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# canadian newssynthesis project

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

**CNSP** is co-producer of Latin America & Caribbean Inside Report (LACIR), a monthly interpretive news bulletin.

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

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Globe and Mail	GM
Financial Post	FP
Ottawa Citizen	OC
Montreal Star	MS
Halifax Chronicle Herald	HCH
Winnipeg Free Press	WFP
Le Devoir	LD
Edmonton Journal	EJ
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## SEPTEMBER 1976 HIGHLIGHTS

US Department of Commerce figures for 1975 show that US investment in Canada increased by 9% to \$31 billion. This is more than all foreign countries' investment in the US combined. By last month some 301 applications for permission to Control Canadian businesses had been dealt with, of which 217 were allowed, 43 disallowed and 41 withdrawn.

Canadian companies have invested more overseas than at home, in the last three years. This coincides with a drop in after-tax corporate profit during the 1973-75 recession. In the enclosed pamphlet "Labour's day of protest" CNSP points out that the anti-inflation program was set up to bolster sagging corporate profit.

During the summer business "lost confidence" in the program and went on a capital strike. MacDonald, buckling under the pressure, relaxed profit controls in September.

Control of wages on the other hand, is becoming more rigid as more and more negotiated settlements are rolled back to the AIB level of 8% - 12%.

The Liberal Party, support sagging in the polls, went on the offensive with a cosmetic cabinet shuffle, a meet-the-people tour by Trudeau and a million dollar campaign to sell controls.

### INDEX

CANADA/INTERNATIONAL	1
TRADE	1-2
FOREIGN INVESTMENT	3-5
ECONOMY GENERAL	5-7
Oil and Gas	7-9
Mining	9-10
Agriculture	10-11
Housing	11-13
LABOUR GENERAL	13-15
Labour Struggles	15-17
Quebec Labour	17-18
NATIVE PEOPLES	19-20
POLITICAL FEDERAL	21-25



## CANADA-INTERNATIONAL RELATIONS

The North South Institute has launched a study of Canadian relations with Third World countries, and will look at such topics as Canadian agriculture and world food needs, and the prospects for Canadian imports of manufactured goods from developing countries. The Institute was established with a grant of \$375,000 from the Donner Canadian Foundation. Bernard Wood, former deputy director of the parliamentary centre for foreign affairs is executive director. Arnold C. Smith, former Commonwealth Secretary General is chairman. Professor Gerald K. Helleiner of the University of Toronto is Vice-Chairman and J.H. O' Callaghan of Woods, Gordon and Co. is treasurer. (FP 16,9,76 p20)

### THE NON-ALIGNED CONFERENCE

Cheered by the UNCTAD promise of a timetable for negotiation and regulation of commodity prices, the representatives of the more than 80 nations who are associated in the non-aligned summit conference, met in Colombo, Sri Lanka. (WFP 1,9,76 p51 cl-4)

### LAW OF THE SEA CONFERENCE

Commenting on the Law of the Sea Conference, Globe and Mail correspondent, Geoffrey Stevens remained optimistic that a treaty on the seabed will emerge, perhaps at the May 1977 meeting of the Conference but more likely in 1978 or 1979. He states that a compromise must be developed accepting two things: the minerals of the seabed rightfully belong to the whole world and at the present time the only people with technology to mine them are the multinational corporations. (GM 21,9,76 p6 cl-4)

### JOE CLARK ABROAD

Joe Clark, Progressive Conservative leader, told reporters in Bonn West Germany that as a Canadian leader he would never attempt to block communist advances in Western European countries by intervention in their internal affairs. Mr. Clark questioned whether Western Communist leaders like Enrico Berlinguer of Italy could maintain independence of the Soviet Union. Later Mr. Clark talked with Pope Paul in a conversation dominated by the Pope's concern for assistance to Third World countries. In Britain, Mr. Clark stated that he feared Canada would suffer from U.S. pressure if Trudeau continues to 'tweak the American eagle's tail feathers' through such events as the PM's trip to Cuba, the legislation removing Time Magazine's tax advantages, etc. (GM 11,9,76 p3 GM 13,9,76 p4 TS 21,9,76 pA3)

## TRADE

### CANADA AND THE EEC

A 9 part agreement, outlining a framework for increased trade and investment opportunities between Canada and the European Economic Community, has been signed in Ottawa by the two partners. The five year trade link in the works since 1974 as a Canadian plan to reduce economic dependence on the U.S. gives each side most favoured nation status and encourages more corporate links between Canada and the EEC through joint ventures, industrial cooperation and technological exchanges. In signing the agreement,



External Affairs Minister Allan MacEACHAN stressed that the agreement does not mean increased access for Europeans to unprocessed Canadian raw materials. Last year Canadian exports to the EEC amounted to \$4.04 billion, while imports were \$3.05 billion.

(GM 7,7,76 pB4 GM 15,9,76 pB2)  
see also CNSP Vol LV #4, p7-8)

After a first quarter balance of payments deficit of \$1.38 billion, second quarter results registered a decline in the deficit to \$1.26 billion as merchandise trade figures showed an increase in exports over imports.

(TE 17,9,76 pA3 WFP 18,9,76 p15)

Canada registered a merchandise trade surplus of \$193 million in August, up from July's surplus of \$24 million. Exports to the U.S. rose by 14% while those to other markets fell 6%. At this rate, forecasters predict, Canada will have an overall merchandise trade surplus for 1976 of about \$500 million compared with last year's \$639 million deficit. However, on the balance of payments account, this merchandise trade surplus will be wiped out by a large deficit in service payments by Canada to other countries. Such a deficit, in the minds of economic planners, will require large inflows of foreign investment to offset it. (GM 25,9,76 pB2, FP same day p 6)

#### U.S. ANTI BOYCOTT LEGISLATION

The U.S. House of Representatives has passed a bill that prohibits Americans and American firms from supporting a boycott by a foreign country against another country which is friendly to the U.S. and against which the U.S. itself does not impose any kind of boycott. The bill which will affect U.S. subsidiaries in Canada, is aimed at breaking the Arab boycott of Israel by preventing U.S. corporations from dealing with the Arabs. The bill must still be revised by the Senate before application. It will certainly raise questions about the extra-territorial application of U.S. law as did the U.S. boycott of Cuba forced subsidiaries in Canada to comply with a Washington decision despite Canada's friendly relations with Cuba. (GM 25,9,76 p11 cl-3)

#### IMF SAYS CANADA'S HIGH DOLLAR HURTS EXPORTS

An analysis by the International Monetary Fund says that Canada's over-valued dollar may be helping to contain inflation at home but it is hurting the economy's ability to compete internationally. As a result Canada's ability and rate of economic recovery may be dampened according to the IMF study.

(FP 25,9,76 p1 c5)

*CNSP NOTE: !!! The usual scapegoat for Canada's poor trade record of the past year has been high wage rates, a theme heavily flogged by politicians, businessmen and writers of the nation's editorial commentary. The IMF points to a cause of the problem clearly outside the blame of labour, a fact which may account for its lack of prominence in the debate.*



FOREIGN INVESTMENTCANADA -U.S.

Statistics Canada reported foreign investment figures for 1973 showing that in non financial companies, 34% of the capital is foreign, for a total of \$39.3 billion in 1973. 27% is the share of U.S. investors, and 7% from other countries, a slight decrease over the previous two years for the U.S. Foreign controlled capital ranged from 76% in petroleum and natural gas, 59% in manufacturing, 57% in mining and smelting, 7% in utilities and 2% in railways. (TS 30,3,76 pB10)

U.S. Department of Commerce figures for 1975 show that U.S. investment in Canada increased by 9% to \$31 billion. It amounts to almost 1/4 of the \$133 billion invested abroad by Americans, and is more than all foreign countries investments in the U.S. combined. Foreign investment in the U.S. is \$26.5 billion, of which one fifth is controlled by Canadians. The rate of increase of Canadian investment in the U.S in 1975 was only 4%. (WFP 1,9,76 p11 c12)

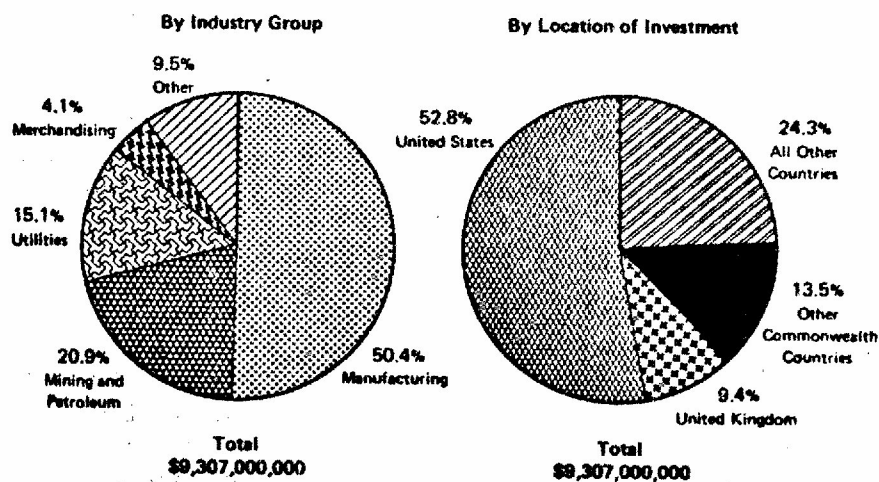
CANADIAN INVESTMENT ABROAD

During 1974 Canadian investment overseas increased by 20% to \$9.3 billion. About 66% of the new investment went into the U.S. (53% in manufacturing, 33% in mining) with the U.S. representing 53% of the total Canadian holdings abroad. Investment in Britain went up by 10% to \$879 million. Investment in the EEC rose by \$163 million to \$1.3 billion. Investment in France grew by \$53 million to \$169 million and in West Germany to \$125 million. Canadians investment in Latin America increased by \$158 million to \$1.075 billion. 90% of the increase went to Brazil; Canadian investment in that country now totals \$951 million. Investment in Afro-Asian countries now totals \$380 million. Australia has \$393 million of Canadian investment. Bermuda has received a total of \$424 million. (TS 20,9,76 pB9; GM 15,9,76 pB5)

Canadian companies in the last three years have invested more money outside Canada than inside the country. In 1975 direct investment in Canada was \$425 million while direct investment abroad was \$630 million. Abitibi Paper Chairman T.J. Bell compared labour, wood and transport costs in Iroquois Falls Ontario with Augusta Georgia, to show American production of 100 cubic feet cost \$30 while Canadian costs were \$75. Among other companies making large foreign investments are Dominion Textile Dominion Bridge, Noranda Mines, Inco, Bethlehem Copper, Northern Telecom and Canzon Ltd. Noranda Mines plans to spend one third of its exploration budget in 1976 in the U.S. Labatt Ltd president states that Canadian profit controls may force Labatts to invest its capital outside Canada. (HCH 3,7,76 p21; WFP 13,9,76)



### Canadian Direct Investment Abroad, 1974



Source: Canada's International Investment Position (87-202)

CP Hotels opened its second West German hotel this year. More than 50 Canadian companies have established in West Germany; among them are Massey-Ferguson which purchased a construction equipment firm and made improvements in its Perkins engines, hydraulic cylinder and Richer engine plants. The company has 5,600 employees in West Germany with sales of \$200 million a year. Alcan Aluminum has a half dozen plants in West Germany and about 60% of all the aluminum sold in that country is produced by a jointly owned plant of Alcan and Wawag of Bonn.

(FP 25,9,76 p1 c2-4)

By the end of 1975 West German investment in Canada totalled \$1.1 billion, most of it in joint ventures and real estate. (FP 25,9,76 pG5)

Japanese foreign investment since 1951 totals about \$16 billion. Of this about ½ billion is in Canada. Among aspects of interest to Japan are coal, uranium, and petrochemicals.

(FP 18,9,76 pJ1)

Japanese investors are annoyed with Alberta's new coal policy, with stiff royalties and elaborate procedures. Canadian coal exports have risen from 1.4 million tons in 1969 to 13.5 million in 1975 with most of the increase going to Japan. Total Canadian production of coal last year was 27 million tons, 11 million going to Japan.

(FP 18,9,76 pJ10 c1-3)

Foreign investment in the U.S. is still small but growing. In the decade up to 1973, it grew at around 6%. During the past two years it has grown at about 20% a year. Among key firms involved are Hawker Siddeley of Britain, Pont a Mousson of France, GEC of Britain and Michelin of France. Reasons for the shift to the U.S. include political uncertainty about the future of Western Europe. Other firms cite the relative equality of U.S. and European labour costs. Some firms are investing in states like the Carolinas where more of the labour is non-unionized and cheaper.

(HCR 11,9,76 p29)



Finance Minister Donald Macdonald reported that to date the Foreign Investment Review Agency has allowed 217 takeovers, disallowed 43 and 41 have been withdrawn. (WFP 17.9.76 p32 c6-8)

#### TECHNOLOGICAL DEPENDENCE. RECIPE FOR A WEAK INDUSTRIAL SECTOR

95% of all patents issued in Canada are based on inventions by foreigners according to a Working Paper on Patent Law Revision prepared for the Federal Department of Consumer and Corporate Affairs. Canadian patent law seems to be serving as a brake on the development of Canada's industrial infrastructure. A British study by Cambridge University stated: "Canada finds itself more in the position of a less developed economy tending to import technology, than of a highly industrialized economy like Britain where 30% of patents originate domestically. A concerned Canadian wrote to Prime Minister Trudeau enclosing correspondence between Exxon Research and Engineering of New Jersey and the patent department of Imperial Oil in Toronto. The letters stated: "Patent rights...are vested in Exxon without regard to whether the work of of which the invention arose was performed by itself or by an affiliate, and this is so whether or not the cost of the research in question is borne by Exxon. Thus technology developed by Imperial Oil, frequently with Canadian government subsidies, becomes the property of the U.S. parent firm. (TS 31.9.76 pE3)

In an editorial, the Toronto Star pointed out that Canada pays for situations like that of patents in Imperial Oil in the following ways: most subsidiaries pay royalties for imported technology or are forced to pay in some other way; conditions are often imposed on the subsidiary regarding rights to export goods produced with the technology; and the growth of an integrated national industry is frustrated within Canada. The Star called for an extension of FIRA screening activity to cover foreign technology, to see that imports of technology bring positive benefit to Canada and also called on the government to devise a science policy which encouraged more local research and development by Canadians.

(TS 1.9.76 pC4)

#### ECONOMY GENERAL

*Introduction: In May, Donald Macdonald, Minister of Finance, tightened profit control regulations in response to public dissatisfaction over the lack of price restraint. All summer the private sector has demanded the new regulations be dropped. The business community it is claimed, has "lost confidence" in the Trudeau government and so will not invest in Canada but will take its earnings elsewhere. Succumbing to pressure the government backed down, in order to reassure businessmen and increase investment. Reports indicate that the investment slowdown, rather than being a deliberate business response to the anti inflation program, is a natural downturn in the investment cycle, one business is capitalizing on to blackmail the government.*

On September 7, 1976, Donald Macdonald relaxed the profit guidelines; here are the major changes--

-companies will no longer be required to hold down profits on individual product lines, but only on over all profits.

-companies can deduct 50% of the cost of new machinery from excess revenues when calculating allowable profits. This could mean increased profits by up to 10%. The May rule was retained that the profits of manufacturing and processing companies must be held to 85% of the profits of either 1975 or for the annual average over the previous five years. But the new investment tax credit allows companies to make up to 93.5% of the base period profits.

The reason for the new concessions: We were concerned that Canadian companies had talked of investing in the U.S. -- Macdonald. (TS 8,9,76 pA1)

Shirley Carr, CLC executive vice president said that the government had surrendered to "a strike by capital" a refusal to invest in Canada. She added: "there is no justice when a government responds to the withdrawal of investment by changing its policies, but responds to the withdrawal of labour by trying to intimidate workers." (TS 8,9,76 pA1)

#### BUSINESS WANTS MORE CONCESSIONS

The Financial Post admitted that business was "tossed a bone of sorts" but claimed that more had to be given. The editorial welcomed the move as a first step by government towards restoring investor confidence.

(FP 18,9,76 p1 c1)

The Financial Post reports that most businesses are adopting a wait and see attitude towards the new rules. One spokesman for the Canadian Manufacturers Association said. "This is not going to restore damaged business confidence."

(FP 18,9,76 p3)

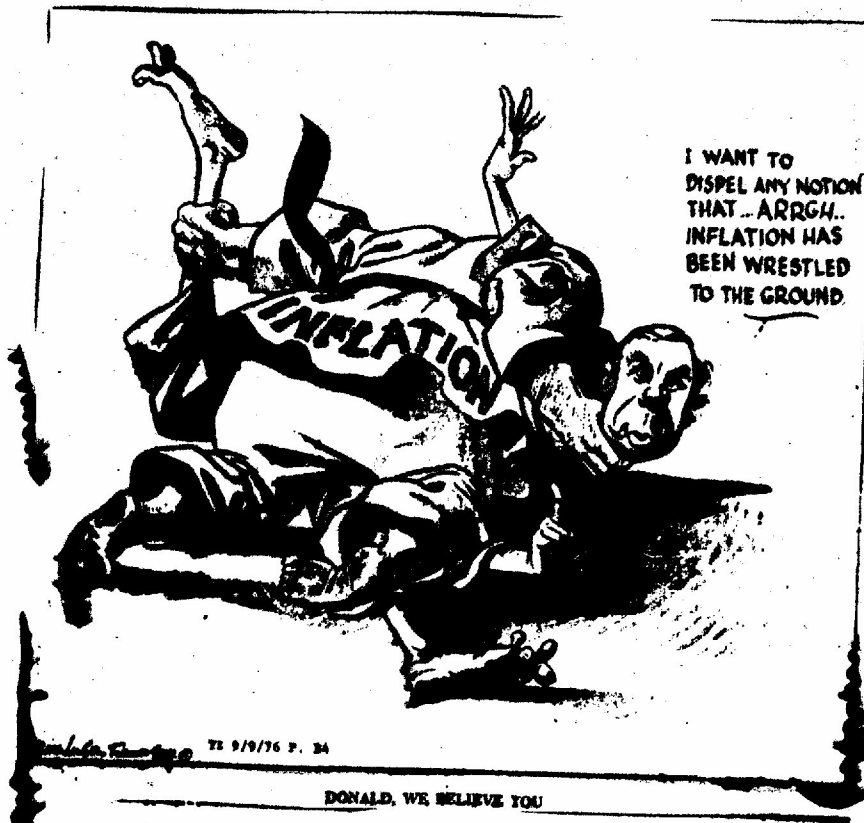
Peter Martin of a Toronto investment house pointed out that the business share of the Gross National Product was 9.5% and 9.3% in the first two quarters of 1976, a favourable comparison with 8.5 and 9.3% in 1971, and 1972, which were boom years. He challenged the theory that controls were depressing investment. He said that investment rose between 1972 and 1975 and could be expected to fall off until 1977 since Canadian industry is operating at only 30-85% capacity. Mr. Martin also pointed out that while growth was slow in Canada it is not much worse than the rest of the world economy.

(GM 16,9,76 pB1 c4-7)

During the boom bust cycle from 1970 to 1975 the economy grew by 25.6% in real terms. The real winner was the private sector; retained corporate after tax profit rose by 67.3%. Corporate profits grew during the boom and fell slightly as the recession hit. During the latter period wages, which had been tied to long term contracts began to catch up. The Anti Inflation Board was set up as an attempt to maintain profit rates and keep wages low.

(GM 6,7,76 p B1 c2-7)





Consumer Price Index rose by 0.5% in August, giving a rise of 6.2% for the period August '75 to August '76. The AIB claimed credit for the small increase; but in fact, the real cause was a decline during July of food prices which are not controlled under the anti inflation program. Excluding food, the Index rose by .8%, a comparable rise to that of August '74 and August '75.

#### OIL AND GAS

*Introduction: Dome Petroleum has hit gas in its first summer of drilling in the Beaufort Sea after receiving a ten-day drilling extension. In Ottawa, the National Energy Board announced it will consider a third possible northern pipeline route. Meanwhile, the petroleum industry continues to press for frontier exploration, predicting shortages in the 1980s unless financial restrictions are relaxed. At the same time, the industry continues to apply for long term export contracts to the U.S.*

1) **DOMIE PETE GETS EXTENSION, HITS GAS AND WATER**

Shortly after receiving a ten-day extension of its off-shore drilling, Dome Petroleum hit natural gas in one of its two wells. The find was described by petroleum industry experts as very significant. In its other well, Dome struck a high-pressure water flow, a 'water blow out'. The company did its best to play down the blowout while environmentalists and the Committee for Original Peoples' Entitlement (COPE) said the incident only confirmed fears about an oil blowout threat.

TS 9/9/76 pc3 c7-9

GM 21/9/76 pB1 c2-3

2) **THE ALCAN PIPELINE**

The National Energy Board has decided to include the newest entrant into the northern gas pipeline race in its present hearings. The Alcan Pipeline Co. is a consortium of Northwest Pipeline Co. of the U.S. and three Canadian companies including Foothills (which belongs to another consortium applying for the all-Canadian Mackenzie Valley route). The Alcan plan is to carry Alaskan gas destined chiefly for American markets. The Federal Power Commission in the U.S. has already said it is seriously considering the Alcan proposal.

EJ 3/9/76 p3 c1-3

*CNSP NOTE: The Alcan proposal, costing over \$4 billion is seen to have a number of advantages from both American and Canadian perspectives. The line would run beside the almost completed Alaskan oil pipeline from Prudhoe Bay to Fairbanks, then follow the Alaska Canada highway to the Yukon continuing till it linked up with existing lines in B.C. that already serve the U.S. Environmental impact should be less since it follows routes already in use. A choice for the Alcan route could permit the government, caught between public interest groups and oil companies to postpone a decision for the Mackenzie Valley until enough gas is found in the Delta to justify it. The advantages to Foothills are clear also. A pro-Alcan decision however still leaves the fundamental issues underlying the northern pipeline debate unsolved. These include the colonial pattern of development with its attendant destruction of native peoples interests and the question of a comprehensive national energy policy for Canadians.*

3) **NEW PIPELINES NEEDED: CANADIAN GAS ASSOCIATION**

The need for frontier gas exploration is immediate and pressing says the Canadian Gas Association (CGA). A spokesman endorsed the continuation of export gas contracts despite the threat of shortages in the early 1980's. These contracts are needed to ensure an adequate return on investment to the industry the spokesman said, adding that export revenues are important sources of revenue to the federal government which help to offset the costs of imported oil for Eastern Canada.

HCH 1/9/76 p4 c1-5



*CNSP NOTE: The oil and gas industry continues its contradictory suggestion that exports continue in spite of imminent shortages. The argument is evidence of the kind of reasoning that puts return on investment ahead of both social and environmental considerations.*

4) AGREEMENT ON OFFSHORE OIL

The three maritime premiers and the federal government have reached a tentative agreement on the division of royalties from offshore mineral rights. The Maritimes are to receive 75 % of the royalties and the federal government 25%. Ottawa has also agreed to finance the administration and servicing costs of offshore drilling and exploration. Nova Scotia, with the only proven gas deposits, will be the big winner in the deal. The oil companies say the deal should spur exploration off the East Coast.

EJ 4/9/76 p10 c1-8

HCH 3/9/76 p5 c1-3

5) CANADA SQUANDERS ENERGY: INTERNATIONAL ENERGY AGENCY

A study of energy conservation in the Western industrialized countries by the IEA has shown Canada to be near the bottom of the pile. Canada, in 1975, reduced its rate of growth of consumption by 11.6% compared to an average 14.3% reduction among the 19 countries surveyed. Canadian gasoline was the second cheapest the study noted, contributing to greater consumption and less investment in "future energy efficiency".

MINING

1) U.S. SEEN PROBING URANIUM GROUP

The executive director of the french consortium AMOK says the U.S. Justice Department is concerned about the activities of the Uranium Institute which is based in London. The Institute identifies production capacities, supplies and future needs and represents all uranium mining companies except those that are U.S. based. The U.S. apparently fears another OPEC price fixing situation. Uranium prices have increased from \$7 per pound to \$40 in the last five to six years.

WFP 4/9/76 p13 c7-8

2) The Canadian federal government has blocked the release of information to the U.S. Justice Department about Canadian uranium marketing from 1972 to 1975. Officials of Rio Algom Mines and Denison Mines Ltd. have been served with U.S. subpoenas ordering them to release papers. The issue results from moves made by the Canadian government to shore up the domestic uranium industry, which was troubled with low prices and over production in 1972.

TS 23/9/76 pC12 c1-3

10

3) **POTASH**

The U.S. Justice Department named Ross Thatcher, former premier of Sask. and others as co-conspirators in alleged potash price fixing. The legislation is aimed at companies that cooperated with the Saskatchewan government's potash pro-rationing system. Many of the potash firms are subsidiaries of U.S. companies.

EJ 1/9/76 p81 c6-8

4) **B.C. MINING INDUSTRY OPTIMISTIC**

A survey of B.C. mining indicated profits were down to zero in all industries except coal, with tripled sales for 1975. The Japanese steel industry has agreed to negotiate for the purchase of five million tons of metallurgical coal a year from the Quintette coal property in north-eastern B.C. owned by Denison Mines Ltd.

EJ 9/9/76 p33 c1

GM 17/9/76 pB2 c3-4

- 5) The New Mineral Resources Tax Act received third reading in the B.C. legislature. It replaces mineral royalties with a 17.5% tax on mining company profits. NDP Opposition Leader Dave Barrett described the bill as an election pay-off, (a snakes and ladders piece of legislation). No matter how you shake the dice the mining companies won't have to pay anything.

VS 2/7/76 p35 c1-2

6) **COAL**

The Coal Association says the government must support the coal industry if that energy source is to play a greater role. N. Norman Anderson, the president, said the industry must raise many hundreds of millions of dollars over the next decade to produce coal required to meet Canada's energy needs. Unreasonable environmental demands must be moderated and tax laws must be changed to indicate to the financial community that coal mining is something more than a high risk minimum return investment venture.

EJ 1/9/76 p66 c1-6

**AGRIGULTURE**

- L) The Alberta Farmers Stop Payment Association is urging official farm organizations in the province to throw their weight behind the movement. Reg. Kendrick, the spearhead of the movement wants to stop making payments on loans, interest and equity as a bargaining lever on the market place, until farmers make a return on investment. The cattle industry has not made any money for three years he said. He believe that the rank and file of the National Farmers Union and Unifarm are behind him even though the leaders are not.

EJ 3/9/76 p40 c4-8

Vol. IV No.6



60

**FOOD SHORTAGES??**

Three government studies predict a shortage of food. The Urban Affairs minister calculates that Canada can produce only enough food for 30 million people, the anticipated Canadian population in the year 2000. A Science Council study recommends slow population growth and frugal use of food to maintain its position as a major food exporter.

The Environment Department states that we have less useful land than thought earlier and we're squandering what little we have more quickly than we thought. The science council report proposes a doubling of food capacity through the intensive use of high technology and economic incentives. One member, Fernand Sequin resigned in protest over the report. He said moving in such a way to large increases in exports of food would help create a small club of privileged countries in line with a U.S. strategy which seeks to bring the weight of food exporting countries to bear on international relations, as oil exporting countries have done. He said the high technology alluded to in the council report would require massive participation by multinational companies, a large scale increase in foreign capital, and the construction of more than 100 nuclear power plants in Canada. "The reality behind the policy is that Canada would align itself with U.S. food imperialism so that hunger stricken countries would have to come and eat from our hand". Massive participation by multinationals has already been felt in the oil industry. The National Farmers Union in a brief to the Hall Commission on grain handling and transportation, said the incursion of multinational grain companies into the Canadian market is designed to reduce the competitive edge of Canadian grains on world markets. The wish "to control a sizeable amount of Canadian grains in order to prevent them from developing into a further effective competitive factor in world trade."

(TS 26,8,76 pD1; MS 29,6,75 p30; GM 8,9,76 pB2)

*CNSP NOTE: Canada has been the only important source of wheat in world markets not exposed to corporate prancing.*

**HOUSING**

*Introduction: Reports on the housing sector support a strong case that price controls are failing. High interest rates make money expensive to obtain and discourage building. In small western cities house prices are increasing from 18 to 62% in just six months. There is a lack of interest and a decline in construction of public housing. As well, assisted rental plans are not reaching lower income families. In Ontario, investors in rental units are on a capital strike, refusing to invest because of their opposition to rent controls.*

**INTEREST RATES**

The new annual interest rate for mortgages insured under the National Housing Act is 11.5%. Ottawa is keeping interest rates high in the hope of dampening inflation. Critics argue that expensive money discourages recovery, keeps unemployment high and causes unnecessary cost burdens for borrowers. (TS 14,9,76 pC9 c7-9)

**HOUSE PRICE INCREASES**

According to a survey by A.E. Lepage Real Estate reveals the following percentage increases over a six month period--January to June 1976:

Saskatoon 62% Calgary 48% Edmonton 31% Regina 24% Winnipeg 18%

The increases are part of a national trend which is narrowing the gap between the traditionally expensive urban centers and smaller cities. (WFP 14,9,76 p7 c4-6)

**PUBLIC HOUSING**

The cost of building public housing combined with strong local opposition dampens government interest in these projects. This has led to a drop in construction from 21,241 units in 1971 to 11,166 units in 1975. The government has an assisted rental plan in which private builders get low interest loans in exchange for agreements with Central Mortgage and Housing Corporation fixing rents. However the program does not reach families making less than \$10,000 a year. (WFP 3,9,76 p1 c1-3)

**RENT CONTROLS**

Etobicoke's rent review board imposed average increases of 11% since controls began which is more than the 8% maximum allowance set by the Ontario rent review guidelines. Tenants feel rent review hearings are set up in favour of landlords. Tenants stand alone and intimidated in the face of landlords who come flanked by lawyers and accountants. (TS 3,9,76 pB4)

Alderman Irving Chapley reported that North York has received applications for construction of rental units for at least a year and a half because developers anticipated rent controls. (TS 21,9,76 pB2 c1-3)

Sidney Handelman, consumer and commercial relation minister, who is in charge of Ontario's rent control program says he would refuse to administer the controls if they are extended beyond July 31, 1977. He said rent controls stop construction of housing. Investors couldn't care less, they can get a return on their money elsewhere. The best thing for a tenant is a surplus of housing, a situation in which he has the choice to move out if the landlord isn't giving him enough for the rent. (TS 23,9,76 pA1 c1-4)

How can Handelman be so dogmatic unless he foresees a sufficient supply of rental housing by July? questions a Toronto Star editorial. In the ideal market situation there must be 4% vacancy rate to give tenants



the option to move. There hasn't been a 4% vacancy rate in Toronto for the last 10 years. It is currently 1.2% That's barely enough to keep pace with expected population growth let alone the formation of new households which are growing faster than population. Handleman's refusal to extend controls would gravely weaken the federal anti inflation program which left rent controls to the province. Ottawa controls are due to remain in effect until 1978. (TS 24,9,76 pB2)

*CNSP NOTE: Rent review hearings are held during the day, when most people work. The 8% is a guideline only and the power of decision is in the hands of the Rent Review Officer. Should a tenant want to appeal, he can take the Officer's decision to a government appointed board, many of whose members were found to be unqualified for Rent Review Officers positions. The legislation exempts from controls all new buildings and all apartments for the first year of existence. It also exempts all public housing.*

## WORKERS, PEOPLE, OPPRESSED

### LABOUR: GENERAL.

*Introduction: The negotiated collective agreements of about 2 million workers have gone before the Anti-Inflation Board (AIB), and about half of them have been rolled back. Heated preparations for the October 14 Day of Protest are mounting as this is being written. Some unions not affiliated with the CLC have pledged support: Ontario Public Service Employess Union (OPSUE), National Union of Students, Board of pensioners advising the CLC on retirement policies, Quebec Policemen's Federation (municipal policemen), Vancouver CNR and CPR workers have decided that no freight or passenger trains will operate in their area on October 14. Federal NDP leader Ed Broadbent, during his tour of Ontario, has released figures showing hefty profit increases for banks, trust companies, developers, and pipeline and utilities companies since controls were imposed. He argues that the Anti-Inflation Programme forces only workers to make a sacrifice. (For a further analysis of these issues see CNSP publication, "Labour's Day of Protest: The Issues and the Press."*

### LAY-OFFS OF WORKERS

- C.P. Air:- 500 due to worst economic crisis in 13 years
- Celanese Canada Ltd., Drummondville Quebec:- Staff positions reduced by 29%, 1500 CNTU workers on strike since April 26.
- Bombardier MLW Ltd., LaPocatiere, Quebec:- 100 workers.
- Ford Motor Co. of Canada:- 9,850 Canadian employees laid off as a result of the UAW strike in the United States.

WFP 7/9/76 P. 1, c.8

GM 10/9/76 P.13, c.5-6

GM 25/9/76 P.B4, c4

c CNSP Vol. IV, #6

## UNEMPLOYMENT, August, 1976. (Source: Statistics Canada)

Newfoundland.....	14.9%	(up from 14.4%)
Nova Scotia.....	11.0%	(up from 9.6%)
New Brunswick.....	11.9%	(up from 10.8%)
P.E.I. ....	8.9%	(Was 13.1% in July. The labour force shrank in August.)
Quebec.....	9.1%	(Up from 8.4%)
Ontario.....	5.8%	(down from 6.5%)
Manitoba.....	4.0%	(down from 4.6%)
Saskatchewan.....	4.7%	(up from 4.5%)
Alberta.....	4.0%	(up from 3.9%)
British Columbia.....	8.3%	(down from 9.1%)

Total Unemployed in Canada in August, 1975....693,000

Total Unemployed in Canada in August, 1976....775,000



## AIB ROLL-BACKS

i) Ontario's Grey County highway maintenance workers will have their pay raises cut to 9.4% and 10% in the first and second years of their contract.

HCH 4/9/76 P.1, c1.

ii) The secretaries and clerical workers of the Essex County (Ont.) Board of Education and Separate School Board have had their pay increases rolled back to 12% from 30% and a 1977 increase to 10% from 11%. The clerical workers are members of Local 1358 CUPE.

GM 9/9/76 P.1 c3.

iii) 1,256 Winnipeg transit workers of the Amalgamated Transit Union had their raise chopped from 16.3% to 8.8%

iv) 1,000 St. James-Assiniboia teachers had the raise awarded them by arbitration reduced from 15.5% to 10.9%

HCH 14/9/76 P13 c

v) Employees of Westinghouse Canada Ltd. had two-year increases of 16.2% and 10.3% respectively reduced to 14.5% and 10%

vi) Saskatchewan Construction Unions will appeal the AIB roll-back of their negotiated raise from 15.8% to 8.9%

vii) 8300 non-medical workers at 43 Ontario hospitals, members of Service Employees International Union, had their June raise of 18.8% over two years rolled back to 8% in the first year and 6% in the second. The workers average about \$4.00 per hour.

TS 17/9/76 P. A1, c.7-9

viii) 2,000 pilots of Air Canada and C.P. Air had their salary increases reduced from 9.01% to 7.49%

GM 18/9/76 P. A6, c.2-4

EMPLOYER IRRESPONSIBILITY

i) The Canadian Labour Relations Board (CLRB) has ruled that a collective agreement that provides for compensation exceeding the guidelines of the AIB is not binding if the settlement is rolled back by the AIB. In such a case, the parties must attempt to negotiate a new collective agreement, and in so doing, are free to apply strikes or lock-outs. (See *Labour: Struggles*)

GM 18/9/76 P.1, c.1-9

ii) The Canadian Association of Administrators of Labour Legislation has prepared a document claiming that some employers have engaged in "irresponsible" collective bargaining. Their negotiators have agreed to high wage increases, certain that the AIB would roll them back.

GM 22/9/76 P. Bl, c.2-4

REPORT ON MANPOWER

A Senate Committee report on manpower showed that \$100 million is spent on basic training for under-educated, job-seeking adults who were born in Canada. Canada has over one million people with 4 years or less of formal schooling. The committee recommends that funds be diverted from provincial community colleges to industry, to be used to encourage more skill training programmes by companies to meet their own employment needs.

GM 9/9/76 P. 2, c.3-5

LABOUR: STRUGGLES

*Introduction:* After almost a year, the effects of the Anti-Inflation Board on collective bargaining can be felt by workers throughout the country. The Canada Labour Relations Board has recognized that judgements rolling back wage settlements nullify contracts, and thousands of dollars already paid to workers are being re-distributed from their pockets to management and government.

As the second year of controls approaches, the roll-backs are becoming more severe. The catch-up and historic relationship allowances are things of the past. Wage increases are being held to between 8 and 12 per cent, exactly as business demanded.



Pacific Tribune 21/5/76 P.4



Our Mothers Walked With Our Fathers:- Estevan Miners.

As the AIB rolls back increasing numbers of negotiated settlements, the AIB strike movement grows. In September, four western locals threatened to strike over wage reductions. The International Employees Union contract with St. Boniface General Hospital was cut from 14% to 8%. The miners of Estevan have lost over \$2,000 each over their two-year contract, all of which will be collected from them in the second year.

In Faro, Yukon the Steelworkers at the Cyprus Anvil lead, zinc, and copper mine have had their wages rolled back. The Canadian Labour Relations Board ruled that the Steelworkers' contract had been invalidated by the roll-back, and thus they are legally allowed to strike. Jean-Luc Pepin, Chairman of the AIB, accused the union of "trying to make trouble just for the sake of making trouble" by taking the case to the CLRB.

The Manitoba Liquor Commission and its employees (The Manitoba Government Employees Association, MGEA) have been ordered to pay Ottawa \$300,000 for having abided by their contract. The MGEA was rolled back from 23.6% to 12% by the AIB. The MGEA has threatened to walk out if its wages go below the negotiated settlement.

TS 21/9/76 P.A3, c.6-8

WFP 31/8/76 P.1, c.4-6

JOB FLIGHT--THE STICK THREATENING MARITIME LABOUR.

*Introduction: Workers in the Maritime provinces have traditionally been threatened by the weak economic position of the area compared with central Canada. Employers bluntly state that they will stay only as long as wage rates are low. Strikes for higher pay almost inevitably result in the employer threatening to leave. This flight of jobs in the face of worker militance is compounded by government incentive programmes which take the place of corporate investment in the region. If he invested nothing in the first place, what has a boss to lose by leaving?*

Steelworkers at the Erheat plants in Amherst and Sackville have rejected provincial suggestion that they end their strike and settle for wages less than were offered before the strike began. The company claims it will fold if the workers don't return to work immediately at the lower wage rate.

GM 22/9/76 P. 1 c.9

Gm 25/9/76 P14, cl-3

The Maritime Employers Association (MEA) and Local 269 of the International Longshoremen's Association (ILA) have been engaged in a struggle over the operation of Halifax harbour since early summer. The dispute revolves around traditional hiring halls. Containerization of port facilities has brought about the need for a permanent skilled workforce to operate the more sophisticated machinery now in use. In June, a conciliator suggested the practice of job placement through union hiring halls be modified to accommodate this "need". The ILA rejected the report and the MEA locked the union out. The ILA contends that the lock-out is actually an attempt by the MEA to move shipping to St. Lawrence ports. Most of the members of the MEA are based in Montreal.

HCH 3/9/76 P.3 c.4-8

HCH 6/9/76 P.8, c.1-5

ALCAN STRUGGLES CONTINUE

The strike by the Federation of Aluminum Unions at the three Alcan smelters in Quebec has entered its fourth month. There have been no negotiations since the strike began. Alcan has an inventory on hand to last till November. The chief judge of the new Quebec Provincial court, Alan E. Gold, has been appointed mediator.

In B.C., where the Canadian Association of Smelter and Allied Workers (CASAW) went out on a bitter 13 day strike, contempt of court charges against 12 workers have been dismissed. The court ruled that the B.C. Labour Relations Board could not be used as a company disciplinary tool. There are more charges yet to be heard arising from the CASAW strike. (See CNSP, Vol. IV, # 4, June 1976)

WFP 13/9/76 P.11, c.1-4  
EJ 15/9/76 P.2, c.1-3

TECHNOLOGICAL CHANGE AND THE POST OFFICE

After the bitter eleven week CUPW strike last year, the Post Office accepted a contract with provisions guaranteeing consultation and arbitration on the introduction of new technology into the Post Office. Over the ten months of the contract, these clauses have not been followed by the Post Office until CUPW has instituted job actions. Now, the Treasury Board has simply thrown this section of the contract out by saying it will have nothing to do with arbitrators' reports that contravene the Public Service Staff Relations Act. This act forbids any discussion of technological change between the government and its "servants". CUPW claims this new, tough line was adopted as soon as Bryce Mackasy was shifted out of the Cabinet.

TS 25/9/76 P. B11 c.7-9

In another plunge, the Postmaster General has informed Seagrams that it may refuse to deliver mail "that has on the envelope written material" other than addresses. The Retail, Wholesale and Department Store Union has been involved in a dispute with Seagrams for 18 months, closing a distillery near Vancouver. The union has organized a boycott of Seagram products, and stamps its mail "Don't drink Seagrams." A union spokesman said "a long and immoral relationship that has existed between some Liberal cabinet ministers and top Seagram company officers is again showing its influence."

TS 4/9/76 P.A4, c.4-5.

QUEBEC LABOUR

Introduction: CNSP regrets the collapse in late August of Le Jour, one of the two main French language papers we have relied on for coverage of Quebec Labour. It will be difficult to replace its coverage. We are looking for alternative sources of information in order to continue our on-going analysis of the Quebec labour movement for English Canadians. If you know of good sources, please send us a note.

The decision to close Le Jour has political consequences for the Parti Quebecois, which is now being taunted by the Bourassa government: "If you can't manage a newspaper, how could you run a province?" More serious, perhaps, is the fact that the paper's closing has embroiled the party in a labour dispute with its own journalists who are charging that the Le Jour management has dealt unfairly with them.

SUPPORT FOR THE DAY OF PROTEST

All three Quebec centrals have declared support for the October 14th Day of Protest, and planning will go on at the regional level. However, the three Quebec labour leaders, Charbonneau (CEQ), Laberge (FTQ) and Rodrigue (CSN) do not support the tripartism which Joe Morris, head of the CLC, has been promoting.

LD 14/9/76 P.7 c.5-8

END OF THE PUBLIC SECTOR NEGOTIATIONS

*CNSP NOTE: The major agreement in the hospital sector was reached in June as we reported, but the nurses (who are not affiliated with the common front) held out until the end of July, when they were forced back to work. Still another group, the lab technicians, remained on strike until mid-August when they achieved their demand for continued wage parity with nurses.*

*In the teaching sector a settlement was reached at the end of August. The leadership of the CEQ had recommended refusal of the government's final offer, but 70% of the rank and file teachers voted to accept it. The offer gives the teachers close to their salary demand, but their teaching load will be heavier. It is theorized that they accepted because they did not want to begin another school year without a contract. They have been without one for 15 months, and they felt that the government would not change its "final offer". The CEQ leadership accepted the rank and file decision.*

CONSTRUCTION

*CNSP Note: There is a construction strike under way in the province, but September coverage of the issue was sketchy and confusing. We will attempt to present a coherent analysis of the strike in our next publication.*

THE END OF LE JOUR

Yesterday afternoon the new president of the Administrative Council announced the closure of Le Jour. Last Friday, Jacques Parizeau gave a long speech in effect blaming the journalists on the staff for the paper's failure.

LD 31/8/76 P.4

The journalists of Le Jour have argued that the failure of the paper is due to financial mismanagement. (Le Jour has been in financial difficulty almost from the beginning, 2½ years ago.) It has accumulated close to \$1 million in debts.

LD 1/9/76 P. 1 c.1

Norbert Rodrigue, new president of the CSN, spoke on behalf of the journalists of Le Jour and argued that they have been laid off without proper notice and in violation of the Quebec labour code. He challenged the Parti Quebecois to deal in a civilized manner with its employees and not to jeopardize its future relations with the Quebec labour movement by continuing its present policy towards its employees.

LD 16/9/76 P2 c.5-6

*Note: The conflict had still not been resolved by the end of the month. We will present coverage of further developments next month.*



NATIVE PEOPLE

NEW PRESIDENT FOR NIB

The National Indian Brotherhood (NIB) has elected by acclamation a new president, Noel Starblanket. Mr. Starblanket has been the director of Indian rights and treaty research for the Federation of Saskatchewan Indians. He replaces George Manuel, who is retiring to continue organization of a world council of indigenous people.

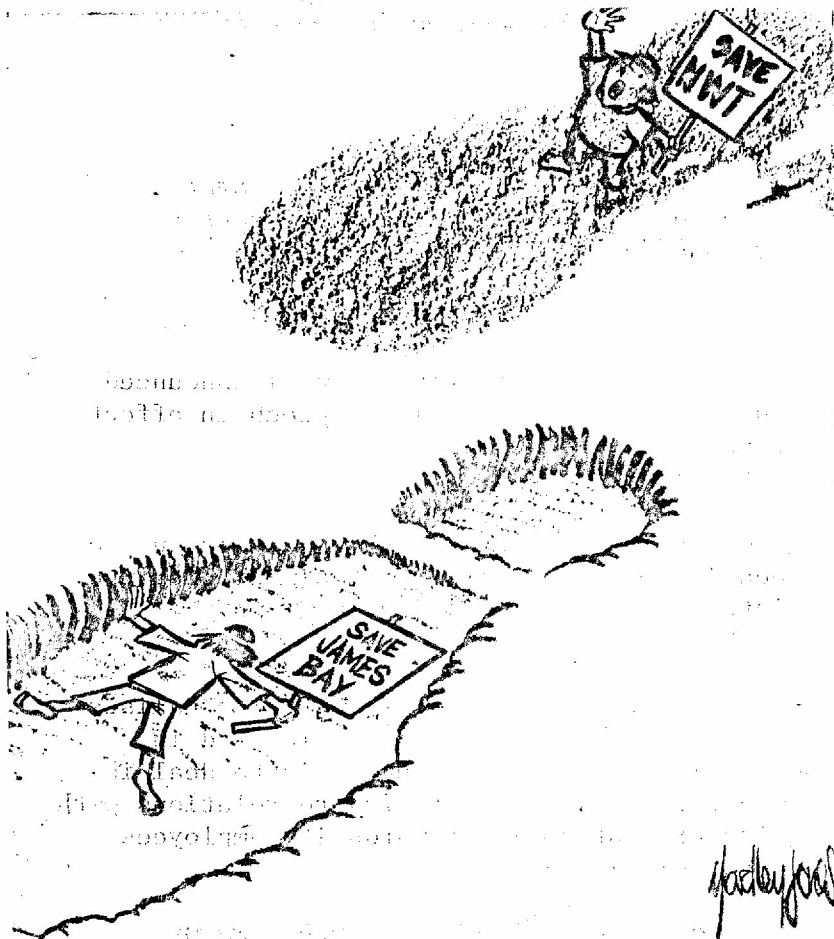
EJ 16/9/76 P.9 c1-3

RACIST TRAINING MANUAL.

The chief of Correctional Services for the Northwest Territories, Clarence Wilkins, will resign as a result of the discovery of a prison training manual that describes Indians in a racist way. Wilkins stressed the contentious material does not reflect the philosophy of the territorial correctional service. Noel Starblanket, new head of the Indian Brotherhood stated that "the book is clearly racist and empty of intelligent insight. That a document of this low nature was ever prepared is clearly an injustice and has only helped further brutalize relationships between Indians and white people in this country." TS 17/9/76 P.A1 c.2-3 (CP) EJ 16/9/76 P.1 c.2-3.

JAMES BAY PACT BROKEN BY QUEBEC

According to the Northern Quebec Inuit Association (NQIA), the Quebec government is violating the land selection provisions of the James Bay agreement. It is doing so by trying to involve Hydro-Quebec in the talks and by using criteria for land choice not in the original agreement. Sandy Gordon, one of the land negotiators for NQIA, says the Quebec government is trying to keep the Inuit off sites with potential for mineral and hydro-electric development, and regards these potential development as taking precedence over "Wildlife productivity of the land" and "usability of the land for harvest. These were the only land criteria set under the agreement. The Inuit Association is calling on the Federal Government to step in to make the province toe the line." OC 30/9/76 P.19 c1-2



**One giant step for mankind — backwards**

MERCURY CONTAMINATION WIDESPREAD.

Officials of the National Indian Brotherhood say the problem of Indians eating mercury-contaminated fish is more widespread than previously indicated. Public attention has been focussed on the mercury poisoning at the two Ontario reserves, Whitedog and Grassy Narrows and three northern Quebec reserves. Also, a survey done on Manitoba reserves has indicated abnormally high levels of mercury in the blood of Indians there. 97 Indians out of 320 tested had blood mercury levels exceeding the acceptable standard of 20 parts per billion. A similar survey is scheduled to take place in Saskatchewan. Mercury pollution problems have also been identified at the Walpole Island reserve in Ontario, St. Regis reserve near Cornwall, Ont., Eel River Bar reserve in New Brunswick and the Caughnawaga reserve near Montreal.

HCH 30/8/76 P. 10 c.2-4  
MS 9/9/76 P. A14, c.1-3

INDIANS CALL FOR HALT TO REED PAPER BID.

In a brief presented to the Liberal Party of Ontario, the Indians of Grand Council Treaty No. 9 called for a public inquiry into resource development in Northern Ontario. At issue is a bid by Reed Paper (Canada) Ltd. for timber cutting rights to 16 million acres of land, much of which is treaty land. The Indians' proposal, endorsed by the Liberal party, calls for a halt to negotiations between Reed and the Ontario Government. It also calls for an inquiry to ensure that those affected by the plan will be consulted.

WFP 13/9/76 P.5, c.3-8 (CP)

NORTHLANDS AGREEMENT SIGNED

The Northlands Agreement, aimed at raising the standard of living in Northern Manitoba, has been jointly signed by the Federal and Manitoba Governments. A joint investment of \$138 million will be spent on clean water supplies, community roads, fire protection, and community sanitation. \$60 million will be spent on increasing employment opportunities for northerners. Such programmes as teacher training, long term career development and post-secondary education will be allotted \$47.4 million, and \$7.4 million will support a professional training programme for Treaty Indians. The plan is a continuation of a two-year interim agreement signed by the two levels of government in 1974.

WFP 16/9/76 P. 1 c.2-3

POLITICALFEDERAL GOVERNMENT

Introduction: The major issue in September's news coverage was the sagging popularity of the Federal Liberal Party. Polls showed the Liberals with only 29% of the popular support while the Conservatives had 47%. September saw the Liberals respond on three fronts to the crisis: The PM's tour of the Maritimes and Ontario, the \$1.2 million ad campaign to sell the benefits of the Anti-Inflation Programme, and the Cabinet changes.

Despite these efforts, Liberal leadership appears deeply worried. On October 2, Trudeau publicly voiced his fears, his analysis of the party's crisis and his identification of the national interest with that of the Liberals. That same day, Labour Minister John Munro provided clues to a developing party strategy,



"Why doesn't the public learn to live with my faults? — I did."

**TRUDEAU: TIME RUNNING OUT TO SAVE THE LIBERALS (AND CANADA)**

Out of Touch: "I think we are out of touch with large sections of the grass roots. West of the Ontario-Manitoba border we exist as a third and not a first one at that. (We have only) local representation in French speaking N.B. and only one member in English-speaking N.S. one in PEI and two in N.S. We have to worry about our future as a national party."

Note: See discussion of the Cabinet shuffle.

Losing French Support: "During the last few decades, Liberal governments have been largely governments of a majority of French speaking Canadians, plus a minority of English speaking Canadians. But now perhaps an increasing number of French Canadians think they do have somewhere to go and there's a legal, political party (Parti Quebecois) which for a variety

Note: For an analysis of the Parti-Quebecois, see forthcoming October 1976 CNSP. The seriousness of Jean Marchand's resignation over Otto Lang's handling of the air strike last summer is illustrated by Trudeau's speech. See also the discussion of the Cabinet shuffle.

Wage Controls ARE Hurting Us. "We are asking great sacrifices of Canadians today, the sacrifices of accepting controls, but we don't have the umbrella of war to say this is necessary to save freedom. In the Mackenzie King period controls were imposed also in spite of the great motivation of the (second world) war, the number of strikes and



dissatisfaction expressed by labour and the number of illegal strikes was very great indeed. A great number of the business community were also saying the (Mackenzie King) government was doing it wrong. So it's not surprising this issue is hurting the party."

*Note: The Liberal government's launching of the \$1.2 million ad campaign to promote the controls policy is clearly linked to perceptions revealed in this section of the Trudeau speech. See this month's Inside Report (enclosed), which analyses the experiences of Chile and Argentina under wage controls.*

Liberal=National Interest "The reason we are not growing strong in organization and drawing new sections of the population into our party may be a worrisome sign of the fact that the Liberals don't have a sense of mission, a desire to guide the destinies of this country in the quarter of a century. It remains for us to keep the national interest in mind and to preach it in the area of bi-lingualism and in the area of the economy and (wage) controls. This will or will not be the salvation of the Liberal party, and if I can say so without too much pretension, perhaps also that of Canada.

Excerpts of the Trudeau speech were published in TS 4/10/76  
P.A1 c.2-8 and P.A3 c1-8. The Headline was: "Time Running  
Out To Save Canada:PM"

*Note: For an analysis of the "national interest" argument used to support wage control see CNSP publication "Labour's Day of Protest: The Issues and the Press", enclosed.*

MUNRO: AFTER CONTROLS, TRIPARTISM, NOT COLLECTIVE BARGAINING.

"Canada has not compared favourably in recent years with many other countries in terms of economic performance, price stability, income distribution and social welfare standards." "We think that the old collective bargaining between big labour and big business left out many other unprotected groups. It will be to redress the balance that we should institute some other method. "Once organized labour gets its 'day of protest' out of the way October 14, the government will press ahead to find some sort of mechanism by which labour, business and the government can get together."

*CNSP NOTE: Munro's speech suggests that after October 14, Labour will be asked to forego "collective bargaining" and to cooperate as the government plans to press ahead to set up tripartism in some form.*

THE CABINET: CHANGES AND CONTINUITIES

New Arrivals The newest cabinet members strengthen the cabinet representation of three regions seen as key to the Liberal party's success. B.C.'ers now have Leonard Marchand and Iona Campagnolo while Quebeckers gained Monique Begin and Francis Fox; Ontario adds three in Anthony Abbott, Jean-Jacques Blais and John Roberts. The seven add a more "in touch" look to the party. Franco-phones can look to Begin, Blais and Fox; women to Begin and Campagnolo; native people and small businessmen to L. Marchand and urban-dwellers to Roberts and Abbott.

Losses In July Jean Marchand resigned from the Cabinet over Otto Lang's handling of the air strike by controllers and pilots (the strike was called on the issue of French in Quebec airspace). See CNSP July 1976.

Official Languages Commissioner Keith Spicer condemned the government's deal because it "undermines the whole bilingualism policy". Air safety "must not be used as a mindless slogan to intimidate the public into accepting political arrangements which humiliate more than one-quarter of Canada's citizens.

(GM 1,7,76 p2 c6-7 CP)

CNSP NOTE: While the press stressed the political consequences of the event, it did not seriously attack the government's deal. As with the Liberal party the press seemed prepared to risk the anger of Quebec in order to pacify anti-French anger generated during the air strike in English speaking Canada. It is also notable that the usual anti-union attacks by the press were missing. CALPA and CATCA received front page coverage for their views. We note Keith Spicer's reaction in contrast.

Another key cabinet resignation was that of Bryce Mackasey, Postmaster General and Minister for Consumer and Corporate Affairs. It was not clear in the press what the issue was that sparked the resignation. The Globe asked, "Was he pushed or did he jump?". (15,9,76 p1) The Toronto Star suggested,

What he thought he perceived, and worried about, was a desertion of the old Liberal commitment to the little guy, the out-of-work, the handicapped and helpless.

(15,9,76 pA1)

The Montreal Star characterised him in July:

He has become our last liberal, the only major figure in any political party still on the barricades and shouting.

(15,7,76 pA9 c4-6)

Trudeau explained,

There was no indication of any policy dissatisfaction. I think he was of two minds whether to leave not or at the time of the next election. (GM 15,9,76 p1)

and Mackasey hedged,

Maybe I'm tired of the long trip up here every weekend.

(GM 15,9,76 p1)

Ten days later the Globe carried a long article on Mackasey headlined with Mackasey's statement,

I'd be a liar if I said I didn't want to stay in the Cabinet. Asked if he might bounce back to the Cabinet as he did once before he replied, "You're right, my moods change with the weather.

(25,9,76 p11)

Trudeau's replacement for Mackasey, Anthony Abbott, in Consumer and Corporate affairs was interpreted by the press as a strengthening on the corporate side and a loss for consumers. Typical of press coverage was:

Consumer Association spokeswoman Ruth Lotzker said of Abbott: "in view of his long association with the corporate community, I expect he'll have a hard time con-

vincing consumers that he is capable and willing to act as a vocal representative of consumer interests in the Cabinet.

James McGrath PC critic said, "My whole impression is that status quo and not willing to rock the boat.

(GM 16,9,76 p8 c4-6 Ellen Roseman)

*CNSP NOTE: Abbott was at one time a corporate lawyer for Brascan, a company that has also employed two cabinet Liberals in off seasons. (Robert Winters and more recently Mitchell Sharp who has just announced his resignation.)*



*Press reaction to the announced cabinet changes was bored and disappointed.*

Cabinet was shaken up to appease caucus not the country

(WFP 15,9,76 p4)

Dithering and dabbling

(GM 15,9,76, p5)

PM's shuffle a disappointment

(TS 15,9,76 pC4)

Suffling the deck

(HCH 16,9,76 p6)

Faces are changed but don't expect big policy shifts

(FP 25,9,76 p6 Shel Gordon)



CNSP NOTE: The one possible change in government leadership worth noting was the shift to Warren Allmand from Judd Buchanan in the Department of Indian and Northern Affairs. The latter has managed to alienate almost every native organization in the country and Allmand's role may be to bring a more progressive face to two immediate challenges -- how he reacts to the land proposal of the Dene people of the NWT and whether he answers the appeal of the Quebec Inuit people against the Quebec government.

THE AD CAMPAIGN FOR THE CONTROL PROGRAM

The Liberal government's advertising plan to sell the controls program includes a pamphlet to be slipped into the envelopes with 1.2 million old age security cheques and 3.9 million family allowance cheques; a series of seven ads in 94 English language daily newspapers and 13 French language dailies; there will also be ads in weekly and ethnic newspapers in 22 languages. Radio listeners will hear 1 minute spots for five weeks. Funds for the blitz (\$1.2 million) are being obtained by reducing the information budgets of other departments.

(EJ 10,9,76 p7 c1 CP)