaving, according to RCA president G. Denton Clark, is high Canadian wage costs and "the government's increasing intervention in the economic system." On the other hand, RCA has received \$20 million in grants from government research and development agencies. And it has benefitted from \$67 million in international aid funds to do projects helping third world countries.

The RCA decision makes a shambles of Canada's *voluntary* corporate guidelines for foreign companies. Herb Gray, former minister of consumer and corporate affairs, says the guidelines should be made mandatory. As things now stand, the Canadian government is powerless against such moves as that of RCA Ltd.

TS 2/6/76 P. B4 c2 (editorial)

TS 7/6/76 P. C4 c1-2 (editorial)

THE EXODUS GOES ON ... and another 100 jobs are lost. The Canadian Coleman Co. Ltd., established in Toronto in 1920, announced it is moving most of its international sales division back to the United States with the loss of 100 jobs for Canadian workers. The main reasons given were: Many raw materials cost more in Canada, Canadian labour now costs 61¢ per hour more than in the U.S., and productivity is lower here.

Sales in Canada are excellent but the manufacture of goods for export will decline in Canada as the company no longer finds it is competitive for export.

TS 24/6/76 P. C11 c6-8 Lee Belland

*CNSP NOTE: See section on TRADE for recent statistics on the relative productivity of Canadian and U.S. industry.*

#### SHARING THE CONTINENT: SHOULD CANADA OPT OUT?

*The Globe and Mail and the Ottawa Citizen both present substantial excerpts from an article by Mel Hurtig in the June issue of International Perspectives, published by the Department of External Affairs. Portions are presented below.*

There are three serious problems which are causing frictions to grow between Canada and the U.S. These are:

- an unfortunate ignorance about Canada on the part of the U.S. politicians, policy-makers, businessmen and the population in general, largely due to indifference but also because of

- the failure of the Canadian government to understand, to respond adequately to and to interpret to non-Canadians the reasons for the changing mood in Canada, much of which stems from the dawning realization of

- the debilitating economic effects, for Canada, of the kind of "continent sharing" we have engaged in for the last quarter of a century.

During the past 25 years Canada had a whopping deficit of some \$30 billion in its balance of goods and services with the U.S. and a deficit of over \$6 billion in our merchandise trade. At the same, U.S. ownership and control of Canadian industry and natural resources has increased by tens of billions of dollars *over and above American investment* in Canada while the *cost* to Canada in interest payments, dividend payments and "service charges" has been *more than double* the total of foreign capital entering the country.

From 1950 to 1974 the total and short-term inflow into Canada, from all countries was \$20,341,000,000. During the same 25 year period, the cost of servicing foreign investment in Canada (interest, dividends and service charges) was \$40,893,000,000. In 1975 the outflow was a record \$6 billion, and will be worse in 1976. As a result, over the past 25 years Canada experienced a current account deficit of \$21.5 billion. Our deficit with the U.S. alone was \$24.7 billion, meaning that we had a current account surplus with the rest of the world of \$3 billion for the period.

The problem with the trade between Canada and the U.S. is that we are exporting more and more non-renewable natural resources while we import more and more finished products from the U.S. In 1975, Canada had an \$11 billion deficit in trade of finished products with the U.S. To finance our deficits we maintain excessively high interest rates to attract foreign investment - the principal cause of these deficits in the first place - and with it more foreign control of our economy. We are faced with deficits that could bankrupt the nation.

We must curtail our imports from the U.S. While we had our worst trade deficit last year, the U.S. was enjoying its largest ever surplus - over \$11 billion. We must cut back on foreign direct investment in Canada, the growth of which is 90% financed from either retained earnings or funds raised in Canada.

GM 14/6/76 P. 7 c 2-6.

Oc 14/6/76 P. 7 c 1-6.

#### CANADA TO SUPPORT MODIFIED CODE FOR MULTINATIONALS

The ministerial council of the Organization for Economic Cooperation and Development (OECD) made up of 24 advanced industrial countries in Western Europe, North America and the Pacific region adopted a "declaration on international investment and multi-national enterprises" which spells out *voluntary guidelines* both for the multinational enterprises and the countries in which they operate.

It calls on the multi-nationals to consider the host countries' policy objectives, increase the information available about their operations, allow their national subsidiaries to develop domestic and foreign markets, and fill jobs without unnecessary discrimination on the basis of nationality. With a view to the Lockheed bribery scandal and similar incidents, the OECD code states that multi-nationals must "not render - and they should not be solicited to render - any bribe or other improper benefit, direct or indirect, to any public servant or holder of public office." They also ban illegal political contributions and "any improper involvement in local political activities."

For the United States, the other important issue was what the declaration calls "nationals' treatment" - whereby the host countries should give the multinationals treatment under their laws, regulations and administrative practices consistent with international law and no less than that accorded in like situations to domestic companies.

Canada has signed the declaration promising to accord foreign-controlled firms no worse treatment than Canadian ones, while at the same time avowing its right to go on discriminating against them. OECD officials, who have spent more than a year devising a formula to satisfy both American multinational interests and Canadian nationalists, said they saw no contradiction in the double-barrelled promise.

Gm 19/6/76 P. B12 c 1-5 Leo Ryan

OC 22/6/76 P. 9 c1-4

TS 22/6/76 P. c7 c1-2 Don Stevenson

*CNSP NOTE: The policy of filling jobs without decision based on nationality would allow MNCs to hire freely, and could contribute to higher unemployment for Canadians.*

## ECONOMY GENERAL

### GNP REAL GROWTH WAS 2.7% IN FIRST QUARTER

The Gross National Product grew by 2.7% in real terms (after the effects of inflation have been discounted) for an annual growth rate of 10.8%. In March, the GNP annual level stood at \$176.5 billion in current dollar terms. The inflation rate for the quarter was 1.7% (6.8% annually). The major cause of the growth of the GNP was restocking of inventories to meet an expected rise in consumer demand that never materialized. This is a cause for concern since such growth of stocks cannot be maintained, and the recovery will falter without an increase in spending. Over the quarter, personal spending on goods declined by 1.6%. This was caused by a 30% decline in spending on durable goods. A major cause of this was a reduction in auto sales due to the re-imposition of the Ontario sales tax. Capital investment also declined during the quarter. The rate of housing starts is not felt likely to increase in the near future, and investment in plant and equipment may show a decline in real terms over the year.

Exports grew at a real annual rate of 23.2% in the first quarter, but imports grew faster, so the current accounts deficit grew by over \$750 million at annual rates.

Government expenditures rose at an annual rate of 15.2% in current dollars, the biggest rise being in federal defence spending. At the same time, government revenues increased, so the deficit was narrowed from an annual level of \$4.1 billion in fourth-quarter 1975 to an annual level of \$1.8 billion in first-quarter 1976. Pre-tax corporate profits fell by 4.5% in the first quarter.

GM 19/6/76 P. B 12, c 1-9

#### WAGES BARELY KEEP EVEN WITH INFLATION

Personal income rose by an annual rate of 16.4% in the first quarter, but increased taxes reduced disposable income to a 6.8% annual increase, which barely kept even with inflation during the period.

GM 18/6/76 P. B 12 c.1-9

#### PRICE INDEX RISES BY 0.8% IN MAY

The Consumer Price Index rose by 0.8% in May (a rate of 9.6% annually). The 12 month rise since May 1975 was 8.9%. The major cause of the CPI rise was a 1.5% jump in food prices in May. The purchasing power of the 1971 dollar is now 68¢.

GM 11/6/76 P. B5 c.1-9

#### CONTROLS INEFFECTIVE: GRAFFTEY

Howard Grafftey, a conservative MP attacked the wage controls programme, saying that only wages were being curbed. He pointed out that food prices at the farm level are not controlled, so price rises cannot be stopped. At the same time, Grafftey claimed, AIB chairman Pepin "spends 95% of his time on wages and very little on prices." Finance minister MacDonald pointed out that only large food-processing companies are covered by the controls, so he claimed that the only way to stop increases like those of May would be to extend the controls to the farm level, and he doubted that Mr. Grafftey wanted this.

CP: EJ 11/6/76 P.38 c1-3

GM 11/6/76 P.1 c.8-9

#### PLUMPTRE RESIGNS FROM AIB

On June 11, Beryl Plumptre resigned from her post as vice-chairman of the Anti-Inflation Board. She cited "personal reasons for her decision, and denied that she disagreed either with the Government controls policy or with Board chairman Jean-Luc Pepin.

WFP 11/6/76 P.1 c 6-7

Gm 12/6/76 P. 10 c.7-9

#### BUDGET WON'T FIGHT UNEMPLOYMENT: HOGAN

Andy Hogan, an NDP MP, claimed that there are now 12 unemployed Canadians for every available job. He called for tax cuts or tax credits for low income groups. He attacked the move to lengthen the qualifying period for UIC benefits from 8 to 12 weeks, and he also condemned the government's failure to adequately deal with regional disparities of employment opportunities, saying that regions of high unemployment do not receive enough benefits.

HCH 11/6/76 p.15 c.1-8



## MacDONALD OPPOSED TO TAX CUTS

Finance Minister Donald MacDonald says he is opposed to business proposals for investment incentives, tax concessions and government spending cuts. He rejected the claim that government spending is the cause of inflation. He said that the first goal of the government is to bring prices and costs under control in order to increase output and employment, to reduce the current account deficit and to cut back on foreign borrowing.

GM 19/6/76 P. 10, c.2-5

*CNSP NOTE: The deficit in Canada's balance of payments is one of the most serious problems of the economy (see the TRADE section). This situation is aggravated by the Auto Pact deficit and by continued high borrowing. The question remains whether Canada can free its economy sufficiently from the U.S. in order to set new priorities, even if the Liberal government wanted to do so.*

## ABOLISH CONTROLS: PETERS

Douglas Peters, vice-president of the Toronto-Dominion Bank called for the abolition of the federal controls, saying that they discouraged productivity. He also called for a tighter federal fiscal policy and an easier monetary policy. In the Toronto Star, columnist Jack McArthur explained that the last two proposals will "transfer the burden of battle from money policy (and the expensive dollar) to a tighter government spending-taxing policy." TS 9/6/76 P.C10, c 1-2

*NOTE: When business calls for tighter fiscal policy, it is really a demand for the government to cut back on transfer payments to the poor. Thus, McArthur is saying that the "burden of battle" will be shifted to those who are least able to afford it. To preserve corporate profit, the poor will suffer.*

## COURT BATTLE OVER CONTROLS

The Supreme Court of Canada is holding hearings to determine the constitutional validity of the wage and profit controls. As yet, no decision has been made.

-Ottawa argued that inflation had become such a threat that the controls were justified to preserve "peace, order and good government" as described in the BNA Act's catch-all phrase giving the federal government wide powers.

WFP 5/6/76 P.1 c3-8

-Ontario Wholeheartedly agreed with Ottawa. It also claimed that a vote in the provincial legislature was not necessary since the government claims the right to make any agreement not specifically forbidden by law. TS 2/6/76 P. A1 c7-8

-Representatives of CUPE, the CLC and the OPSEU argued that the anti-inflation never mentioned an emergency, so Ottawa overstepped its powers in creating the controls.

TS 5/6/76 P. A10 c1-7

-Outside the House, Prime Minister Trudeau said that if the Supreme court threw out the legislation, then he would consider declaring a national economic emergency.

TS 9/6/76 P.A3 c6-9

# Nuclear Energy

## Overview

The underlying presumption of the Nuclear Debate from the side of business is - that we must maintain our standard of living and this is dependent on the availability of cheap energy". With the depletion of fossil fuel (coal, gas, oil), the electrical energy from the Candu system (eg. Pickering) is being compared to coal-fired plants such as Ontario Hydro's Lambton plant and the cost of the former is  $\frac{1}{2}$  that of the latter. According to Dr. Tomlinson (Professor at McMaster, Researcher in Nuclear Energy and Director of Linear Technology and other companies), "there are no significant difficulties technically. The main problem is financial- \$60 billion is required. See chart below.

The nuclear industry feel that the price of oil rises has greatly strengthened the nuclear power case. The Candu Export argument further complicates the debate. Our standard of living is directly related to the energy consumed in our society. If we deny developing nations cheap power- the gap widens.

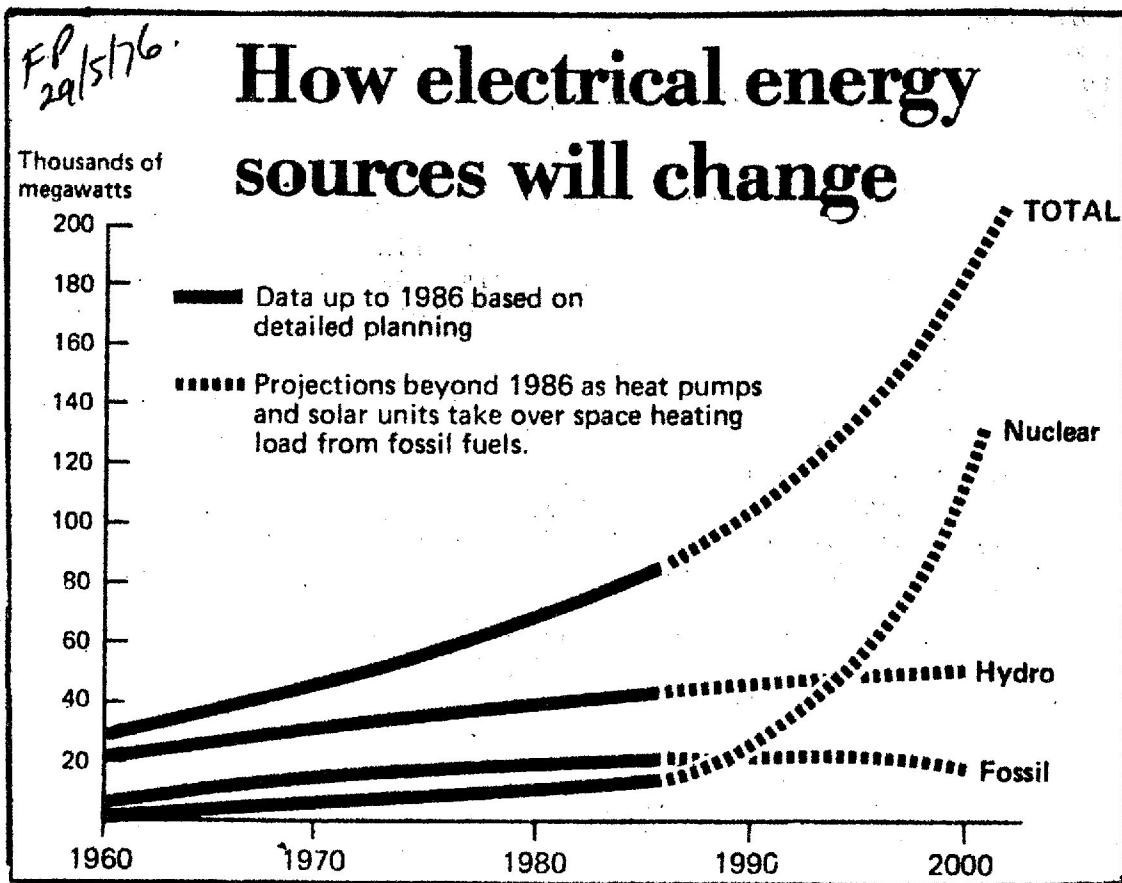
FP 29/5/76, p.36, c1-3

HCH 2/7/76, p.62, e5-6

In response to the oil crisis late in 1973, U.S.A., Japan and leading industrial countries

decided to accelerate their programs for the generation of nuclear power and in consequence their requirements for uranium fuel have increased considerably. A few years ago uranium sold at \$5-7 a pound. Now it is being sold at \$40 a pound.

The Uranium Institute founded last year by Uranium Producers are concerned that continued increase may threaten the demand. They say



they do not intend to be a price-fixing cartel and have admitted uranium consumers into the association, mostly electric utilities. (Denison Mines, Rio Algom Ltd., Eldorado Nuclear are members), according to the Globe and Mail, (18/6/76, p.B10, c7-9. In the Nuclear Debate the public is largely represented by the Canadian Coalition for Nuclear Responsibility- CCNR. They argue that insurance companies still refuse to voluntarily underwrite any nuclear installation in Canada even though enabling legislation was passed by Parliament. (This means that your home-owners policy disclaims liability for Nuclear radiation damage. Through the Canadian Nuclear Liability Act, the government of Canada absolves all operators from carrying such insurance but will resort to federal tax support (taxpayers dollars) should the need arise.)

WFP, 9/6/76, p.50,c1-8

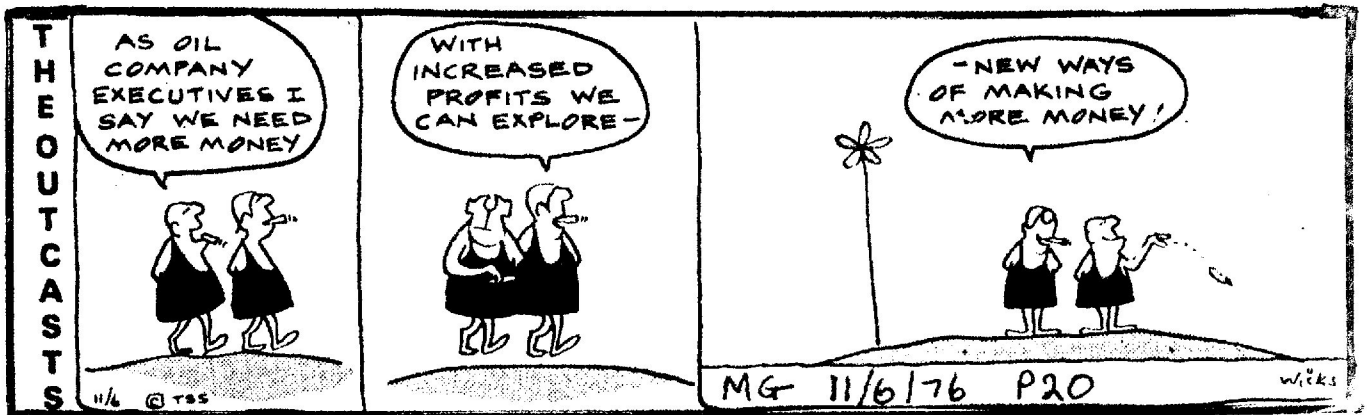
The most disturbing problem is the disposal of highly toxic, radioactive and fissionable wastes and leakages into the environment. And this is compounded by the plans to recycle part of this deadly waste through reprocessing plants.

The Science Council recently reported that the investment required to reduce energy consumption would be 10% of investment needed to increase supply of energy.

The CNNR are lobbying for a sane policy of conservation coupled with introduction of realistic alternatives to nuclear power such as; solar, wind tidal, geothermal, methane from waste, algae, etc.

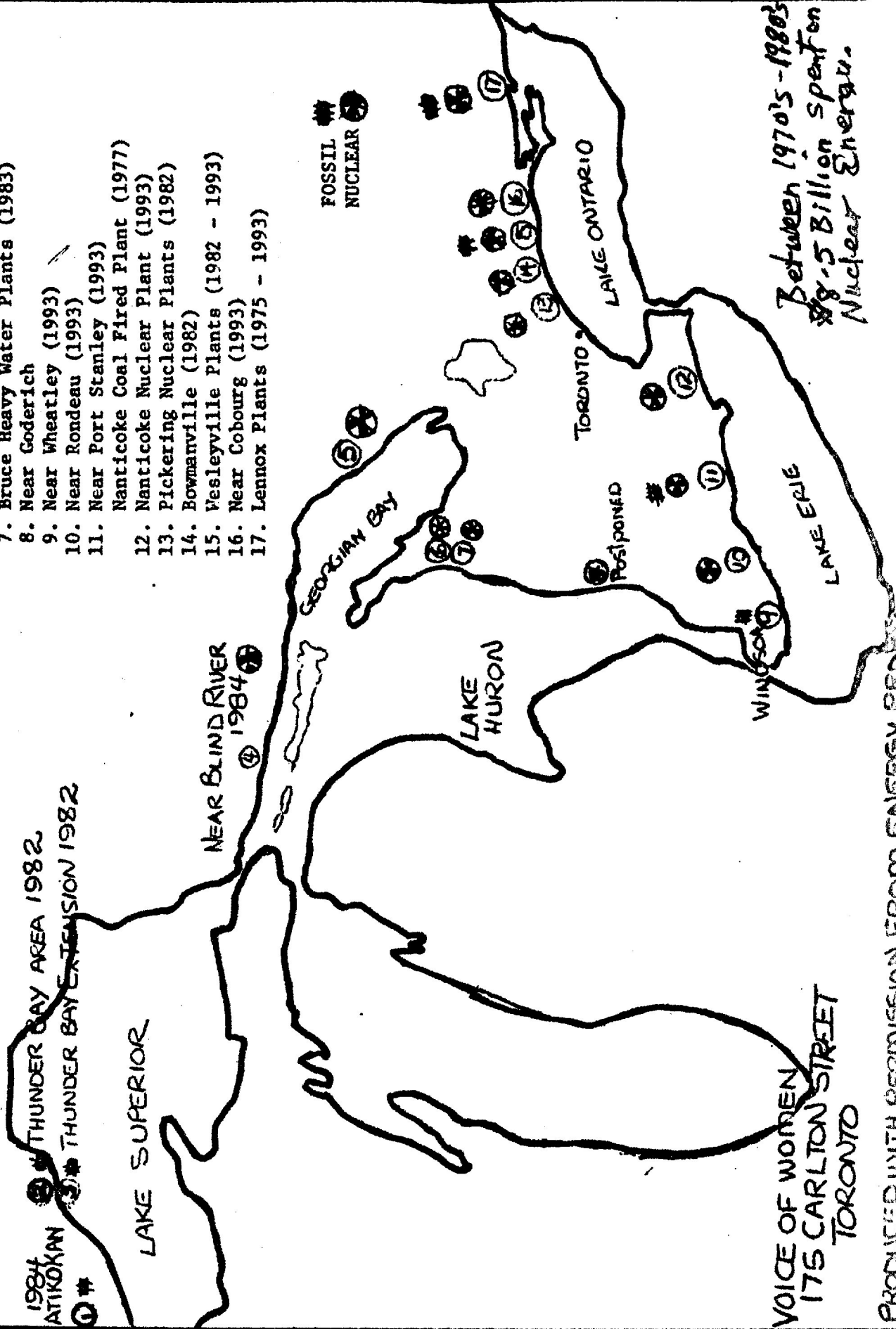
Meanwhile in the U.S.A., the Movement for Nuclear Safeguards Initiative gathered momentum in a referendum voted upon in California on June 10. Their research has shown that the people who control the oil also control uranium. Exxon and Gulf are the biggest names in the Atomic Nuclear Industrial Complex. The factories for producing and using nuclear fuel built at government expense are General Electric, Westinghouse, Du Pont, and Union Carbide. The government guaranteed these companies profit. Labour relations in the atomic industry was stabilized by a special government board empowered to prevent interruption of production.

The Seven Major Oil Companies controls 30% of coal reserves in U.S.A. and 50-80% uranium reserves. In order to sell to the public the need for nuclear power a publicity campaign has been launched by the Atomic Industrial Forum (AIF), the public relations arm of the nuclear power industry to block efforts by nuclear opponents. This plan is being financed by nuclear manufacturers and utility companies to try to sell the economic benefits of nuclear



# Approved and Proposed Hydro Stations in Ontario, 1974-93

5. Near Parry Sound (1993)
6. Bruce Nuclear Plants (1978-83)
7. Bruce Heavy Water Plants (1983)
8. Near Goderich
9. Near Wheatley (1993)
10. Near Rondeau (1993)
11. Near Port Stanley (1993)
12. Nanticoke Coal Fired Plant (1977)
13. Nanticoke Nuclear Plant (1993)
14. Pickering Nuclear Plants (1982)
14. Bowmanville (1982)
15. Vesleyville Plants (1982 - 1993)
16. Near Cobourg (1993)
17. Lennox Plants (1975 - 1993)



PRODUCED WITH PERMISSION FROM ENERGY P.C.

power to government decision-makers, bankers, labor unions, educators and major civic groups, business, professional associations and the media. Members of the AIF are presidents and vice-presidents of: Exxon Nuclear, General Electric Westinghouse, Kerr-McGee, General Atomic, Union Carbide, Chase Manhattan Bank, First National City Bank, El Paso Natural Gas, Southern California Edison, Pacific Gas and Electric, Bechtel Engineering, Combustion Engineering.

Extracted from Nuclear Power  
Science for the People  
Berkeley SESPA

The publicity campaign has obviously begun in Canada and a recent joint meeting in Toronto of the Canadian Nuclear Association (CNA) and American Nuclear Society tried to take some heat out of their critics' complaints. The province most committed to nuclear energy is Ontario and the map facing indicates to what extent. Robert Taylor, Ontario's Hydro Chairman is a member of CNA. He believes "the future is Nuclear". Because Ontario is dependent on coal from West Virginia and Pennsylvania and in 1980's Western Canada he would prefer that the industrial heartland go nuclear. One third of new plants be fossil-fired, and two-thirds be nuclear.

Northern Miner, 27/5/76, p.4 c1-2

## FORESTRY

### FOREST INDUSTRY CALLS FOR DOLLAR DEVALUATION

In a pre-budget submission to Federal Finance Minister Donald Macdonald, the Council of Forest Industries of B.C. called for federal policies designed to depreciate the value of the Canadian dollar in order to stimulate exports. Exports of Canadian forest products-- newsprint, wood pulp and lumber-- total about \$5 billion, about one-sixth of total exports. Seventy-five percent of forest products exports go to the U.S.

VS 6/5/76, p.35 c1-2  
GM 22/5/76, p.B4. c6-8

### GIANT PAPER PRODUCER PLANNING SHUTDOWNS

Citing slow paper demand, the Price-Abitibi Paper group of companies, the largest paper conglomerate in the world, announced that it is beginning a series of rotating month-long shutdowns at its ten pulp and paper mills in Newfoundland, Quebec, Ontario and Manitoba.

TS 25/6/76, p.C8 c2-3

### GOVERNMENT SUPPORT FOR NEWEST CANADIAN PULP MILL

The Quebec government and the federal Department of Regional Economic Expansion (DREE) will put up one-third of the capital for the country's newest kraft pulp mill at St. Felicien, Quebec. In the last few years the pulp and paper industry has refrained from making investments in new plants, preferring to update existing facilities while charging higher prices for pulp and paper products. The St. Felicien mill, to be owned 60% by Donohue Ltd. and 40% by British Columbia Forest Products Ltd., is one of the few new plants

under consideration. Construction at St. Felicien will begin this summer and

will cost an estimated \$300 million of which \$100 million will come from the public coffers: \$30 million from DREE, \$20 Million from Quebec's planning and development office (OPDQ) and \$50 Million from Quebec's General Investment Corporation. Production is expected to begin in 1979.

FP 15/5/76 p.24, c1-2

FP 29/5/76, p.40, c1-2

CNSP NOTE:

*The St. Felicien pulp mill represents not only the continuing growth of government support for private investment plans, but also signals the extension into the forest sector by NORANDA MINES Ltd. (see CNSP Vol. IV, No. 2, Page 11). The junior partner in the St. Felicien project is B.C. Forest Products Ltd., a company controlled by the Noranda group through a 28.5% interest. Although B.C. Forest Products appears to be the minority interest, it will exercise project and initial management control at St. Felicien. Noranda's extensive mining interests in the province of Quebec, and the corporation's high level political contacts with the federal government, may explain its access to both federal and provincial funds for the pulp mill project.*

REED PAPER COMPANY THREATENS ONTARIO NORTH

Last February internal documents of the Ontario government were leaked to the leaders of Treaty No.9 Indians of northern Ontario. The documents revealed that the provincial government is prepared to turn over 26,000 square miles of timber rights north of Red Lake to the Reed Paper Company of Canada. A subsidiary of the British-based conglomerate, Reed International, the Reed Paper Company of Canada has been planning an expansion of timber cutting in northern Ontario for several years. The area that Reed wants to cut is just south of the tree line where the black spruce forests have the shortest growing season of any area ever logged in Ontario and whose forests are ecologically delicate. The company claims that the only economically viable cutting method is "clear cut" logging where literally everything standing is removed.

Treaty 9 Indians are protesting the proposed government concession to Reed on the grounds that the project will have disastrous effects on the lives of the 12,000 native peoples who live in the area. Treaty 9 leaders say that the ecological effect of Reed's "clear cut" plans will be the creation of a barren desert in the north of the province and the destruction of native life-styles and economies. The natives cite Reed's history of mercury contamination of the Wabigoon and English river systems in the Dryden area of northern Ontario as an example of the company's social and environmental irresponsibility which threatens

to be transferred to an even larger area of the north. The provincial government has not consulted the Treaty 9 Indians concerning the Reed land transfer deal.  
(see Ontario Report, Vol. #5, June 1976 p 25-29)

## MINING

### POTASH

#### BUSINESS NEWSPAPER AGAINST POTASH TAKEOVER

In an ongoing campaign against Saskatchewan's proposed takeover of all or part of the potash industry, the business weekly, the Northern Miner, has urged the federal government to intervene to stop the "socialist" initiative.

13/5/76, p4 c1-2 editorial

#### POTASH COMPANIES TAKE SASK. GOVERNMENT TO COURT

Nine potash companies in Saskatchewan are seeking more than \$200 million in tax refunds through a legal action against the provincial government. The companies are asking the courts to rule that contracts between them and the provincial government concerning royalty payments were violated by later pro-rationing fees and reserve taxes. Speaking for the companies the Canadian Potash Producers Association says the monies paid under the later measures should be returned.

GM 14/5/76 pB1 c2-4

#### U.S. CONCERNED ABOUT TAKEOVER

U.S. Commerce Secretary Elliott Richardson says that his country is concerned about Saskatchewan's nationalization of American-owned potash companies. Stating that the move would discourage U.S. investment in Canada, Richardson noted that the Saskatchewan action sets a precedent which concerns the U.S. Richardson was speaking at a news conference at the International Trade Conference of the Southwest in Dallas, Texas where earlier Canadian Industry Minister Don Jamieson had explained Canada's concern about foreign economic domination. Jamieson noted, however, that "we still want a continued flow of foreign investment in Canada".

TS 20/5/76 pC15 c7-8 AP

The U.S. Agriculture Department has officially praised the U.S. Senate for passing a resolution expressing concern over Saskatchewan's planned takeover of all or part of the potash industry. The U.S. State Department has already made official representations about the proposed takeover to the Canadian government. The Agriculture Department says that the Ford Administration is already exploring ways of reducing any impact of the takeover by looking for other foreign potash sources and by examining the possible expansion of U.S. domestic production.

OC 27/5/76 p92 c1 CP

## BLAKENEY RETURNS FROM POTASH PROMOTION TRIP

Saskatchewan Premier Allan Blakeney, returning from a five-week Asian trade mission, says that he received assurances from China and other countries that they will look to Saskatchewan first to meet increased potash needs. No signed contracts resulted from the trip but Blakeney feels that he consolidated the province's position as main potash supplier to the Pacific Rim. His trip included China, Japan, South Korea, the Philippines, Indonesia and Malaysia. Strong interest was also expressed by Japan and South Korea interests in development of the provinces uranium deposits.

GM 10/6/76 pB4 c4-7

## JOE CLARK HEARS THE WORD

While meeting in Washington with President Ford and Henry Kissinger, opposition leader Joe Clark reassured his audiences that the Saskatchewan initiative "is not seen by Canadians as establishing a precedent." The two U.S. leaders, as well as a group of Congressmen, expressed concern for the potash takeover.

GM 16/6/76 p2 c6-9

## GENERAL

## MANITOBA MINISTER SEES MORE GOVERNMENT INVOLVEMENT

Manitoba Resources Minister Sidney Green told an audience of financial analysts that government involvement in the mining industry is preferable to granting financial concessions to the private sectors. While maintaining that his government encourages private investment and a reasonable rate of return in the mining industry, Green stated that "we have an obligation to take an active role in mining exploration and we feel we can do it more efficiently than the private sector."

GM 28/5/76 pB2 c8 CP

## FEDERAL BUDGET GIVES CONCESSION FOR EXPLORATION

The recent federal budget included a small measure to encourage more mining exploration by allowing for tax writeoffs for exploration. Previously companies whose principal business is mining could write off 100% of their exploration expenses but other companies, with mining as a small part of their larger operations, could only write off 30% of these expenses. These companies are now granted the full write off.

FP 29/5/76 p54 c1-2

## What Canada gets from the ground

METALS	Value \$1 million	Quantity
Nickel	1,109	540 million pounds
Copper	1,017	1.6 billion pounds
Iron ore	923	49 million tons
Zinc	895	2.4 billion pounds
Gold	276	1.7 million ounces
Silver	177	39 million ounces
Lead	152	746 million pounds
Molybdenum	69	27 million pounds
Platinum group	61	430,000 ounces
Uranium	N/A	12 million pounds
<b>Total all metals</b>	<b>4,812</b>	
NONMETALS		
Potash	347	5.3 million tons
Asbestos	267	1.1 million tons
Sulphur, elemental	89	4.5 million tons
Salt	61	5.7 million tons
Titanium dioxide	55	N/A
<b>Total all nonmentals</b>	<b>929</b>	
FUELS		
Crude oil	3,781	525 million barrels
Natural gas	1,730	3 trillion cubic feet
Coal	576	27 million tons
<b>Total all fuels</b>	<b>6,084</b>	
Source: Statistics Canada 1975 preliminary estimate.		
N/A - Not available.		

FP 29/5/76 p.49



## B.C. LIGHTENS THE TAX LOAD

In a move welcomed by the mining industry, the British Columbia government fulfilled a Social Credit election promise and repealed the former NDP government's mineral royalties tax. A new profits tax will have an effective rate of 15%.

TS 7/6/76 pB9 c6-8

# LABOUR GENERAL

## GOVERNMENT AND LABOUR MEET

Representatives of government and labour met following a move by the Canadian Labour Congress to push for a tripartite arrangement of decision making in Canada. The government delegation consisted of Prime Minister Trudeau, His principal secretary and the Ministers of Finance, Industry, Trade and Commerce and Labour. The Labour delegation included Joe Morris, president of the CLC and other executive members from the CLC, United Auto Workers, Canadian Paperworkers Union, Brotherhood of Railway, Airline and Steamship Clerks. (Notably representatives from CUPE and more militant unions were absent).

The meeting was devoted entirely to ways and means of improving the labour movements input into economic decision making. Neither the opposition of labour to the anti-inflation program nor the possibility of a general strike were mentioned. Little was said by either side following the talks, however it appears that while labour is demanding an equal share with business and government in decision making power, Trudeau is thinking more in terms of a consultative body to channel labour input into national decisions. Further meetings are set for July.

GM 18/6/76 p8 c4-7 FP 26/6/76 p3 c1-2

OC 19/6/76 p4 c1-6

## REACTIONS TO SHARED POWER CONCEPT

The media generally agrees that labour opinion should be taken into account in national planning, however not in any way that takes power away from the government. There was much suspicion that a strong centralized power such as a tripartite would threaten free enterprise and individual freedom. One columnist pointed out that there is no basis of trust between the government and labour and that government attitudes are much more compatible with those of business. In fact, there has been close consultation between them for a long time. Another writer questioned whether individual unions would be willing to allow the CLC full authority for negotiating with government and business since this would diminish the power of locals.

The Economic Council of Canada (ECC) came out in strong support of CLC's notion of national social and economic planning with full participation by various groups in the society. However, it was very clear that this participation must only be of a consultative nature because the power to make decisions belongs to the elected representatives of the people.

Maurice Strong, chief executive of Petro Canada stated that tripartite

planning could lead to a loss of individual freedoms.

EJ 2/6/76 p4 c3-6 MS 5/6/76 pB2 c4-6  
GM 16/6/76 pB11 c2-3 CP

#### UNEMPLOYMENT EASES SLIGHTLY

The National unemployment rate eased to 7.1% during May This is down slightly from the 15 year high of 7.4% reached in the previous month. One reason for the decline, according to Statistics Canada, is because of a fewer number of young people entering the work force.

EJ 8/6/76 p2 c1-2 CP

#### STUDENT UNEMPLOYMENT TO REACH CRISIS PROPORTIONS

Student unemployment this summer is likely to reach crisis proportions that will be especially laid on low income families says John Rodriguez, labour critic for the NDP. He criticizes the federal government for cutbacks in the summer employment budget and says that the result will be up to 50,000 fewer jobs for students this summer.

WFP 29/6/76 p9 c1-3 CP

#### CNSP NOTE

*The unemployment rate is based on the number of people actively seeking employment and not on the number of people actually unemployed. What the unemployment figure does not reveal is the decline in the number of jobs. (eg. cutbacks in OFY and LIP which have employed a large number of students)*

#### UNEMPLOYMENT INCREASES IN MARITIMES

The Atlantic area continues to suffer high unemployment rates. In Nova Scotia the rate rose sharply from 9.1% in April to 9.7% in May. Dr. Caesar Ruscore, provincial economist, says the lack of substantial seasonal increases in primary activity in construction, public utilities and public employment are cause for concern. He stated that there may be a cyclical deterioration in the provinces economy.

HCH 12/6/76 p37 c4-6

#### UIC DEBATE GOES ON

The debate continues around the government's proposed changes in the Unemployment Insurance Commission Act as outlined in last month's CNSP. The government has been accused of attacking the UIC rather than unemployment itself, and there is concern being voiced by a number of MP's the changes would cause serious financial difficulty for workers in economically depressed areas or where there is only seasonal employment. The main focus for concern are the Atlantic provinces which have the highest

unemployment in Canada.

EJ 10/6/76 p14 c3-5 CP

MS 10/6/76 pD9 c1-3 CP

TS 12/6/76 pB2 c1-2

#### GENERAL STRIKE BACKED

The Winnipeg Labour Council voted unanimously to support a general strike against wage controls if the Canadian Labour Congress calls one.

WFP 16/6/76 p1 c3

#### BANK PRESIDENT CALLS FOR LOWER CEILINGS ON WAGE INCREASE

Russell Harrison, president of the Canadian Imperial Bank of Commerce has stated that if the federal government is serious about wage restraint, the AIB's ceilings for increases should be lowered. According to Harrison, the 1976 budget did nothing in this respect but instead severe profit restrictions on corporations. He said the anticipated roll back of wage increases by the AIB has not yet occurred on a substantial scale.

GM 19/6/76 pB2 c1-3

#### AIB FACES BACKLOG

The anti-inflation board now has a staff of 853 (increased from an original 200) and a backlog of about 3,000 wage cases before it, board officials say. The board is under fire from labour for the delays in reviewing wage settlements. While business leaders claim it is accepting too many settlements above the guidelines, AIB claims that about 2/3 of the settlements it has reviewed to date are within the guides.

HCH 10/6/76 p5 c6-8 CP  
also WFP



LABOUR STRUGGLES

NO GENERAL STRIKE YET .....BUT

## KITIMAT

Members of the Federation des Secteurs Aluminum(FSSA) legally closed 3 Alcan smelters in Quebec. The walkout was sudden, leaving half-smelted aluminum to harden in the "pots". At the same time, in an unrelated but sympathetic move, members of the Canadian Association of Smelter and Allied Workers(CASAW), wild-catted, initially over unresolved grievances.

The CASAW walkout soon centred around the demand that their five-month old contract be re-opened. CASAW was forced to accept a wage settlement of 8% and 6% over two years, then saw the AIB accepting wage increases well above the guidelines. Particularly disturbing was the CPU settlement of 14% and 10% with the only other Kitimat employer, Eurocan. Traditionally, wage rates at Alcan and Eurocan have matched. Alcan refused to re-open negotiations and maintained smelter operations using local and Quebec supervisory people.

CASAW posted a picket-line, allowing no one to enter the plant. The strike held despite three back to work orders. In an early morning raid 200 riot-armed RCMP arrested the 32 people manning the picket line. Immediately another picket line was formed by members of FSSA.

After 3 weeks CASAW members voted to return to work.

The aftermath of the strike:

- 31 union officials indefinitely suspended;
- 32 union members charged with obstruction;
- 12 union members charged with contempt of court.

TS 3/6/76, pA3 c6 CP; MS 5/6/76 pA2 c1; GM 7/6/76 p8 c2-6CP;  
EJ 10/6/76 p64 c1-4 CP; WFP 14/6/76, p1 c2-5; OC 14/6/76 p34  
c1-8, CP; EJ 21/6/76 p2 c1-4 CP; GM 24/6/76 p8 c3-4 CP.

*CNSP NOTE: A longer story on the various strikes at Alcan and a look at Alcan as a corporation with companies in other countries is highlighted in this month's Latin America and Caribbean Report.*

*The FSSA has voted to form a multinational union to represent Alcan workers in 31 countries.*

## THOMPSON

In the continuing Steelworkers dispute with their AIB roll-back, an AIB revision of the rollback was not sufficient to prevent a vote in favour of a June 1st walk-out. However, Ed Schreyer proposed the strike be postponed for 15 days while he helped arrange an appeal of the AIB ruling to Cabinet. His plan was accepted. However, a picket line put up by protestors closed INCO for 20 hours.

The Cabinet refused to discuss the AIB ruling until it had gone through the proper appeals route - i.e. the AIB administrator. Thus the strike began June 15.

Tansley, (AIB administrator) visited Thompson and quickly decided that the historic relationship between the Thompson and Sudbury miners was indeed important. He ruled that over the 3 years of the anti-inflation program wage rates in the two towns should become identical. However, the yearly wage increases would differ.

## % Increase In Wages

	1st Year	2nd Year	3rd Year
<u>Thompson</u> negotiated	18.11%	7.02%	6.32%
AIB-first ruling	12.9%	8%	6%
-2nd ruling	14.9%	8%	6%
-Tansley ruling	15%	9.8%	6%

WFP 29/6/76 plc1-2, B. Lowery; WFP 1/6/76 pl c7-8; HCH 2/6/76 p37 c3-6, J. Gibbs; EJ 16/6/76 p10 c1-3, CP; MS 23/6/76 pA8.

## AND OTHER STRIKES

Coast Guard helicopter pilots and aircraft safety inspectors struck to protest AIB wage roll-backs. Emmett Hall, who acted as arbitrator during the earlier aircraft safety inspectors' strike stated the AIB is "acting outside the law" by setting a \$2,400 maximum salary increase. He further noted "it's not the function of administrators to set policy". That's the job of the government and Parliament". TS 26/6/76 pA2 c3-4;

## AIR TRAFFIC CONTROL

*INTRODUCTION: The facts of the bilingualism struggle in air traffic control seem particularly obscure in the press. Five Quebec regional airports are already bilingual. The government's proposal is to introduce bilingualism at Mirabel (international airport), Dorval and Quebec. Airports outside Quebec would not be affected.*

*The politics are still more obscure. Airports are under federal jurisdiction but Bourassa has been threatening to apply his language bill. The introduction of bilingualism may be an attempt to circumvent a threat to federal jurisdiction while placating the Quebec Liberals, both provincial and federal.*

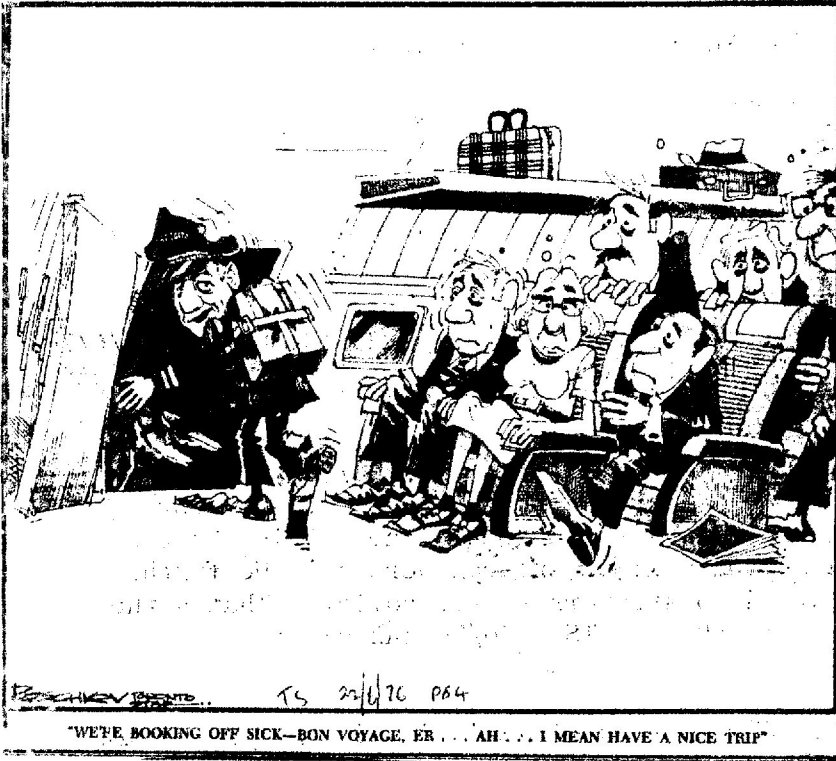
## PLANES CAN'T FLY IN FRENCH

The month began with the emergence of a group, l'Association des Gens l'Air, representing French-language air industry workers. This group called for the resignation of John Keenan, appointed to inquire into the safety implications of bilingualism (see CNSP, May 1976). Since Keenan had worked for the Canadian Airlines Pilots Association (CALPA) whose opposition to bilingualism is avidly held, he was charged as biased. Three Quebec Liberal M.P.'s threatened to take his appointment to court. Keenan quit.

TS 3/6/76 pA18, c1-3; WFP 5/6/76 p83 c3-7; TS 8/6/76 pA3 c7.

Arguing their contract had not yet been signed and Keenan was seen as an integral part of that contract, the Canadian Air Traffic Controllers Ass'n (CATCA) called a second vote on its contract. Before the strike vote was counted, the federal government had received an injunction prohibiting a CATCA strike. A few members disobeyed the order and are all being prosecuted.

GM, 18/6/76 pl c1; WFP 19/6/76 pl c1-2.



However, CALPA (the pilots) decided not to fly due to the danger caused by CATCA members' discontent. Although the airlines got injunctions ordering the pilots back to work, pilots claimed they were exercising their legal right to refuse to fly in dangerous conditions. As the strike wore on pilots from most other nations joined the CALPA boycott. TS 21/6/76 pA1 c7; WFP 22/6/76 p1 c6-8.

CNSP NOTE: CALPA does not represent pilots who fly overseas.

As the airlines began to lay off workers, Trudeau broadcasted an appeal to the pilots to return to work and await the report of the commission of inquiry which would investigate and recommend the safety potential of an expansion of bilingualism.

Two of the three commissioners were appointed. The pilots still refused to fly and Trudeau claimed this the most divisive issue Canada has faced

since the WWII conscription crisis. WFP 23/6/76 p1 c6-8; GM 24/6/76 p1 c6-9; TS 24/6/76 pA14 c1; TS 25/6/76 pA1 c7-9.

CNSP NOTE: *The CATCA-CALPA bilingualism dispute received extremely heavy media coverage. Editorials generally supported the walk-out while decrying its need. The government came in for severe criticism for both its bilingualism policy and its tactics in introducing this policy. Only the Montreal Gazette supported bilingualism in air traffic control. Such editorial support for a walk-out is unprecedented. It leads one to wonder whether, in the English-press, anti-franco-phone sentiment outweighs the traditional anti-labour bias.*

Editorial comment: MG 10/6/76 p9 c1-2; WFP 18/6/76 p39 c1; GM 21/6/76 p6, WFP 22/6/76 p33 c1; TS 24/6/76 pB4 c1-2; GM 26/6/76 p6.

#### RAILWAY WORKERS AVOID NATIONAL STRIKE

In their 3 strikes since WWII, railway workers have been legislated back to work within 10 days. For them, the right to strike seems purely rhetorical. In this month's vote, the 16 unions forming the Associated Railway Unions, narrowly accepted the Hall conciliation settlement (See CNSP, April 1976). Munroe's statement that the 11% and 8% wage hikes were all the AIB would accept indoubtably influenced the vote. The settlement reluctantly accepted by the rail companies will leave rail workers' salaries and fringe benefits far behind their counterparts in other industries.

EJ 8/6/76 p24 c1-3; WFP 11/6/76 p3 c2-8; TS 17/6/76 pA17 c1-3.

#### ONTARIO HOSPITAL STRIKE NARROWLY AVERTED

CUPE, the bargaining agent for the non-medical staff at 60 Ontario hospitals gained overwhelming support for its June 17 strike if its demands were not met. (Hospital strikes are not legal in Ontario—see CNSP May 1976). The hospitals, while gearing for the strike, went before the Labour Relations Board requesting an order to prevent the strike. CUPE retaliated charging bad faith in bargaining.

Meanwhile, the Service Employees International Union (SEIU), representing non-medical workers at 44 hospitals, signed an agreement giving a wage increase of \$1.07 per hour over two years. (CUPE is asking \$0.90 per hour over 1 year and has been offered \$0.30 per hour over one year. SEIU won job security for its members - a key CUPE demand due to current cut-backs).

Just before the strike deadline the Ontario Labour Relations Board ruled CUPE must desist from calling a strike and the hospitals are guilty of bargaining in bad faith. At the same time, the hospitals presented a new proposal to CUPE and the strike was called off.

TS 31/5/76 pA3 c7-9, R. Speirs; TS 3/6/76 pA1 c1-5, R. Speirs;  
TS 12/6/76 pA1 c6-9; Speirs; TS 17/6/76 pA2 c4-5.

#### PUBLIC HEALTH WORKERS STAGE WALKOUT

Public health nurses in Ontario staged a one day walkout to support their demand for compulsory arbitration with the Boards of Health. The nurses are asking for salary parity with hospital nurses. Boards of Health are offering the AIB guidelines of 8%. Nurses at 9 Boards have been locked out.

GM 11/6/76 p4 c2-6; WFP 22/6/76 p9 c1-3;

*CNSP NOTE: CUPE, subject to compulsory arbitration, refuses to accept such restraint. Public health nurses, the sole medical personnel (except M.D.'s of course) free to bargain and strike, are unable to force their employer into negotiations, and thus demand compulsory arbitration.*

#### IN BRITISH COLUMBIA

The striking hospital workers, (see CNSP, May 1976) ordered back-to-work after 17 days, have had their strike settled by the legislature. The B.C. House ordered the workers and hospitals to accept a settlement of about 15% increase in wages and fringe benefits and to submit to compulsory arbitration in the second year.

EJ 10/6/76 p14 c1-2.

#### QUEBEC LABOUR

##### COMMON FRONT

If there is to be a general strike in the hospital sector, it will be declared mid-June and not on the 7th as previously thought.

LD 2/6/76 p1 c6 L. Bissonette.

Having boosted the percentage of workers prepared for a general strike to 67.2% within the CSN, the Social Affairs Union has announced it will call a strike next Thursday if the government does not revise its offer.

LJ 14/6/76 p2 c1-3

The school commission looking into negotiations in the teaching sector has called for a lock out of teachers in the fall to force the teachers to an agreement. CEQ officials call this an unparalleled aggressive act.

LJ 16/6/76 p3 c1-3 F. Demers.

With most hospitals closed in the province today, negotiators on the government side are confident a settlement in the hospital sector is near at hand.

LJ 18/6/76 p2 c1-4;

An agreement in principle has been reached with workers in the hospital sector according to government and union officials. LD 18/6/76 p1 c1-6.

The government has agreed to a \$165 a week minimum salary for non-professional hospital workers (85,000 workers) in Quebec...an overwhelming victory for the Common Front according to observers. LJ 19/6/76 p3 c1-6.

5,500 nurses are still on strike at Quebec hospitals. LD 19/6/76 p6 c4-6.

There is evidence of disagreement in some locals in Montreal with the chief negotiators who concluded an agreement in principle with the Quebec government in the hospital sector. LJ 22/6/76 p3 c1-4;

CNSP NOTE: *There was no information on the reasons for not finding the agreement acceptable.*

5,500 nurses, recently disaffiliated from the CSN and negotiating separately from the Common Front, continue to refuse to report to work causing disruption in the hospitals to continue. This resistance has allowed members of the Common Front dissatisfied with the agreement in principle to refuse to go back to work under the guise of supporting the nurses. LJ 25/6/76 p5 c1-6 L. Fournier.

#### UNIROYAL

Ten representatives of a CSN union have occupied the UNIROYAL Anjou plant to protest the failure of the company to deal fairly with the 60 workers at the plant, on strike since September 1974 and without a contract since 1972. The average number of years these 60 workers have spent at the plant is 25 years. A third of them would be eligible for pension within 5 years. The union had signed an agreement in principle last November but it was reversed by the American parent company. LJ 14/6/76 p14 c1-6, R. Levesque.

Twenty riot-equipped police peacefully evicted the 10 strikers who had occupied the plant for 5 days. WFP 17/6/76 p6 c7-8 CP

According to union spokesman, Jean Fournier, the occupation had succeeded in one important respect: "to sensitize the population to the situation of Uniroyal employees at the Anjou plant". Plans to boycott Uniroyal products are underway, he said. MG 17/6/76 p3 c1-5.

## Native Peoples

#### INDIAN MARTYRS HIMSELF FOR NATIVE CAUSE

Nelson Small Leggs Jr. died "a warriors death" when he took his own life in protest to the treatment of Indian people in Canada, says his brother Sevalon. Small Leggs was the southern Alberta director of the American Indian Movement. Three notes were found beside his body: One addressed to "the people" stated: "I give my life in protest to the conditions of the Indian people of Southern Alberta". "I also give my life in the hope of a full scale investigation into the corruption of the Department of Indian Affairs and also the resignation of the Minister, Judd Buchanan, and the divide and conquer tactics present on each



reservation.

"For 100 years Indians have suffered, must they suffer another 100 years?". Prime Minister Trudeau promised he would look into the death.

( MS 18/5/76 p A 13 col 1-3: GM 20/5/76 p.8 col 7-8  
OC 22/5/76 p 5 c 1-4 )

#### DEATH OF CANADIAN INDIAN WOMAN PROBED

The Native Council of Canada and five other Canadian Organisations are pressing the External Affairs Department to demand a probe into the FBI's handling of an autopsy and investigation into the death of Anna Mae Aquash, a Micmac from Antigonish. Ms. Aquash was found dead on February 24 on the Pine Ridge Indian Reservation in South Dakota, the scene of the 1973 Indian Occupation of Wounded Knee. During an autopsy under the supervision of the FBI, Ms. Aquash's hands were severed and sent away for fingerprints and cause of death was listed as due to exposure. Her body was said to be badly decomposed. However a second autopsy was conducted at the insistence of family and friends and a bullet was discovered in her head. It was also stated that the body was not severely decomposed.

The Canadian Government is currently studying the FBI Report on the death, but the Native Council is asking for an independent investigation saying it questions the impartiality of the FBI in the matter.

Anna Mae Aquash was active in the American Indian Movement and was being sought on firearm charges at the time of her death.

( GM 14/5/76 p 9 c 1-4 CP : WFP 12/6/76 p 14 c 4-6 CP )

#### ROTTING FISH

7,500 lbs of fish in a freezer on the Grassy Narrows Indian Reserve was tested on May 18 by a federal health and Welfare official and found to be unfit for human consumption. This was four days prior to May 22 when a young boy, throwing stones into the fan caused the freezer to shut off. Resources Minister Leo Bernier had charged that the freezer had been deliberately sabotaged when the facts were presented to him by Solicitor General John Mac Beth

( WFP 8/6/76 p 29 c1-2 CP : GM 8/6/76 p 5 c 4-8 )

#### YUKON CLAIMS NEGOTIATIONS HALT

A Philosophical shift within the Council of Yukon Indians has suspended land claim negotiations for several months. Danial Johnson, new interim chairman of the councils, feels the people at the community level need to have a good understanding of aboriginal rights and the implications of agreement in principle. The change in philosophy centres on the question of whether the Indians should extinguish their land claim for all time. The present offer from the government is \$ 50 million in cash and resource revenue, plus 15,000 square miles of the Yukon for Native use, plus another 1200 square miles from which they would receive 50 % of the gross government resource revenue.

( EJ 12/6/76 p 27 c 4 CP )

## MERCURY POISONING

Dr. John Prichard of Toronto Hospital for Sick Children and member of the federal medical team which examined Indians on Grassy Narrows and White Dog Reserves has stated in a letter read to the Ontario Legislature by Opposition Leader Stephen Lewis that 31 Indians on these reserves show signs of possible mercury poisoning. However, in reply Health Minister Frank Miller has said there is no indication that abnormality is definitely caused by cancer poisonings.

Lewis also questioned Resources Minister Leo Bernier as to whether current negotiations by Ontario with Reed Paper Co. over timber cutting rights on about 18,000 square miles in Northwestern Ontario could be used as a lever to gain compensation for the two Indian bands. Bernier replied that Reed has never been named as legally responsible for the pollution but he believes the Indians should lay a suit against the company. He said both federal and provincial governments would provide aid for the Indians to fight such a case.

( WFP 2/6/76 p 37 c 3 - 8 CP )

In a report tabled in the legislature, a team of doctors has recommended that the Ontario Government ban all forms of fishing on the Wabegoon - English River system in North-Western Ontario. The doctors visited Japan and Iraq last year to study first hand effects of mercury poisoning and also examined members of the two Ontario reserves. The report recommends that the Indians should be provided with an alternative source of food.

Also recommended :

- that there be distribution of information concerning tolerable weekly intakes of mercury.
- a clinical and epidemiological study of residents should be carried out to determine whether their health has been affected by eating mercury - contaminated fish.
- there be established an institute of environmental health because of pollutants such as asbestos, lead and pesticides that have become a public concern.

The Report will be evaluated by the Ontario Government.

(TS 23/6/76 P a 17 c 1-4 : WFP 23/6/76 p 5 c 3 - 8 )

THIS ROAD IS CLOSED DUE TO HEALTH HAZARDS

## INDIANS BLOCK ROAD TO HIGHLIGHT MERCURY PROBLEM

The Islington Indian Band, demanding a ban on all fishing in the English - Wabegoon River system, set up a blockade across the only road leading to the Whitedog Indian Reserve and four tourists camps north of the reserve. Six years ago, the Indians were told they could no longer fish commercially because of mercury pollution. Sports angling, however has been allowed to continue. The Indians want an end to the hypocritical policy of the government and action taken regarding Mercury Poisoning and compensation for loss of livelihood through fishing and guiding.

Tourist camp owners whose camps are inaccessible due to the blockade are transporting their guests in by boat and float-planes.

Ontario Resource Minister Leo Bernier and Rene Brunelle, minister responsible for co-ordinating Indian Affairs, flew in to the reserve to try and negotiate a settlement to remove the blockade. The negotiations were adjourned by Chief Issac Mandanin shortly after beginning because "they were not going anywhere. They kept saying that what we wanted was a federal government thing, so there was nothing they could do about it. We've been hearing that for years now ...". The Chief does not accept the jurisdictional question as it was the provincial government which banned commercial fishing in the first place.

(WFP 18/6/76 pl c 5-7 : MS 15/6/76 p 15 c 1-2 CP : WFP 19/6/76  
p 4 c 6 - 8 )

#### THE BERGER HEARINGS

The Berger Inquiry into the development of the Mackenzie Valley Pipeline continued this month with hearings in Ottawa, Montreal, Halifax and Charlottetown. The themes the briefs presented to Justice Berger were similar to those outlined in last months CNSP and so will only be mentioned here. The interest groups appearing before the inquiry can be divided into 4 categories. These are: The Oil Companies and other industries - urging quick development of the oil supplies in the north; and native groups, unions and other support groups including churches and environmental groups. The dominant concerns expressed by the later groups are the necessity for a native land settlement, employment and other economic opportunities for native people, environmental effects and the effects of pipeline development on northern culture. These groups are generally calling for a 10 year moratorium on development while action is taken on these concerns.

The Berger hearings in the south concludes this month and Justice Berger returns to the north to compile his findings and present a report to the Government by November.

( OC 4/6/76 p 5 c 1-5 : EJ 4/6/76 p. 19 c 1-2: HCH 4/6/76  
GM 12/6/76 p 8 c 5 -6 )

#### WOMEN

The Law Reform Commission of Saskatchewan has proposed legislation which would give both partners in a marriage equal management control and occupational rights in their home.

( EJ 31/5/76 p 21 )

#### PEOPLE'S MOVEMENTS

The Public Petroleum Association of Canada called for a Royal Commission inquiry into how much oil and gas the country has and whether there should be a price increase at all. The pressure to raise the price of Canadian Oil is a result of rising international prices , not the costs of extracting Canadian Oil

( OC 5/5/76 p 16 c 1 - 3 )

## LOCKHEED

Supply Minister Jean-Pierre Goyer said that an error by an armed forces general, Dudley Allan, resulted in the government's \$16-million commitment to the Lockheed Aircraft Corp. Allan received an oral assurance from Lockheed that it would arrange interim financing for the \$1-billion deal to buy 18 long range patrol aircraft.

The supply department was responsible for signing the contract authorizing design work and preparations on behalf of the defence department.

EJ 29/5/76, p1cc2-3.

Canadian defence department officials met with Boeing Corp officials in Seattle June 23 to discuss a revised proposal for the manufacture of long-range patrol aircraft.

The company proposed a \$650-million contract. Another \$242-million was proposed for non-contract involvement such as excise taxes and overhead costs.

Under the revised proposal, Boeing would enter into a "teaming arrangement" with Litton industries of Toronto and government-owned Canadair Ltd. of Montreal.

TS 24/6/76 p13 c7-8.

Lockheed submitted a new version of the \$1-billion Orion project to the government in which the company would have to find about \$125-million in financing rather than the \$350-million it failed to get before. Hawker Siddeley of Britain has also expressed interest in again trying to sell the government on its Nimrod anti-submarine aircraft.

EJ 4/6/76 p13 c7-8.

The federal defence department is providing \$250,000 for a new course in defence and international strategic studies to be offered this fall at the university of British Columbia.

The course, set to run for five years, will be open to third and fourth year political science students and will be provided by the university's institute of international relations.

EJ 6/6/76 p21 c21 c1-3.

## NORAD

Last year, slightly more than 700 missiles were launched into North American airspace; 655 of them were of foreign origin. Most were experimental launches and individual weapons designed to test NORAD's intercept capacity. In addition, there was an average of two unwarranted intrusions into North American airspace every day last year, primarily in the vicinity of Alaska and Ireland. EJ 26/6/76 p33 c1-2.

## OLYMPIC SECURITY

New information coming from Israeli, German and other sources on international terrorist activities has prompted Olympic officials to beef up their security measures over the past several months. The cost estimate on providing troops for the coming Montreal Games has now reached \$30-million - up \$6 million over the figure given by Defence Minister James Richardson just five months ago. (This applies only to the "extra" costs over and above the pay and allowances received by the servicemen.

The number of troops assigned to the Olympics currently stands at 16,000 - up nearly 6,000 over the January figure. In addition, the RCMP is providing 1,300 men.

OC 29/6/76 p1 c4-5.

The Montreal Citizens Movement (MCM) called for a 1% tax on corporations to pay off the city's share of the Olympic deficit which stands at \$200 million. Along with other Quebecers, area residents are already paying a stiff new tobacco tax and nearly doubled premiums for the provincial share of the deficit, now estimated at \$800 million.

MG 4/6/76 p5 c1-2.

HEALTH

THIS MONTH THERE IS CONTINUED EVIDENCE OF GOVERNMENT CUTBACKS ON MEDICAL COSTS. NEWSCLIPPINGS SHOW TIGHTENING OF HOSPITAL BUDGETS, REDUCTION IN BED NUMBERS, HESITANCE IN THE FORMATION OF ANY KIND OF DENTICARE AND EVEN CONSIDERATION OF DETERRENT FEES FOR USE OF HEALTH CARE. ALSO THE DEBATE BETWEEN PROVINCIAL GOVERNMENT'S AND DENTAL ASSOCIATIONS OVER A DENTICARE PROGRAM CONTINUES.

MORE CUTBACKS PLANNED

The federal government is planning a substantial reduction of its financing of hospital insurance and medicare. One official estimates that this would save the government more than \$2 million a year. Equalization payments to the seven "have-not" provinces will be limited. EJ 11/6/76 p7 c1-3.

HOSPITAL CLOSURE INVALID

Divisional Court ruled invalid a provincial Ministry of Health order closing four Ontario hospitals. The government had intended to save \$40 million by closing 10 hospitals. TS 10/6/76 pA1 c2-3; TS 18/6/76 pA1 c1-6.

DENTICARE

According to Dr. Bette Stephenson, Ontario's acting minister of health, a lack of dentists in the north is the major reason for lack of province-wide denticare for children. Dr. John Gillies, executive director of the Ontario Dental Association said the major reason is really the failure of the government to allocate money to start such a program.

TS 11/6/76 pA1 c7-9.

The Manitoba government's plan to establish a denticare programme next October for 1400 Grade One pupils has met with opposition from the Manitoba Dental Association. Both the dentists and the government wish to control the details of the program. No agreement has been reached and the government will launch the program without the support of the dentists.

GM 29/6/76 p8 c1-3.

# MEDIA

## Introduction

The development of cable television in Canada has been slowed by broadcasting networks and the CRTC ( Canadian Radio-Telecommunications Commission ) regulations. The possibilities inherent in Cable TV systems make this no surprise because such systems present an awesome threst to broadcast and telephone industries. However, recent events are forcing the media to some sort of resolution.

A CTV system can transmit directly over a cable, eliminating channel scarcity and reducing broadcasting costs - threatening the hold on the nations television fare now excercised by a small comercial oligarchy. Audiences will also be fragmented, making advertisement very difficult. Cable systems have enough channel capacity available to provide room for any amount of programming. The technology exists whereby separate systems for telephones, telegraph, television and data transmission can disappear, subsumed under a single cable system.

The existiting owners of the communication industry fully realize the tremendous stakes they are playing for. At present there are three major players who are trying to protest their respective interests.

The broadcasting systems presently control programming through the air waves. They have heavy investments in transmitting equipment and depend on advertising revenues for continued existence. Broadcasts are particularly concerned with audience fragmentation problems caused by cable, for commercials will become ineffective. The cable companies formed to date are owned largely by media concerns such as Southam -Selkirk, Moffat, CHUM and Rogers TV. They operate largely as adjuncts to regular broadcasting, providing cable connections for a fee. The parent companies generally also have an interest in a variety of other concerns. In effect, the emergent cable industry is quickly falling under the control of media and newspaper concerns who will phase growth in their own interest.

The third player is Bell and other telephone companies. These already have the right of way along roads and the infra structure for telephone servives - hence suggest they should(naturally)own and lease the actual cables. They have a vested interest in slowing or controlling cable growth because its lifeblood, the receiver, may be rendered obsolete. With an eye to the future, telepone companies have already moved into data transmission for buisness. Control of communication technology will give it an edge on developments. They see they must adjust some time in the future - perhaps bringing a TV set with a receiver into homes.

The state , through its regulatory agency ( CRTC ) has up till now concerned itself with granting franchises to cable companies in such a way that air broadcasting is not threatened. It has kept a strong hand on the National Networks, both CBC and the private CTV. Now, growth of a pay-as-you-watch cable system in the U.S, is forcing the CRTC to act. Already a U.S. company has installed such a system in Toronto.

---

Network Inc. , a U.S. Compnay has installed a pay-as-you-watch TV service in a condominium project in Toronto. Canadian companies are prepared to follow suit, if CRTC does allow it. ( WFP 1/6/76 p 6 c 5-8 )

### CABLE WAY TV: Key to Survival

Jeanne Sauve, federal communications minister said that the gouvernement will allow pay TV to go ahead this fall provided some profits are used in Canadian Program Production. The gouvernement hopes to see a single national pay-TV network, possibly run by a consortium of cable operators, on-air broadcasters and film makers. Broadcasters will be allowed to buy cable companies. These steps are seen as the first big step away from the traditional sources of financing what viewers see.

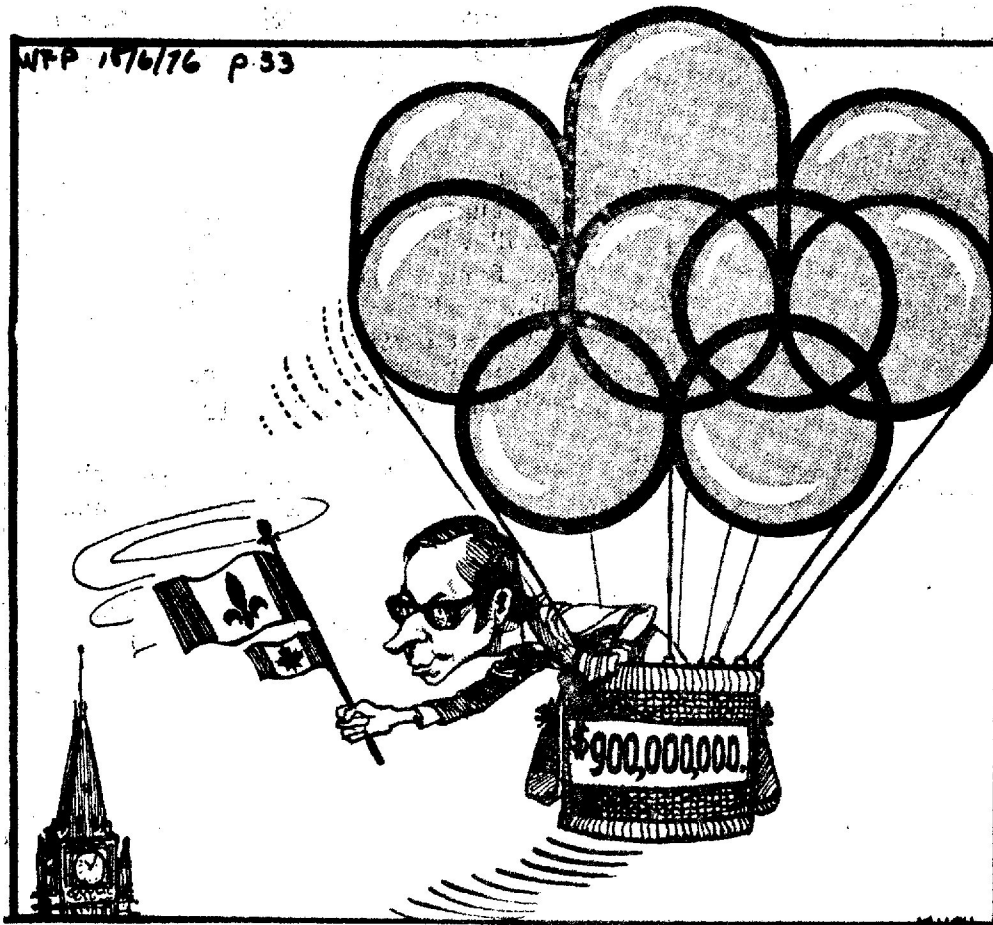
( EJ 28/4/76 p 11 c 3-4: EJ 4/6/76 p 19 c 1 -2 )

## THE MONTREAL OLYMPICS A SOCIAL SCANDAL

The Montreal Olympic Games to be held in July are already a major political and social scandal. Originally promised as a 'modest' Olympics, self financed and, according to the 1972 budget, \$310 million, they have turned out to be one of the biggest extravaganzas in Canadian history. Costs have roared to a minimum of \$1.4 billion, far in excess of revenues. Some of the scandals involved in construction of the games sites include:

- the cost of the Olympic Park which rose from \$200 million to \$700 million in 2 years.
- the Velodromes acrylic plastic roof, recently declared a fire hazard by the National Research Council
- the Olympic Village, designed as a "low cost housing" to get government funding; it will cost the taxpayer more than \$70 million - and the builders who invested a mere \$ 4 million of their own money, will retail the suites as condominiums in the \$20,000 to \$40,000 bracket.
- the \$60 million parking garage ( that's \$13,000 per parking space).
- a viaduct that ended up costing \$14 million over twice what Montreal spends on roads each year.

The builders were assured in most cases that their profits would be based on a fixed percentage of costs. In other words, as price escalates, so do profits. Clearly, the business and the government leaders have made great gains at the tax payers expense.



The drastic social consequences of the corruption surrounding the Olympics are evident when one looks at the projects whose construction was foregone to finance the games. A \$900 million water purification plant has been forgone so Montreal will continue to dump untreated sewage into the St. Lawrence River.

The government is pressing for cancellation of a subway extension in order to use the money for Olympic debts.

The money represented by the billion dollar debt, could have been spent on new low-rental housing for 120,000 people. In Montreal, there are 15,000 housing units without hot water and 11,000 without Bathing facilities. The priorities of Montreal's administration were expressed rather cynically by Mayor Jean Drapeau when he said several years ago : "The ugliness of slums in which people live doesn't matter if we can make them stand wide-eyed in admiration of work ".

The Social and economic repercussions of the Olympic debt can be seen further when one examines who will actually foot the bills. Quebec's new budget imposed increases of more than \$ 200 per taxpayer in direct and indirect taxes. Medicare premiums were raised by 88 % , the money to go to general revenues.

At the same time, Quebec City is cutting back on hospital and education expenditures and ignoring the wage demands of the Common Front of public sector employees. Working people across Canada will shoulder the financial burden too, through the inflationary effect of pumping millions of dollars into the economy, the rise in cost of building materials and inflating private and governmental costs.

Another shocking aspect of the Olympic games is the marshalling of Armed forces for Montreal and the restrictions that are being placed on civil liberties in the name of security. ( See CNSP Vol IV No. 2 p 32). There will be a 16,000 member military and police force deployed for the Games forming the biggest military operation since the Korean War. The federal government has pushed through the House an "anti-terrorist law" which gives wide and discretionary powers to immigration officials and threatens the civil liberties of all Canadians. ( See CNSP Vol III No. 12 ;Vol IV No. 1 )

Clearly the Olympics are big business and big politics and they will have far reaching effects on the social and political life of Canada.

( Based on the Billion Dollar Game , Nick Auf der Maur  
- Labour Challenge 21/6/76 p. 4 )