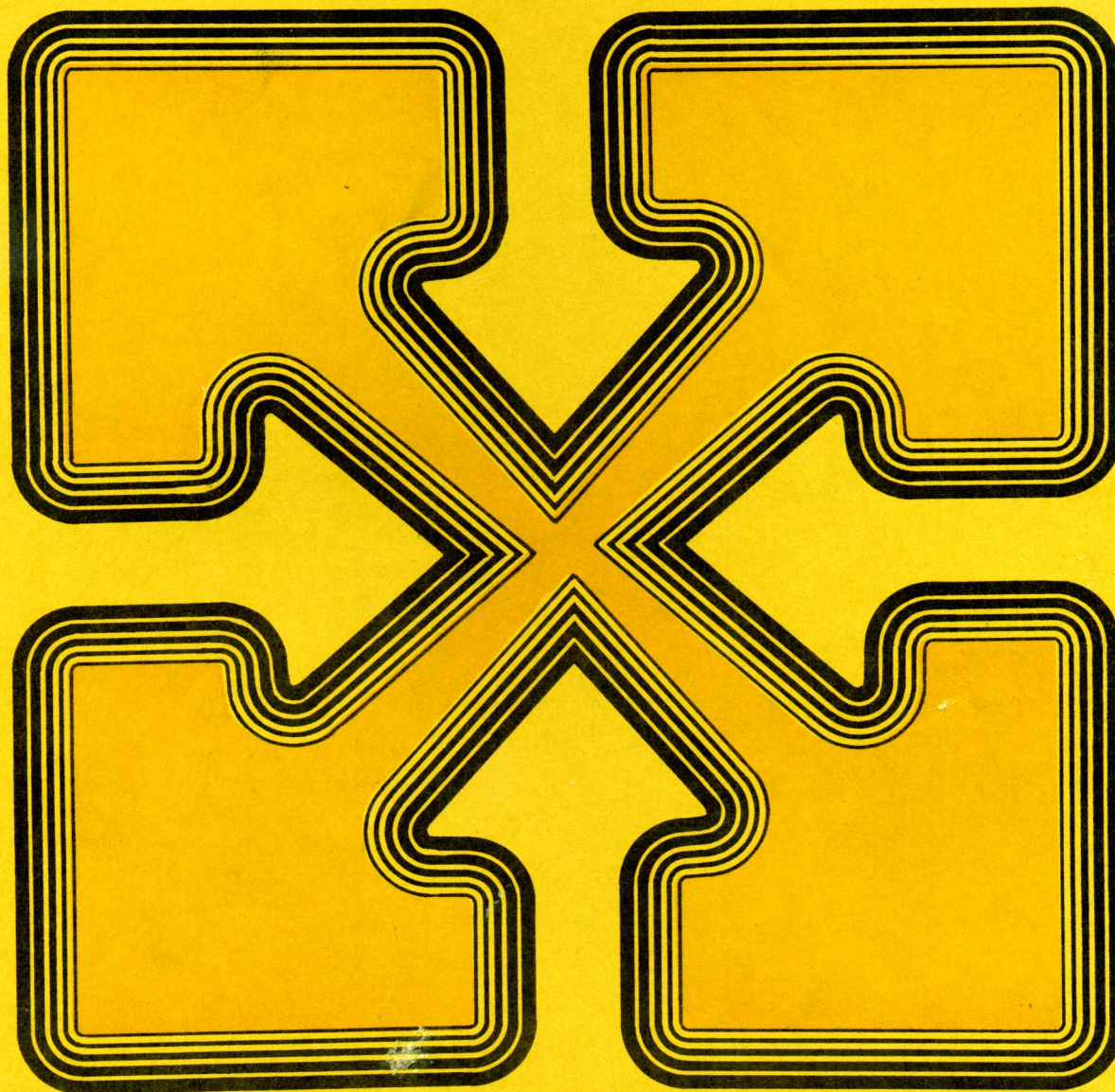


Synthesis

A Review of Events Reported in the Canadian Press



HIGHLIGHTS

- The Economic Summit
- The Berger Report
- Defence Costs Rising
- Pensions: to Index or not?

Vol. 5 No. 5
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Canadian News Synthesis 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 and Caribbean Inside Report (LACIR)*, a monthly interpretive news bulletin.

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NEWSPAPERS USED

<i>Halifax Chronicle Herald</i>	HCH
<i>Le Soleil</i>	LS
<i>Montreal Star</i>	MS
<i>Le Devoir</i>	LD
<i>Le Jour</i>	LJ
<i>Financial Times of Canada</i>	FTC
<i>Financial Post</i>	FP
<i>Globe and Mail</i>	GM
<i>Toronto Star</i>	TS
<i>Winnipeg Free Press</i>	WFP
<i>Edmonton Journal</i>	EJ
<i>Ottawa Citizen</i>	OC

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INTERNATIONAL



LONDON SUMMIT

The focus for the London economic summit seems to have shifted from the problems of the rich nations to those of the poor nations. The U. S., West Germany and Japan have resisted pressures toward stimulating economies. The Ford administration was adamantly opposed to commodity agreements. Now the U.S., West Germany and other hardliners seem more disposed to negotiate with poor countries, at least on a case-by-case basis. Any common fund would emerge only after a series of individual commodity agreements were negotiated. Perhaps the most concrete proposal the rich will have for the poor at the Council for International Economic Co-operation Talks which begin May 30, in Paris, is the promise of a new IMF facility to give fresh loans to those with deep balance of payments problems. FP 30/4/77 p.6 editorial

P.M. Trudeau can feel smug just to be at the summit in London, since he is there despite earlier objections to Canada's presence. By virtue of its \$190 billion economy, Canada ranks sixth--ahead of Italy and catching up on Britain--among the "magnificent seven". TS 5/5/77 p.A20

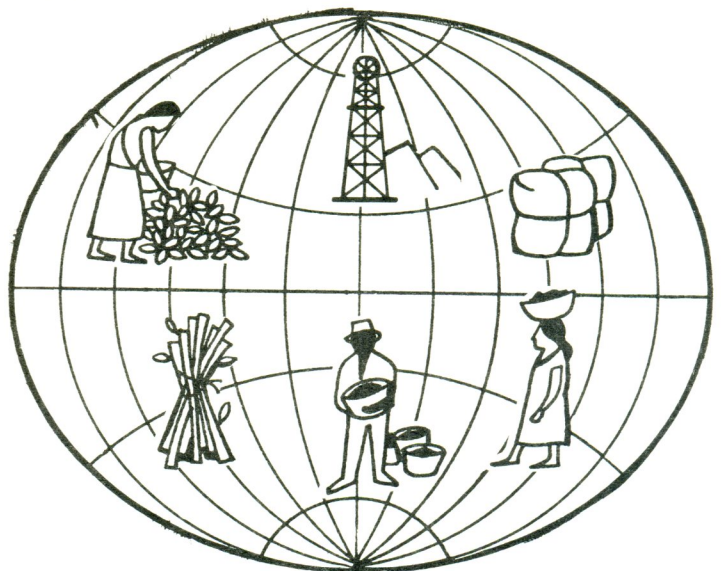
After two days of meetings the leaders of the seven major Western industrial nations stated that their most urgent task was the creation of more jobs while continuing to reduce inflation. The leaders agreed

on the desirability of achieving a successful conclusion of the CIEC conference later this month in Paris. The Globe and Mail reported the leaders had agreed to the creation of a common fund for stabilization of raw material prices, a key third world demand since UNCTAD on May, 1976. They also pledged to increase IMF facilities for loans of up to \$16 billion for countries with balance of payments problems. TS 9/5/77 p.A13; GM 9/5/77 p.1

Canada will contribute to a new IMF pool of international credit, but only if certain conditions are met. Canada will insist in transferring to the new fund its present \$1 billion obligation to help member of the OECD to pay for imports, particularly oil. The key to the proposed new \$16 billion fund is a contribution by Saudi Arabia, with whom the IMF has been quietly negotiating. Following two days of meetings the top 20 finance ministers agreed in principle unanimously in Washington to set up a new international credit pool to help countries pay for imports, particularly oil. Canada's share might be \$500 million of the total. WFP 28/4/77 p.10 CP; WFP 29/4/77 p.5 CP; GM 30/4/77 p.B14 CP

U.S. DOLLAR IN TROUBLE?

The London summit was followed by rumours of pressures against the U.S. dollar. Currency fluctuations against the dollar have been increasing. Early in 1977 the Canadian dollar fell by three per cent while the Japanese yen has risen more than six per cent. U.S. price increases in recent months have been causing excitement, as have U.S. disastrous trade figures. The deterioration of the U.S. dollar has been masked by a larger circulation of Petro dollars into New York to finance a widening current account deficit. The U.S. faces a huge trade deficit of up to \$20 billion, which explains why President Carter has been attempting to get the Japanese and Germans to reflate their economies and increase imports. FTC 9/5/77 p.3, Peter Cook



The long, hard march to international agreements will start in Paris later this month.

CANADA AND THE WORLD

HUMAN RIGHTS ACCORD SOUGHT

Canada will seek to avoid confrontation, but will look for universal agreement regarding human rights at the Belgrade conference to review the 1975 Helsinki accords. External Affairs Minister Don Jamieson stated that "the leaven of Helsinki is working." He warned against ideological struggle as dangerous to detente. GM 12/5/77 p.13 London

U.S. PROTECTIONISM GROWING

The U.S. is veering back toward protectionism. Even a gradual boost in U.S. tariffs threatens thousands of Canadian jobs which depend on the \$26 billion of exports to the U.S. Canada has just taken highly protectionist steps to protect its own clothing industry. Shoe manufacturers are worrying now; only \$20 million are exported to the U.S., but they are vital to a small suffering industry in Canada. The U.S. International Trade Commission has recommended a 40 per cent tariff on shoes, up from the present 10 per cent. Canadian manufacturers and unions are pushing to have the \$15 million of American shoes imported into Canada shut out. U.S. Congress and pressure groups, including labour, are out to raise tariffs on TV set imports and to cut down the U.S. sugar quota. TS 31/3/77 p.B6 Bogdan Kipling

CNSP NOTE: These American interests joining forces will put great pressure on President Carter to retreat from his summit pledge for free trade. See Trade.

STRUCTURAL CHANGES IN WORLD ECONOMY

Geoffrey Bruce, Canada's deputy permanent representative at the United Nations in New York, told the United Nations Association of Canada in Winnipeg that a major restructuring of the world economy that will hurt Canadians is inevitable, though 20 years away. The groundwork is being laid at the Conference on International Economic Co-operation, among other places. Changes will be forced on the west. Bruce predicted that debt in the third world will soon become intolerable. He stated that Canada must reverse its protectionist policies and dismantle such industries as textiles that cannot compete with other countries. GM 14/4/77 p.12 John King

CANADA-LATIN AMERICA

There is talk of a visit to Canada by Mexican President Jose Lopez Portillo. This is significant not only because tourism is important for Mexico, but because Mexican fruit, vegetables, and oil are of interest to Canada. Canada has offered top grade coal for Mexico's new Las Truchas steel complex. HCH 21/4/77 p.6 editorial

External Affairs Minister Donald Jamieson made an exploratory trip to Mexico in an attempt to get to know its new government better through talks with President Lopez and Foreign Minister Santiago Roel. Jamieson is interested in a possible swap of coal for oil, and William Hopper, President of Petro-Canada, will be in Mexico with Jamieson. Trade between Canada and Mexico was worth about \$360 million in 1976, with Canada having a \$66 Million advantage. Consideration was also given to an exchange of common prisoners from both countries. HCH 23/4/77 p.5 CP; EJ 25/4/77 p.7; EJ 28/4/77 p.70; GM 28/4/77 p.14 Reuter

CANADIAN RAILWAY IN VENEZUELA

Canada and Venezuela will discuss an agreement under which a Canadian consortium would co-operate in a \$1 billion railway line. The Canadian consortium includes Sysco Steel Co., Canadian National, Canadian Pacific and Hawker Siddeley (Canada) in its members. They will be asked to co-operate with a Spanish-Venezuelan organization. HCH 25/4/77 p.1

NORANDA'S CHILE INVESTMENT

The Canadian Churches' protest against the Noranda Mines Ltd. investment in Chile reached Toronto's City Hall. Dick Beddoes, Columnist (GM 4/5/77 p.8) satirized the objections of alderman Thomas Wardle to Church representations on the subject. City Council ultimately certified the pleas of the Churches to Noranda to hold off investment until human rights are restored in Chile.

UNION SOLIDARITY WITH ARGENTINA'S WORKERS

Toronto unionists were invited by Isabel Michel of the Group for the Defence of Civil Rights in Argentina to join in solidarity against the persecution of union leaders in Argentina. The Second Annual Rally for May Day drew a capacity crowd of 300, and Argentina's problems took the limelight. Inflation there has topped 300 per cent Ms. Michel said, and longer work-weeks for less pay have been legislated by the military junta. Last year Canada exported \$46.7 million worth of goods to Argentina and bought \$14.7 million worth of beef, leather and oil. TS 2/5/77 p.B2

FOREIGN INVESTMENT

TNC CODE OF CONDUCT

The United Nations is attempting to make headway towards a code of conduct for 15,000 transnational corporations (TNC). Third world governments have a love-hate relationship toward these giants, which sometimes come close to running their countries.

CANADA AND THE WORLD

Canada is both a host and a home to TNCs and favours a set of U.N. rules which would balance expectations and responsibilities. Most third world countries favour a code which puts the onus on TNCs and leaves host governments free to call the shots according to domestic laws. TNCs have 60-70,000 foreign affiliates with a book value of about \$200 billion. They have a strong global market position, a large degree of control of the raw materials business, and control much of the capital, management, production, packaging, shipping, advertising and marketing. Yet TNCs are in business to make money, and the game is mostly about the degree to which a host country may benefit from them without losing, or selling, its national honour. If they know more, perhaps they can strike a better bargain. WFP 29/4/77 p.33



STAR ATTACKS FOREIGN OWNERSHIP

Toronto Star editorialists attacked IBM World Trade Corp. head Jacques Maisonneuve (5/5/77 p.B6) for saying the Transnational corporations can solve the world's problems if nation states will get out of the way. "Countries rich and poor are becoming increasingly aware that foreign multinational companies can exact a high price for whatever benefits they bring. They are finding that absentee owners can discourage indigenous research and development, and that even when technological advances are made by the local subsidiary, ownership of patents and other rights remains with the parent firm." The Star states that nations are not going to surrender any more power "to some kind of supra-national chamber of commerce."

The Star later turned its guns on the myth that foreign investment will help unemployment. It stated that Jean Chretien is falling over himself to approve foreign corporate plans. A retreat is under way from the principles behind the Foreign Investment Review Act, which recognized the costs as well as the benefits of foreign investment. Decisions made in foreign headquarters rule Canadian subsidiaries, Canadian export levels, and Canadian employment. TS 21/5/77 p.B2

INVESTORS SEEK BETTER TERMS

Foreign investors are seeking more favourable terms for loans and investments in Canada because of "risks" like the threat of Quebec separation, according to Beverly Lowen of Bankers Trust Co., N.Y. GM 17/5/77 CP

Canada Trust says investment money is leaving Canada because all levels of government have soured foreign investors. But it lauds Bank of Canada governor General Bouey's approach of restraining both the money supply and the "inflationary pricing of labour and output" in order to keep Canada competitive in the world. Canada Trust also congratulates the Minister of Finance for setting a stage which will "allow the private sector to lead the economy back to good health." HCH 3/5/77 p.22

Ontario Treasurer Darcy McKeough is visiting cities on the U.S. east coast trying to calm investors regarding Quebec. Lack of confidence among U.S. investors means higher interest charges for Canada's provinces who are big borrowers in American markets. GM 3/5/77 p.1

FIRA

FOREIGN TAKEOVERS INCREASE UNDER CHRETIEN

The Cabinet has dramatically accelerated approvals of takeovers and new business ventures under FIRA. Jean Chretien is largely responsible. When Chretien took over Trade in September, 1976, he insisted that applications regarding a new foreign business opening should be concluded within 60 days of receipt. Since December, 1976 he has announced 45 cases a month, up from 12 a month in the two previous years. On March 11 Chretien announced further steps to speed up applications by eliminating certain kinds of business expansions from review, and by requiring only summary review of acquisitions of firms with gross assets of less than \$2 million. Since then, only three of 101 applications have been turned down by cabinet. Chretien seems to have put more emphasis on job creation as a criterion for a new business or a takeover. Prior to December, 1976, acquisitions of existing firms had a 84 per cent approval rate, since December 93 out of a total of 100 applications have been approved. FTC 9/5/77 p.1 Michael Van Dusen

TRADE

TRADE SURPLUS UP IN MARCH

Canada had a seasonally adjusted trade surplus in March of \$509 million, up from the revised \$69 million in February, Statistics Canada reports. It's the highest monthly surplus ever recorded by Canada. The country's first quarter trade surplus is running ahead of last year's level at \$731 million. HCH 30/4/77 p.13; GM 30/4/77 p.B2

CANADA AND THE WORLD

TRADE DEALS WITH IRAN

While leading a trade mission to the Middle East, Industry, Trade and Commerce Minister Jean Chretien signed \$170 million worth of new Canadian export deals to Iran. The exports include a contract to construct a paper mill, construction of semi-mobile schools and feasibility studies into building an aluminum smelter in Iran. Chretien says he expects Canadian exports to Iran to more than double in the next two or three years. GM 18/5/77 p.B2



EDC CRITICIZED FOR SECRECY:

Opposition MPs Sinclair Stevens (PC-York-Simcoe) and John Rodriguez (NDP-Nickel Belt), criticized the EDC for its obsessive secrecy. Stevens said the Crown corporation tends to favour large companies over small ones. Rodriguez said the EDC secrecy means the public may be supporting regimes that violate human rights. TS 11/5/77 p.C9 GM 11/5/77

NEW HEAD NEGOTIATOR FOR GATT

Jack Warren, Canada's ambassador to the U.S. has been named to lead the Canadian negotiating team at the multilateral General Agreement on Tariffs and Trade (GATT) talks in Geneva. He has previously been involved in GATT negotiations and was known as a "salesman" in his diplomatic career as ambassador in London and Washington. WFP 6/5/77 p.10

LONDON SUMMIT STRESSES FREE TRADE

Leaders of seven of the world's major industrial nations- meeting in London to discuss the global economic climate- pledged to put their personal and political strength behind the promotion of international trade free of protectionist tendencies. They expressed fear that the current economic recession was creating tensions and crises within national economies which could lead to protectionist trade action and then to trade wars which contributed to the 1930s depression. A new impetus will be given to the GATT negotiations which have bogged down in Geneva. WFP 9/5/77 p.1 GM 10/5/77 p.B2 FP 14/5/77 p.2

EDC BACKS MORE EXPORTS

The Export Development Corporation has approved \$319 million worth of credits, insurance and investment guarantees to promote exports of Canadian goods and services to seven countries- Algeria, Gabon, Libya, South Korea, Poland, Turkey, and Venezuela. Of the total, \$286 million has been approved for loans. GM 20/5/77 p.B2

GENERAL

MONTHLY STATISTICS *				
	April	March	Change from Year ago %	First Quarter Total
I CAPITAL				
Consumer Price Index (1971 = 100)	157.9	157.0	7.6	
Housing Starts		9,616	-18.3	30,080
Trade (\$ million)				
-Exports - Customs Basis	3,477	3,830	14.7	13,663
-Imports - Customs Basis	3,528	3,743	9.2	13,453
Farm Cash Receipts (\$ million - All provinces except Newfoundland)			-13.7	(1976) 3,023.6 (1977) 2,608.3
II LABOUR				
Persons with Jobs (Millions)	9.43	9.35	1.2	
Unemployed	914,000	944,000	18.9	
Unemployment Rate (Seasonally adjusted)	8.3%	8.1%		
* Statistics not seasonally adjusted, except where noted.				

PEPIN QUILTS AIB

Jean-Luc Pepin resigned as president of the Anti-Inflation Board. He was replaced by Harold Renouf, a regional director of the AIB, and immediate past president of the Canadian Institute of Chartered Accountants. TS 29/4/77 p.A6

Renouf stated that the AIB has been successful in that it has broken "the psychology of inflation", and he claimed this was more important than "winning an absolute battle of consumer price index numbers." GM 30/4/77 p.B14

CNSP NOTE: *Renouf is downplaying the "numbers game" perhaps because statistics show renewed inflation since January. Juggling statistics no longer flatters the AIB. (See Synthesis Vol. 5, No. 2, p.8) By talking about the "psychology of inflation" Renouf is trying to say rising prices aren't a real problem since it is all in our heads.*

FINANCE MINISTERS MEET ON CONTROLS

Finance Minister Donald MacDonald said that Ottawa will decide on the date to end wage controls. He said Ottawa will choose since the provinces cannot agree on a date. Quebec has already scrapped its programme, Manitoba and Saskatchewan favour an immediate end to controls, while British Columbia wants the programme to run its originally set term till December 31, 1978.

The provinces agreed that public employees should not be subjected to controls after they are lifted from the private sector. MacDonald and the provincial finance ministers favour setting up a monitoring agency after the AIB is scrapped to spotlight inflationary increases.

CNSP NOTE: *Earlier, Ontario Treasurer D'Arcy McKeough and several business leaders had called for retention of controls on public employees as a way of controlling government spending. (See Synthesis Vol. 5, No. 1, p. 6)*

THE ECONOMY

Quote of the month: Ontario Treasurer D'Arcy McKeough said profit controls, "Haven't been used. They're almost a useless appendage to the whole system." He added that "political realities" made him favour keeping profit controls while wage controls are still in place. TS 11/5/77 p.A15; GM 5/5/77 p.B2 CP

Pierre Nadeau of Petrofina Canada Ltd., and Robert Dickerson, a lawyer, the other two commissioners, say the work is too far advanced for a new chairman to be appointed. GM 6/5/77 p.B1; FTC 9/5/77 p.3; TS 6/5/77 p.C6

BRYCE ILL, IS COMMISSION DYING?

Robert Bryce, chairman of the Royal Commission on Corporate Concentration, has resigned because of illness. He was the only full-time member of the commission. The report apparently is in the final writing stages, so a spokesman said it will be completed by the two part-time commissioners and the commission's staff. Conservative Sinclair Stevens, the Tory finance critic, charged that if the government does not appoint a new full-time chairman, it is a sign that the commission's report and findings will be ignored.

CNSP NOTE: *The commission was appointed in 1975 to investigate the power of conglomerates within the economy. The commission's hearings received almost no attention from the media, and Bryce did very little to encourage briefs critical of the corporate structure of Canada. At the time of its establishment, critics charged that the commission was only a political delaying tactic to defuse criticism over the growing concentration of economic power within fewer and fewer hands. The majority of the briefs to the commission were presented by businessmen. They overwhelmingly supported the growth of concentration, and opposed government intervention. Bryce's resignation now appears to give the Liberals the chance to avoid action to control corporate concentration.*

OIL AND GAS

INTRODUCTION: *All eyes this month were on the report of Mr. Justice Thomas Berger's inquiry into the social, environmental and cultural impact of a proposed natural gas pipeline down the Mackenzie Valley in the Northwest Territories. The verdict: a ten-year moratorium. The government remains non-committal awaiting the report of the National Energy Board. A Canadian decision will be made this summer under considerable pressure from the tight US timetable. Suddenly, the spotlight is on the Alcan route, a compromise which seems to offer even less to Canada than the Arctic Gas proposal. The Alcan pipeline will funnel Alaskan gas to American consumers through Canadian territory, with Canadian capital at the expense of the native people of the Yukon.*

BERGER RECOMMENDS TEN-YEAR MORATORIUM

After 18 months of hearings in scattered northern communities and across the south, Mr. Justice Thomas Berger has called for a ten-year moratorium on the construction of a natural gas pipeline down the Mackenzie Valley. The time is needed, he says, to let the 15,000 native people of the region negotiate a just settlement of their land claims and to implement the economic and political changes that will be required.

In addition to the moratorium, Berger also recommended:

- no pipeline should be built across the northern Yukon (an integral part of the \$8 billion plus Canadian Arctic Gas proposal.)
- a national wilderness park in the northern Yukon from Alaska to the NWT border, north of the Porcupine River to the Arctic Ocean.
- a whale sanctuary to protect calving white whales in the Beaufort Sea off the northwest Delta.
- tighter restrictions and more research into environmental hazards of oil and gas drilling in the Beaufort Sea.

GM 10/5/77 p.1; WFP 10/5/77 p.1

The 2 pipeline proposals

If the federal cabinet decides to go ahead with a northern pipeline, it has two choices:

- 1 The Arctic Gas project calls for construction of a pipeline stretching 2,300 miles from Prudhoe Bay in Alaska and the Mackenzie Delta in the Canadian Arctic down through the Northwest Territories and on through Alberta to the U.S. and eastern Canada.
The pipeline would pour American and Canadian natural gas into the same pipeline. Gas for Canada would be shipped east through the existing Trans-Canada Pipeline.
Cost of the project: an estimated \$8 billion.
- 2 The Alcan proposal features two pipelines — one to carry U.S. gas, the other Canadian gas.
The Alcan pipeline would stretch 2,753 miles from Prudhoe Bay through the Yukon into B.C. to link up with the existing Westcoast Transmission line and the Alberta Gas Trunkline. The Maple Leaf pipeline, the Canadian-gas line, would go for 817 miles from the Mackenzie Delta to the Alberta Gas Trunkline.
Not enough gas has yet been found in Canada's Arctic to justify a pipeline for Canadian gas; the idea would be to construct the Maple Leaf pipeline when sufficient reserves are discovered.
Cost of the proposed Alcan pipeline is \$7.3 billion, that of the Maple Leaf line \$4.5 billion.

TS 9/5/77 p.B1

THE ECONOMY

CNSP NOTE: *The Berger Report devoted more than half its length to the question of native claims, the need for self-determination and alternate models of development. By dismissing the northern Yukon stretch of the Arctic Gas route and recommending the moratorium, Berger ruled out the joint proposal to funnel US and Canadian gas to southern markets. The US will not wait for its gas and has committed itself to a decision this fall. Canada has been pushed to the wall by the US decision-making machinery and both Trudeau and Gillespie have admitted their willingness to knuckle under to the American schedule.*

A decision will be made before the US deadline of September 1, whether or not Canada has thoroughly examined the various pipeline proposals. A number of things have happened as a result of the self-imposed accommodation to the US timetable. The National Energy Board hearings were speeded up so that the NEB report could be presented to Cabinet for consideration this summer. The Lysyk Inquiry into the Alaska-Canada Highway route was announced and given three months to do the same work as it took Berger three years to do. House leader Allan MacEachen announced that the Commons will sit during the summer recess, if necessary, to debate the Cabinet's pipeline decision.

The greatest danger inherent in the Berger Report is the way the press has turned his off-the-cuff evaluation of the Alcan Route into an endorsement. Berger did say the route might be environmentally superior to the Mackenzie Valley route but he also recognized the necessity of satisfying native land claims in the Yukon.



Justice Tom Berger

The legitimate aspirations of the Yukon natives were lost in the sea of coverage of the Berger Report. There is a real danger that Yukon natives -- who have been negotiating with the federal government for four years -- may be sacrificed as the government turns away from the politically-hot Mackenzie Valley route. Daniel Johnson, President of the Council of Yukon Indians (CYI) has said it will take at least ten years to settle and implement a land claims settlement. They are unwilling to discuss a pipeline for at least ten years.

RESPONSES TO THE BERGER REPORT

INTRODUCTION: *Responses to the Berger Report came thick and fast. As might be expected, all interests held their respective positions.*



Georges Erasmus

George Erasmus, Indian Brotherhood of the Northwest Territories; "The Judge has recognized the Dene Nation. We want the land and we want to exercise the power over it." TS 11/5/77 p.2

"We're not going to rest until we know this whole pipeline will be postponed indefinitely." WFP 10/5/77 p.4

Rick Hardy, Metis Association of the NWT; The report is the "kiss of death" for the pipeline and the future of the valley is at stake. TS 10/5/77 p.8

Northwest Territories Council; Territorial councillors opposed the Berger recommendations and called for a referendum in the valley to determine whether a pipeline should go ahead. Councillor Don Steward, mayor of Hay River, labelled the report "socialist" and called it a "great disservice to all of Canada." TS 11/5/77 p.2

Vern Horte, President Canadian Arctic Gas; "I think it would be wrong to regard Berger's report as the sole report on this matter." A way can be found that will be in the interests of the natives and environment of the north and the people of the south. TS 14/5/77 p.B4

Robert Blair, President Foothills Pipeline Ltd.; "Arctic Gas has been really rejected. As the sole survivor of the race, I don't see how they can regroup." Canada should build the Alcan pipeline if "only to achieve something sought by the US ... to satisfy an American purpose." TS 10/5/77 p.2, 11/5/77 p.8

Prime Minister Pierre Trudeau; In London for an international economic conference, Trudeau, not having read the Berger Report, said it would be "unconscionable" not to make a decision on the pipeline before the American deadline of September 1.

THE ECONOMY

Warren Allmand, Minister Indian Affairs and Northern Development; The government plans an in-depth study of the Berger Report before taking a decision to build or not to build. WFP 10/5/77 p.10

Alastair Gillespie, Energy Minister; The Berger Report is an "eloquent document", but the government will not make a decision until it has a report on future energy needs from the National Energy Board. TS 10/5/77 p.1

MACKENZIE LINES FACE COST OVERRUNS OF \$ BILLIONS

Both rival Mackenzie Valley pipelines could face cost overruns in the billions, according to a study by FENCO consultants, commissioned by the Department of Energy, Mines and Resources. A worst-case three-year delay could double the price of either project. GM 11/5/77 p.B1

PIPELINE COMMISSIONER NAMED

Basil Robinson, under-secretary of State for External Affairs, and a career diplomat, has been appointed coordinator of all advice to the government on the need for a northern gas pipeline. WFP 29/4/77 p.5

COMMONS WILL DEBATE PIPELINE

House leader Allan MacEachen says Parliament will have the opportunity to debate the northern gas pipeline, most likely during the usual summer recess. MP's will have the chance to "reject or approve" any decision the Cabinet makes on the various pipeline proposals. GM 14/5/77 p.12

CNSP NOTE: *Mr. MacEachen's promise of a pipeline debate has quickly silenced the claims that Parliament would be skirted in any pipeline decision. However, the promise is a clever way of burying the whole question. Parliament will still not have the final say in actually making the decision. That will be done by Cabinet. Parliament will only be able to rubber stamp the government decision. There is little likelihood it will do otherwise since the Liberals still have a majority and all of the caucus will vote the party line.*

PIPELINE DELAY COULD BE RISKY: GILLESPIE

Any delay in building a northern gas pipeline will mean Canada won't be self-sufficient in energy in the next ten years, Energy Minister Alastair Gillespie says. In the Yukon to tour the route of the Alcan Highway pipeline, Gillespie commented he saw no environmental problems in the Dempster Highway portion of the route since a highway has already been built there. He made his comments while flying over the highway in a jet. TS 16/5/77 p.3; 10/5/77 p.3

CNSP NOTE: *Prime Minister Trudeau is having to cover his Energy Minister's tracks quite often these days, as comment after comment indicates Mr. Gillespie has already made up his mind on a northern gas pipeline. Mr. Trudeau insists that the pipeline issue has not been pre-judged but is having a difficult time trying to persuade anyone.*

LYSYK INQUIRY EXPANDS SCOPE

Chairman Kenneth Lysyk of the Alcan Pipeline inquiry announced he would consider the possibility of a Dempster Highway line connecting reserves in the Canadian Mackenzie Delta to Alaskan reserves. The Dempster line would cross part of the northern Yukon; a route that Mr. Justice Berger dismissed in his report. Mr. Lysyk stressed that the inquiry is preliminary and that if the Alcan route is selected, then a second more detailed study would be convened in the fall. GM 12/5/77 p.8

NORTH SEA BLOWOUT CAUSES BEAUFORT CONCERN

Northern Affairs Minister Warren Allmand has postponed a government decision on whether to allow Dome Petroleum to drill 11 offshore wells in the Beaufort Sea this summer. Mr. Allmand wants to examine a report on the Ekofisk blowout in the North Sea. Two of three wells drilled last summer by Dome Petroleum experienced fresh water blowouts with some natural gas.

Critics in the government Environmental Protection Service and with the Canadian Arctic Resources Committee say the technology to contain an oil spill or blowout is completely inadequate. Meanwhile, the government has announced a \$10 million, five-year program to develop, test and perfect oil spill containment and cleanup techniques for Arctic waters. EJ 28/4/77 p.68; GM 28/4/77 p.B1; 29/4/77 p.B1



GHOST OF 1956

THE ECONOMY

CNSP NOTE: The gradual escalation of the price of Canadian oil to world levels set by OPEC and the seven major petroleum corporations is about the only visible sign of an energy policy from the federal government. The price increases are supposed to force conservation as well as encouraging exploration, by providing the oil companies with increased profits to invest.

However, the oil industry is using about 52 per cent of its cash flow for exploration, almost the same as it was five years ago when the price of oil was only \$3.00 a barrel, less than one-third of current prices. A *Toronto Star* editorial notes that Canadians have paid \$4 billion more for their oil than they would have at 1973 prices. About 75 per cent of that has gone to the treasuries of Ottawa and Alberta, while the rest has gone to the oil companies. While we're paying more to ensure exploration we're actually getting little back in new supplies, the *Star* says. 12/5/77 p.B6

ENERGY

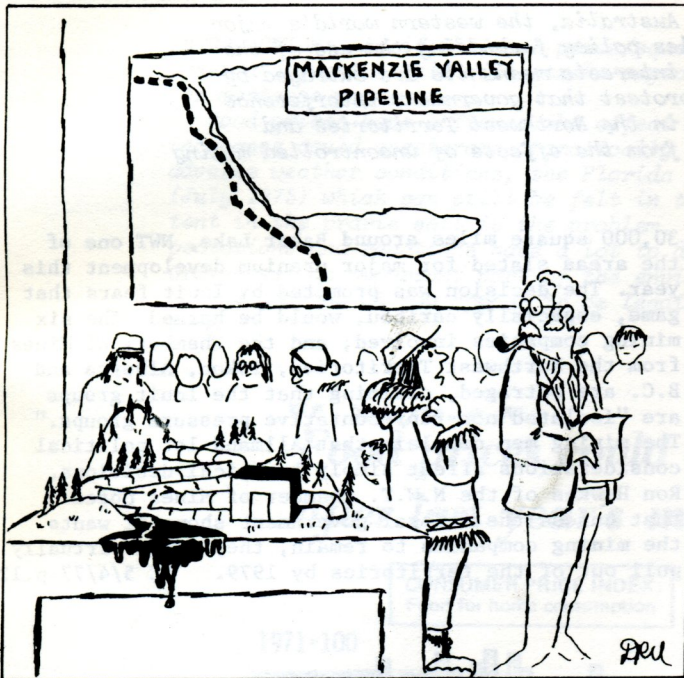
AECEB ANNOUNCES DECONTAMINATION PROGRAMME

The Atomic Energy Control Board (AECEB) has announced a \$5.7 million investigation and decontamination programme for communities with radioactive wastes from nuclear installations and uranium mines. Communities involved include: Port Hope, Elliot Lake, Uranium City, Ottawa, Bancroft Ontario, East Brainerd Manitoba, and Surrey B.C. WFP 26/5/77 p.6

CANADA NEEDS PLUTONIUM AECL SAYS

Canada should recycle plutonium from spent fuel rods to achieve energy self-sufficiency through a thorium fuel cycle, according to AECL officials. US President Carter recently announced a ban on plutonium recycling. AECL says plutonium is needed as an initial reactor charge to develop a thorium cycle which would make Canada independent of natural uranium and offer hundreds of years of power. GM 21/5/77 p.B7

CNSP NOTE: Plutonium, one of the by-products from burning of uranium, is generally considered one of the most toxic of substances known to mankind. It has a life-span of nearly 250,000 years, can be used to manufacture low-grade atomic bombs, and is extremely radioactive. Although many atomic scientists believe that radioactive wastes can be safely stored indefinitely, no fool-proof method has been found to date. Nuclear critics, upset by atomic reactors, uranium mining, fuel manufacturing, and waste storage, are highly outraged by the dangers of plutonium recycling.



'Hey mister, your model leaks!'

Native Press, April 15, 1977, Page 15

BEAUFORT SEA ECONOMICS

A *Toronto Star* editorial notes; "it costs about \$25 million for each hole drilled in offshore Arctic waters, of which close to 65 per cent is charged to Canadian taxpayers in the form of tax write-offs. Only about \$40 million was spent altogether in Canada last year on research and development of renewable energy sources such as solar, wind and geo-thermal power."

OIL PRICES GOING UP

Despite opposition from consuming provinces, the price of domestic oil will continue to climb to world levels. Crude will go up by \$2.00 a barrel in two stages; \$1 on July 1, 1977 and \$1 on January 1, 1978. Natural gas prices will also go up accordingly -- about \$.18 a thousand cubic feet at the Toronto city gate.

NDP Energy critic T.C. Douglas says the price increase will raise the cost of living by two per cent and cost 42,000 jobs in Canada. The figures are based on government data. GM 13/5/77 p.9; 7/5/77 p.1

THE ECONOMY

MINING

INTRODUCTION: Canada, the United States, and Australia, the western world's major uranium producers are planning to adopt a sales policy forbidding the use of the mineral for nuclear weapons. Canadian mining interests meanwhile are outraged by government regulation of the industry. They protest that government interference is hurting their operation, but Inuit people in the Northwest Territories and miners around Yellowknife are both suffering from the effects of uncontrolled mining operations.

JOINT POLICY ON SAFEGUARDS STUDIED

Canada, the United States and Australia are discussing the possibility of a common policy that would impose stringent safeguards on 70 per cent of the western world's uranium. The idea is to prevent uranium exported by the three countries from being used in any way for nuclear explosions. Canada now demands safeguard guarantees from its customers which forbid the use of uranium for any nuclear explosions, and has held up about \$300 million in sales to Japan, West Germany, Britain, and Italy. The U.S. and Australia plan to adopt Canada's standards. The Prime Minister's office said the talks are conducted in parallel with periodic "nuclear suppliers' club" talks in London. GM 2/4/77 p. 3

CNSP NOTE: The "suppliers club" may be read "cartel"-London's Uranium Institute with John Kostuik of Denison Mines as chairman. According to documents cited in Financial Times (20/9/76) the cartel was formed to ensure the profitability of Rio Tinto Zinc's Rossing uranium mine in illegally occupied Namibia. Rio Tinto owns 59.7 per cent of Rio Algom of Toronto.

MINING INDUSTRY URGED TO WORK WITH GOVERNMENT

A mining spokesman said that during a period when mining taxes increased 460 per cent, net profits to mining companies went up only 126 percent in comparison to 135 per cent in the manufacturing industry. A task force study by Canada West Foundation predicted a sharp decline in mining production unless there is a change in government policy. The study showed that exploration is declining which means that Canadian mining will become increasingly "lean." In the view of the spokesman, people will "give a dam" about the state of the industry when their standard of living and balance of payments are affected. WFP 25/3/77 p. 21

MINES THREATEN PULLOUT AFTER FREEZE

Warren Allmand, Minister of Indian Affairs and Northern Development, has deferred new prospecting permits and land-use applications for an area of

30,000 square miles around Baker Lake, NWT one of the areas slated for major uranium development this year. The decision was prompted by Inuit fears that game, especially caribou, would be harmed. The six mining companies involved, and the Chambers of Mines from the Northwest Territories, Yukon, Alberta and B.C. are outraged, claiming that the Inuit groups are "isolated non-representative pressure groups." The mining men complain that Allmand let political considerations affect simply technical decisions. Ron Hawkes of the N.W.T. Chamber of Mines noted that unless the federal government shows it wants the mining companies to remain, they could virtually pull out of the territories by 1979. OC 5/4/77 p.12



Warren Allmand

The arsenic pollution inquiry has learned that occupational health programmes at Giant Yellowknife Mines Ltd. are almost non-existent. Checks for arsenic rashes were done by company foremen as the plant has no doctor or nurse. Workers had protested the use of water believed to contain arsenic, cyanide, and human waste for plant showers. Indian families living along the shore of the polluted Back Bay have been repeatedly told not to use the water. MS 15/3/77 p.B8 16/3/77 p.10

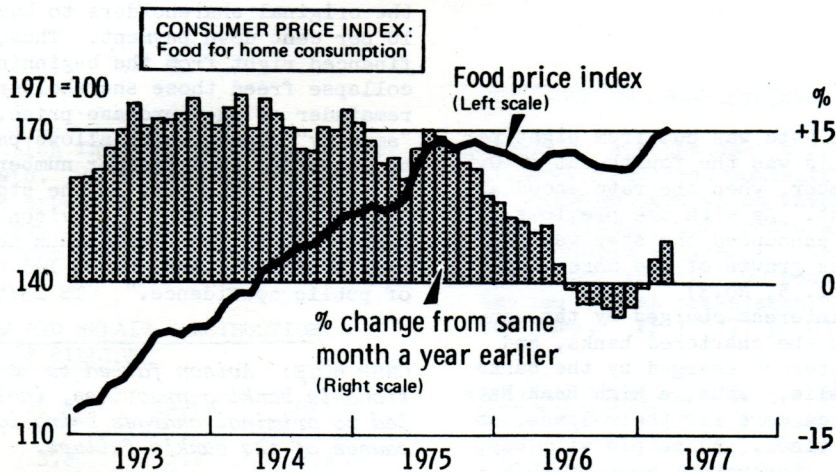
AGRICULTURE

INTRODUCTION: As if the cost price/squeeze wasn't enough for farmers, the west faces a drought. This will strike especially those farmers who need the crops for mortgage payments.

Food prices have softened the effect of inflation for Canadians. Last year's increases could accelerate dramatically this year. The *Financial Post* cites the adverse weather conditions, the Florida freeze in January and the frost in Brazil (July 1975) which can still be felt in the coffee market. Now the moisture content in the prairie soil is the problem. The *Post* does admit that inflation "expectations and reactions have a lot to do with agriculture commodity prices." Grains set an important part of the environment for world commodity prices and Canada and the US now appear to be leading towards a cartel arrangement in its sale.

FP 23/4/77 p A1

Food prices could advance 6% - 9% after last year's modest increase



FOOD PRICES TO RISE

The Canadian Food Brokers Association has asserted that while low food prices have helped slow inflation, that time is at an end. Ultimately, rising prices of basic commodities, along with other economic pressures, will force food prices up again.

Weather developments so far in 1977 have highlighted once again the dominance of Mother Nature in determining crop production and prices. The Florida freeze in January severely damaged a record orange crop. The bad weather in the US has raised the price of fresh produce well above seasonal prices. Canadian grain crops will be low this year, raising grain feed prices, escalating the price of beef and dairy products.

Grain prices will continue to cause uncertainty as they are affected by reactions to inflation, and world commodity prices. WFP 10/5/77 p.5

FP Special Report 'Food: the endless crisis' 23/4/77 p.A1 4th section

THE WEST: DRIEST YEAR EVER

Regina had its last good rain nine months ago. In south eastern Manitoba there are fields that look like a moonscape. What frightens farmers the most now is wind. Experts and farmers agree that this year is drier than any in the drought-stricken thirties. They disagree on how calamitous such a drought would be in an age of fertilizer, improved farm technology and expertise, crop insurance, and other factors. Those who are well established and out of debt can survive a bad year, but young farmers mortgaged to the hilt, can be wiped out. Stores and implement dealers in the prairies report business drops of 50 per cent. GM 30/4/77 p.10

WHEAT CARTEL

Canada and the US have agreed to develop a North American wheat policy on a multilateral level. They

THE ECONOMY

export 75 per cent of the world's wheat supplies. Talks ranged over revised tariff levels, livestock trade, the possible effects of a drought this summer and programmes for world aid. The Carter Administration is prepared to seek an international agreement on a number of commodities. The agreement is directed toward talks to be held next month in London at the International Wheat Council where importing countries will meet with exporting countries. GM 19/5/77 p.B1, p.B2

Thomas Enders, US Ambassador to Canada: (referring to recent grain negotiations) "It is definitely not a cartel. It is rather a question of managing an international wheat market ... it is not our version of OPEC." MS 21/3/77 p.D11

FINANCE

BANK RATE CUT AGAIN

Effective May 9, the Bank Rate was cut from eight per cent to 7.5 per cent. This was the fourth cut of 0.5 per cent since last November, when the rate stood at a record high 9.5 per cent. As with the previous cuts, the Bank of Canada announced the step was being taken to stimulate the growth of the money supply. (See *Synthesis*, Vol. 5, No.3)

The Bank Rate is the interest charged by the central bank on its loans to the chartered banks, and it helps determine the interest charged by the banks on their loans to the public. Thus, a high Bank Rate means the banks will charge more for their loans, so less borrowing will take place, and people will buy less on instalment plans. Throughout most of 1976, as part of the Anti-Inflation Program, the Bank had sought to discourage spending by keeping a high Bank Rate. By November, however, it had become clear that the economy was stagnating, so the Bank Rate has been cut four times in an effort to encourage borrowing and spending. Bank Governor Gerald Bouey has claimed that his policy is one of "gradualism" by which the money supply will grow slowly in line with rising production.

Bouey is an advocate of the monetarist theory of economics, which holds that inflation is caused when the rate of growth of the amount of money in the economy exceeds the growth of production. Thus, "too much money is chasing too few goods," causing prices to rise. However, economists Arthur Donner and Don McGillivray claim that the high bank rate was blocking real growth. Mc Gillivray points out that the real money supply has been falling, with no money available to finance new investment. Donner claims Canada will have to adopt expansionary policies. He says the government, faced with the highest unemployment since the Depression, must soon use deficit financing to stimulate the economy. GM 7/5/77 p. B2 Arthur Donner; FTC 16/5/77 p. 6 Don McGillivray

CNSP NOTE: Bouey calls his policy "gradualism" to imply a well-controlled but flexible approach. In addition the four cuts of only 0.5 per cent each could give the impression that the Bank is "fine tuning" the economy, judiciously adding small doses of stimulus when needed. The other interpretation is that last year's policy was far too restrictive. And now Bouey is reluctantly adding stimulus, by reducing the Bank Rate two percentage points in six months. It remains to be seen whether this last cut will finally overcome the Bank's earlier misjudgment.

UNITY BANK FOLDS

Shareholders of the Toronto-based Unity Bank and the Provincial Bank of Canada, Montreal, agreed to a merger that will end Unity's brief and inglorious operation. The merger will be carried out by a stock swap. Unity shareholders will receive one Provincial Bank share for every four Unity shares they hold. One shareholder pointed out that Unity had been in trouble right from the start. The Bank Act allows the original shareholders to buy shares with only a 10 per cent down payment. Thus, the bank was under-financed right from the beginning. The bank's collapse freed those shareholders from paying the remainder of the purchase price. The merger has an "amnesty" clause which allows partly paid shares to be converted to a smaller number of fully paid shares in order to take part in the stock swap with Provincial. Unity's president Avison blamed the bank's final collapse on "meticulous news coverage" of the bank's difficulties, which led to a deterioration of public confidence." TS 13/5/77 p.C6

CNSP NOTE: Avison failed to mention several questionable banking practices, including some that have led to criminal charges being laid, as possible causes of the bank's failure.



Ms 9/4/77 p4

"Curtail wasteful government spending indeed! Is there no regard for tradition?"

GOVERNMENT APPOINTS SPENDING WATCHDOG

The federal government in response to criticisms levelled by Auditor-General J.J. Macdonell in his last report, has announced plans to increase control over its spending. Treasury Board President Robert Andras announced a comptroller-general of Canada will be appointed to oversee the administrative practices of the public service. He will

have a "special functional relationship" with the heads of government agencies to allow for necessary guidance while maintaining the principle of "decentralized management." The government will also impose new restraints on the financial freedom of corporations. Critics from both the Conservatives and the NDP supported the principle of increased powers for the auditor-general, and approved the government's plan. WFP 24/4/77 p.4

CONSTRUCTION

INTRODUCTION: *The negative growth in Canadian construction is having drastic effects on unemployment in the industry. Some smaller construction companies are going bankrupt while large corporations are showing increasing profits. With housing starts down, the Ontario government introduced incentives in its budget to encourage development. These include the elimination of the land transfer tax for non-residents and a reduction of the waiting period before land can be sold without speculation tax.*

CONSTRUCTION SLOWDOWN

The Canadian construction industry is facing a year of negative real growth. While new and repair construction outlays are expected to top \$34 billion--up about \$2 billion from 1976--inflation will erode any real spending increase.

SPENDING ON NEW AND REPAIR CONSTRUCTION (\$ BILLION)

	1977	1976	1975
Mining	3.2	2.7	2.3
Utilities	6.5	5.4	5.1
Government	5.9	5.4	
Manufacturing	2.1	(Up 9% from '76)	
Housing			
-new	9.8	(Up 0.5% from '76)	
-repair	2.1		
Forest Industry	0.15	0.133	
Agriculture &			
Fishing Industry	0.769	0.71	
Finance	1.6	1.5	
Commerce	0.338	0.632	0.896

REGIONAL OUTLOOK (\$ BILLION)

	1977	1976	1975
Atlantic	2.6	2.4	
Quebec	8.2	7.5	
Ontario	10.1	9.8	9.0
Praries	8.6	7.6	6.0
British Columbia	4.2	3.9	

FP 7/5/77 p. C1

CONSTRUCTION UNEMPLOYMENT

Alberta: For the past three years, Alberta's construction has been dominated by the \$2.15 billion Syncrude project which involved 10,000 people. Next year's windup will create a vacuum the industry will have trouble filling in the next two or three years. Next year, about 7,500 people now on the job site and another 800 at pre-assembly sites will have to seek new jobs. FP 7/5/77 p. C3

British Columbia: At the beginning of April, more than 20,000 skilled construction workers were unemployed in British Columbia. There are 60,000 skilled construction workers in that province.

Quebec: Registration of unemployed construction workers at Canada Manpower Centres in Montreal climbed from 11,336 in February, 1976 to 15,079 this February. Provincial registration has risen from 60,800 to 71,665. Quebec accounts for approximately 22 per cent of the total value of Canadian construction output. Construction contributes 18 per cent of the total production of goods in the province, and employs six per cent of the work force. FP 7/5/77 p. C6

Manitoba and Ontario: Unemployment Insurance Commission figures for March 1 show 7,854, or 28 per cent of Manitoba's 28,000 building tradesmen were looking for work. Percentages in Ontario were even higher: London, 30 to 40 per cent; Oshawa, 30 per cent; Sault Ste. Marie, 80 per cent; Toronto, 34 per cent. About 185,000 construction tradesmen are jobless throughout Canada, 45,349 in Ontario. WFP 1/4/77 p. 13

THE ECONOMY



per cent transfer tax on land purchased by non-residents and changes to the Land Speculation Act, reducing from 10 years to five the waiting period before land can be sold without being subject to a 20 per cent speculation tax. Developers also welcomed incentive programmes to encourage the construction of rental housing. Yearly grants of up to \$600 per unit will be given developers to complement the federal Assisted Rental Program, which provides interest-free loans of up to \$1,200 per unit annually for 10 years. GM 22/4/77 p. B2

THE MAIN PROBLEM: "AFFORDABILITY"

A 23-volume report by the Central Mortgage and Housing Corporation on housing conditions in Canadian cities shows that "affordability," not availability, tops the list of housing problems facing the federal government. Because of this conclusion, it is difficult to understand why the federal housing agency has cut its public housing budget by over 20 per cent. To add to the puzzle, CMHC will increase by 75 per cent the Residential Rehabilitation Assistance Program budget and will increase funds for the Assisted Home Ownership Program by 20 per cent. The latter two programmes are designed to increase and improve the quality of existing housing stock, which CMHC's own report concluded was relatively good. Most of the funds will thus be channelled to those who already own houses or to middle income families for their purchases. But the money will not do much to assist low-income groups who have little or no hope of purchasing even subsidized homes, and who are often forced to pay substantial portions of their income for substandard rental accommodations. GM 15/4/77 p. B5

REAL ESTATE AND CONSTRUCTION SHARE PRICES UP

The Toronto Stock exchange index of shares of real estate and construction companies rose more than 14 per cent from February 23 to April 19, and reached its highest point in nine months. Gains have been concentrated in comparatively few stocks.

COMPANY	SHARE PRICE (APRIL 19)	GAIN SINCE FEB 19
MEPC	\$ 8.88	65%
Sifton	\$11.50	51%
Cadillac	\$10.50	24%
Trizac	\$13.00	22%
Costain	\$10.75	19%
Bramalea	\$ 6.13	22%

TS 21/4/77 p. C10

ONTARIO HOUSING STARTS DOWN

The Ontario budget shows housing starts are expected to total 80,000--well below the government's target of 100,000 a year, and nearly 5,000 fewer than last year. Since rent controls were introduced, industry has virtually stopped building rental accommodations, resulting in demands that governments build the housing. Instead, Ontario plans to provide grants and incentives to encourage more construction. TS 20/4/77 p. B4 editorial

ONTARIO CONSTRUCTION INCENTIVES

Ontario Treasurer D'arcy McKeough's budget included a \$75 million increase in spending on public works projects designed to create or safeguard about 3,400 construction jobs, and the elimination of the seven per cent sales tax on insulation materials. The measures which will have the greatest effect on the development industry are the elimination of the 20

BELLAN INQUIRY INTO LAND USE

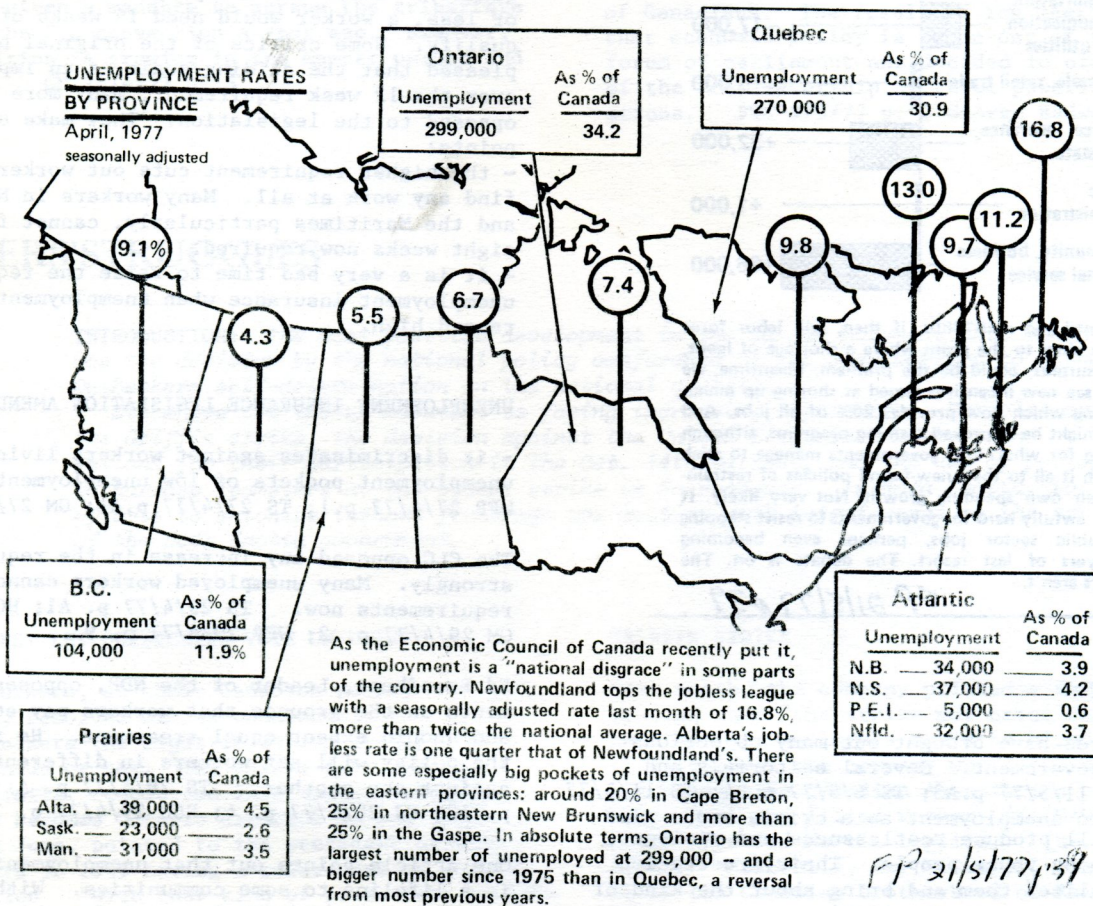
The University of Manitoba's city planning department has told the Bellan royal commission on land that four large development companies dominate land holding in Winnipeg, and stand to make whopping profits totalling \$519 million. BACM Industries, Qualico Developments, Ladco Co., and Metropolitan Properties own nearly 13,000 acres in the urban area. Twenty years ago, all houses built in Winnipeg were produced by small builders, but by 1973, only 12 per cent of housing was built this way. In 1966, a three-bedroom bungalow in Winnipeg cost \$18,000. Last year, the price was \$51,000. The Manitoba Housing and Renewal Corporation itself has pushed up the price of land by buying huge tracts in a hurry at inflated prices. OC 28/3/77 p. 7

LAND INQUIRY

David Greenspan, a Toronto lawyer, and Andrew Currie, former deputy minister of urban affairs in Manitoba, have been named to study the supply and cost of serviced land across the country. MS 21/3/77 p. B9

GENERAL

INTRODUCTION: Unemployment remains the most urgent issue for labour, especially after the unemployment figures for the first quarter of 1977 proved to be the highest on record. At the same time, the government has a bill pending which will take many of the unemployed off of unemployment insurance by raising the requirements for UIC benefits. A significant event in the month was the first meeting of top leaders of business, labour, and government to discuss economic policy. Unemployment and wage and price controls were the key topics. The unions are divided in their feeling about the participation of the CLC in this meeting.



APRIL UNEMPLOYMENT FIGURES SHOW INCREASE

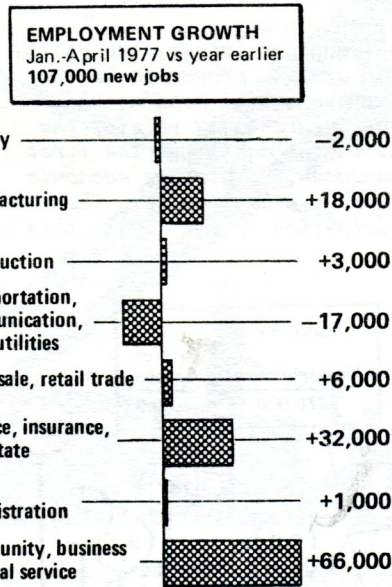
The unemployment statistics for the first quarter of 1977 show that 8.3 per cent of the work force is unemployed. This is up from 7.5 per cent for the last quarter of 1976. 8.3 per cent of the work force is 870,000 people. Since the figure counts only those who have looked for work in the past four weeks, the actual figure may be higher by 137,000 to 510,000 workers. This brings the actual number to more than 1 million. As always, it is the Maritime Provinces and Newfoundland which are hardest hit, with Newfoundland at 16.8 per cent, Nova Scotia at 11.2 per cent, New Brunswick at 13 per cent, and P.E.I. at 9.7 per cent. Quebec is also high at 9.8 per cent. This compared with Ontario at 7.4 per cent,

Manitoba at 6.7 per cent, Saskatchewan at 5.5 per cent, Alberta at 4.3 per cent and B.C. at 9.1 per cent. These are the highest figures since the unemployment percentages were first calculated and recorded in 1953. GM 11/5/77 p.B1

YOUTH HARDEST HIT

Young people are hard hit by unemployment. They make up 44 per cent of the April figure, and the future looks even worse. Statistics Canada published a report which estimates that the job situation will not improve until the late 1980's. That means that today's young people will face high unemployment most of their working lives. GM 5/5/77 p.6

LABOUR



Not until the mid-1980s, if then, will labor force growth slow to the point where a shortage of labor, not a surplus, could be the problem. Meantime, we might see new incentives aimed at shoring up manufacturing which now provides 20% of all jobs. And there might be improved training programs, although training for what? Will governments manage to stick through it all to their new-found policies of restraining their own spending growth? Not very likely. It will be awfully hard for governments to resist stepping up public sector jobs, perhaps even becoming employers of last resort. The debate is on. The answers aren't.

FP 21/5/77 p.39

SOCIAL UNREST ?

The new figures have brought out many objections against the government. Several editorials and articles (TS 11/5/77 p.A3; TS 6/5/77 p.B4; TS 11/5/77 p.B4) refer to unemployment as a crisis and a time bomb which will produce restlessness and violence, especially among young people. Their frustration could "radicalize" them and bring about the kind of social change we saw in the 1960's. WFP 12/5/77, no page #, W.A.Wilson

CLC WANTS JOB CREATION

Joe Morris of the Canadian Labour Congress warned that there will be a great deal of unrest among workers unless the government shows more initiative in creating jobs. TS 12/5/77 p.A1

TRUDEAU NOT WORRIED

When Trudeau returned from the Economic Summit Conference in London, he aggravated his critics by telling a press conference that he sees no reason for new government policies on unemployment. TS 11/5/77 p.A1

UNEMPLOYMENT INSURANCE LEGISLATION AMENDED

When the government tried to change the requirement for unemployment insurance from eight weeks of work to twelve, there was heavy criticism not only from the opposition parties, but from the Liberal back benches. This month the government has amended the bill softening it somewhat. The proposal is for a sliding scale of requirements and benefits which varies with the unemployment figures for a region. In an area where unemployment is over 9 per cent a worker would have to have 10 weeks of work to qualify. Where the unemployment rate is 6 per cent or less, a worker would need 14 weeks of work to qualify. Some critics of the original bill are pleased that the sliding scale is an improvement over the 12 week requirement; many more are still opposed to the legislation. They make several points:

- the higher requirement cuts out workers who cannot find any work at all. Many workers in Newfoundland and the Maritimes particularly, cannot find even the eight weeks now required.
- it is a very bad time to raise the requirements for unemployment insurance when unemployment is at a record high.

UNEMPLOYMENT INSURANCE LEGISLATION AMENDED

- it discriminates against workers living in high unemployment pockets of low unemployment areas. WFP 27/4/77 p.1; TS 27/4/77 p.A1; GM 27/4/77 p.1

The CLC opposed any increase in the requirements strongly. Many unemployed workers cannot meet the requirements now. TS 29/4/77 p. A1; HCH 29/4/77 p. 1 GM 29/4/77 p. 2; WFP 29/4/77 p. 9

Ed Broadbent, Leader of the NDP, opposes the amendments on the grounds that workers pay equal premiums and should expect equal treatment. He feels that the policy will set workers in different regions against one another. TS 28/4/77 p. A1; WFP 28/4/77 p. 18; EJ 28/4/77 p. 4; HCH 29/4/77 p. 1

One article points out that unemployment insurance is a lifeline to some communities. Without it they will die. FTC 2/5/77 George Radwanski

On the other hand, the Canadian Chamber of Commerce released a statement saying that the requirement should be 20 weeks of work and benefits should be limited to 26 weeks. GM 20/5/77 p.B4

ECONOMIC POLICY MEETING HELD BETWEEN LABOUR, GOVERNMENT AND BUSINESS.

The first tripartite meeting brought together leaders of labour, business and government to discuss economic policy. The main topics of discussion were controls and unemployment. The meeting was positive and produced a discussion paper on wage and price controls and a committee to study the issue. Future meetings are planned. HCH 25/4/77 p.29; HCH 23/4/77 p.1

The meeting has caused a division of opinion in the unions. Joe Morris, President of the Canadian Labour Congress, sees the tripartite meetings as an opportunity to bring the power of the unions to focus on national problems. He feels that the October Day of Protest showed that unions are weak on a national level. He sees the meetings as an opportunity to have controls lifted sooner and sees no threat to local bargaining rights and parliamentary democracy. He sees it as a new course for labour co-operation rather than confrontation. WFP 6/5/77

Morris was given a mandate to pursue the tripartite course at the CLC convention a year ago. However, some opposition is growing in the member unions and in the NDP. GM 26/4/77 p. 5

Union members now feel that the tripartite system is a compromise with business and government, poses a threat to the local bargaining rights of their organizations, and centralizes power to much in the CLC.

The NDP fears that the CLC may replace the party as the national political organ of labour. TS 16/5/77 p. B9 Ed Finn

Critics in both parliament and the unions point out that the tripartite meeting included only powerful leaders in business and labour who cannot hope to speak for their constituency, let alone the majority of Canadians. The result of the meetings may be that economic policy is taken out of the public forum of parliament and decided in closed meetings of the top leadership of three powerful organizations. FTC 2/5/77 p. 2 George Radwanski Luski

WORKERS' STRUGGLES

INTRODUCTION: *The most positive development in the labour movement this month was the decision by the national policy conference of the Steelworkers to allow Quebecers self-determination on the national question.*

Elsewhere the labour movement is facing increasing repression. Examples are the Griffin strike, the decision against the United Electrical workers in Welland for their participation in the Oct. 14th walkout, and the use of police to harrass Teamsters at the Becker strike in Scarborough. In Nova Scotia, too, efforts to unionize inshore fishermen are meeting with interference on the part of the Nova Scotia government.

STEELWORKERS: LET QUEBECKERS VOTE ON UNITY

The Steelworkers, at their Canadian policy conference, resolved almost unanimously to allow Quebecers the right to decide whether to stay in Canada or not. The United Auto Workers passed a similar resolution last month. Stewart Cooke, who becomes Ontario director of the Steelworkers in June, pointed to the precedent of Newfoundlanders in 1949 having a referendum on joining Confederation. "With that kind of precedent we have to recognize the right of the people of Quebec to make their own determination." TS 6/5/77 p. A10

GRIFFIN STRIKE

Last month, the company printed a full-page ad. stating that "the strike may never be settled," and that new employees would be hired. When asked if that meant the company was refusing to deal with the union, the Canadian Association of Industrial, Mechanical and Allied Workers (CAIMAW), company lawyer Stewart Martin replied, "The message is clear." Meanwhile, Roy McGregor, chairman of Local 66 of the Canadian Brotherhood of Rail Transport and General Workers, has criticized the Manitoba Federation of Labour for not supporting the Griffin strikers on the issue of overtime. In a letter to all MFL affiliates, he raised the possibility of a new provincial body, open to workers regardless of affiliation. TS 26/4/77 p. B3; TS 27/4/77 p. B3

CNSP NOTE: *CAIMAW is affiliated to the Confederation of Canadian Unions, a nationalist rival to the CLC. The MFL is a provincial body of CLC affiliates. Many observers feel the company is out to destroy CAIMAW because it is more radical in its orientation.*

WELLAND LOCAL HELD LIABLE FOR OCT. 14 DAMAGES

Arbitrator T.P. McIver ruled that the October 14 walkout was a breach of the collective agreement between Local 523 of the United Electrical Workers



LABOUR

and Welland Forge Ltd., which has a no-strike clause. The union is to pay \$7,000 damages to the company. The union has not decided whether to appeal to the courts. TS 18/5/77 p. A8; GM 18/5/77 p. 1

CNSP NOTE: *Several other test cases in B.C. and in Manitoba have resulted in decisions contrary to the Welland case. For example, Inco in Manitoba did not succeed in its case against the Steelworkers.*

NOVA SCOTIA FISHERMEN

Recently, a group of 300 fishermen in the eastern part of Nova Scotia declared themselves to be a union. Although they represent a minority of the 7,000 inshore fishermen in the province, they threatened the fishing establishment sufficiently to prompt Dan Reid, provincial Fisheries minister, to grant \$50,000 to a rival association on the west side which is only an advisory body.

Nova Scotia lands a more valuable catch than any other province. Perhaps the fish plants and the government calculate they have more to lose in Nova Scotia, thus the greater motivation to resist any unionization. The union drive might recruit most or all of the inshore fishermen in the eastern half of the province, where fishing is a poor man's occupation, and where there is a strong union tradition among the population. GM 14/4/77 p. 8



STRIKE AT BECKERS

The Labour Council of Metropolitan Toronto urged the Ontario Milk Marketing Board to stop delivering to the Becker Milk Company as long as the strike by Teamsters, which began March 31, continues. A spokesman for the striking workers said the company insisted on removing such basic contract guarantees as the grievance procedure and a seniority clause. He also criticized the Toronto police, stating that much of the time police outnumbered picketers by two to one, and that their presence encouraged strikebreakers. David Warner, NDP MPP for the area, said of Beckers, "This is the same company where the managers were forbidden to form a union and they work 100 hours a week." TS 6/5/77 p. B1; TS 11/5/77 p. B1

STAR AND GLOBE: NEW TECHNOLOGY THREATENS JOBS

Both the Toronto Star and the Globe and Mail are planning to introduce new technology which eliminates typewriters, typesetting and proofreading. It leads to the production of a newspaper page in plastic form through a photographic process. As a result, the job of stereotypers would be eliminated. This is a central issue in the dispute. A second issue at the Star is overtime pay for Sunday work. The Star is considering a Sunday edition, and wants workers to earn only the straight-time pay. The unions are opposed. GM 28/4/77 p. 4

IMMIGRATION

QUEBEC WANTS CONTROL OF IMMIGRATION

Jacques Couture, Quebec Immigration Minister, released proposals calling for the province to have the final say on immigration to Quebec. The plan involves changing the point system used by the federal government to select immigrants. Presently, immigrants have to get 50 out of 100 points to qualify for immigration. Couture proposes that Quebec would have the power to award 55 points out of 100, while the Immigration Department would control 45 points. Quebec would have more say in the selection of applicants but basic admissibility requirements - such as passports and visas - would remain under the federal government.

One major change in the Couture proposal is that the category of "nominated immigrant" - relatives of immigrants already established in Canada - would be abolished. The abolition of the nominated category would be offset by raising the maximum in number of points for the family criterion to 10 from 5. Criticisms of this part of the plan were that it contradicts the emphasis of most Western nations' immigration policies of keeping "family units" together.

Other areas of the point system were changed. Education points would be reduced to a maximum of 10 from 20. Points awarded for knowing French would be raised to 10 from 5. Up to 15 points could be awarded by Quebec under the criterion of "adaptability".

This would involve a judgement by immigration officers on a candidate's knowledge of Quebec, his or her understanding of information concerning Quebec, his or her ability and will to adapt and the language ability of his or her spouse. GM 18/5/77 p. 1 CP

According to a Canadian Press report Prime Minister Trudeau said the federal government will not cede to Quebec its rights to determine the entrance rules for immigrants. However, if the federal government does give the Quebec government more power over immigration, the same power would be offered to the other 9 provinces, he told the Commons. Mr. Trudeau stressed that immigration is a "joint and shared area of jurisdiction".

But in a talk to Laval University students, the Prime Minister said, "I was the most astonished person in the world to see what the reporter of the Canadian Press had me say". He had not yet read Couture's proposal, but in principle recognized that the British North America Act makes immigration a shared jurisdiction between the federal government and the provinces. He recalled that agreements had been signed in the past whereby Ottawa and Quebec co-operated in the selection of immigrants. GM 19/5/77 p9 CP, GM 20/5/77 p9

IMMIGRATION AND UNEMPLOYMENT

"Time To Kill This Myth About Immigration" was the headline for a Toronto Star editorial. The Star, citing a study by William L. Marr, associate professor of Economics at Wilfred Laurier University, refutes the idea that immigrants take jobs away from Canadians. The editorial points out that the most primitive version of this myth is of immigrant hordes, taking jobs, swelling welfare roles, clogging schools.

QUEBEC LABOUR

INTRODUCTION: The major issue facing the Quebec Labour movement this month is whether to attend the economic summit or not, and what demands to make at that time. All three centrals are wary of any attempt by the PQ to lure them into a tripartite arrangement or collaboration with business. Such charges have been made about the recent meetings of the CLC leadership with business and government representatives in Ottawa. All three centrals state clearly that the PQ is not a real workers' party. The CSN and CEQ are especially critical of the PQ for courting American multinationals, an important cause of Quebec's current economic underdevelopment. They argue that the PQ cannot expect unionists to support the PQ on the national question if the PQ is not willing to support and act on the demands of the workers in the economic and social sphere.



THE LABOUR UNIONS AND THE PQ ECONOMIC SUMMIT



THE CEQ

The CEQ has decided to participate in the economic summit called for by the PQ for May 23-5, but will not participate in any closed-door sessions, negotiate, or collaborate during the sessions. A CEQ study states the Quebec economy is in crisis because of the role assigned to it by American imperialism, the furnishing of raw materials which are processed elsewhere. If Quebec's natural riches are to be used by the majority of the people of Quebec, this situation must change. The central demands that the PQ give better protection to workers, and engage in planning the economy challenges the assumption that the needs of private industry are harmonious with the needs of the majority of the population.

LD 20/5/77 p15

THE CSN

A majority of CSN members seem to be in favour of participation, although Michel Chartrand of the Montreal Central Council is opposed. Norbert Rodrigue, head of the CSN, points out that this central does not feel bound by the constraints of capitalism and that "social peace is impossible as long as there are contradictory interests between a minority which dominates and a majority which is dominated". An example of this contradiction was the recent budget. The government had the choice of reducing unemployment by stimulating the demand for goods and services and reducing taxes, or attempting to reassure the owners of American and Canadian capital. It chose the second. At the summit, the CSN proposes to demand: - fighting American domination of the Quebec economy

LABOUR

by channelling savings towards productive investments; - enlarging the role of the credit unions and removing pension funds from employers to be placed with the unions and the State; - obliging employers to openly state their plans in order to wage a cohesive struggle against unemployment; - restricting the ability of companies to close without bearing the social cost or facing nationalization.

The CSN is very critical of the PQ government for courting the multinationals, for maintaining injunctions, for the use of police against strikers, and for raising individual taxes more than corporate taxes. The CSN does not intend to leave to the PQ the role of defining national independence, and questions whether workers should support the PQ on the national question if the PQ is not more responsive to workers' needs and demands. LJ 29/4/77 p42-3 LD 21/5/77 p1



THE FTQ

The FTQ will participate in the economic summit but again has no intention to negotiate or join forces with business. It will participate in order to put forward its priorities, and will be guided by two important principles; the autonomy of the labour movement, and a recognition that workers have only made gains through struggle and solidarity among themselves, not through the largesse of business or government. Louis Laberge, head of the central, flatly asserts: "The PQ is not a real workers' party". LJ 29/4/77 p42

DOMTAR

The company will close its East Angus plant Sept 30, affecting 570 employees, and it will accept a new contract with its employees at Donnacona, near Quebec city, ending a seven month strike by 670 workers. GM 7/5/77 pB12, GM 19/5/77 pB16

CLEANING UP LOCAL 144: CONSTRUCTION

One hundred and ten workers opposed to the present leadership of the local, dominated by Dede Desjardins, of Cliche fame, have issued a manifesto, demanding a return to democratic practices within the local. LD 18/5/77 p. 3

FLOUR WORKERS

Seventy per cent of the 400 workers on strike at flour mills in Quebec since March have voted to continue their struggle against a proposed roll-back of their wages by the Anti-Inflation Board. It is a crucial struggle for the CSN, which might lose the workers if the strike is not successful. LJ 13/5/77 p. 10

JAMES BAY

Workers complain of being exposed too closely to dynamite sites, that some workers are being deliberately overworked, and of the use of unskilled men on heavy equipment. One of the companies said to be using dangerous procedures is Impreglio-Spino, an Italian firm. An official of this company stated during a safety dispute that he was willing to sacrifice 37 men, one for each million dollars of a \$37 million contract, to get the job done. GM 19/5/77 p. 8

NATIVE PEOPLE

NO SPORT FISHING BAN IN MERCURY-POLLUTED AREA

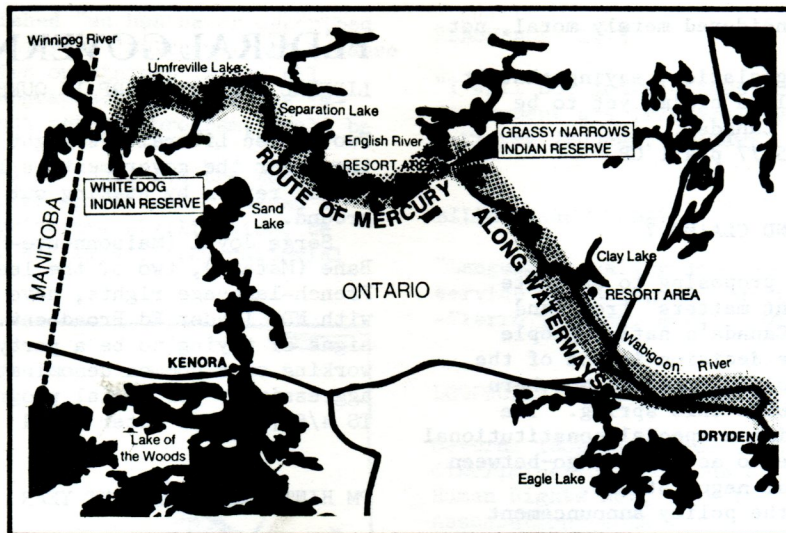
Premier William Davis of Ontario has refused to ban sport fishing in the mercury-polluted English and Wabigoon river systems, despite strong evidence of mercury poisoning on the two Indian reserves in the area. Natural Resources Minister Frank Miller dismissed the idea of closing the river as "simplistic, superficial and counter-productive," and stated to this date no case of mercury poisoning has been found. He also expressed disappointment at the "lack of willingness on the Indians' part to take any real advantage of the initiative (the government) has taken." He was referring to attempts to provide safe supplies of fish and alternative employment for the Indians.

Ontario Environment Minister George Kerr, on the other hand, has stated that the river should be closed as it constitutes a health hazard. Dr. Brian Wheatley, co-ordinator of the environmental contaminants programme for Health and Welfare Canada, says that an epidemiological study is urgently needed to determine just which Indians have Minimata disease as a result of mercury poisoning, but stresses that the study cannot be carried out until the provincial government moves to close the river system.

The Indian people on the Grassy Narrows and White-dog Reserves have been demanding closure of the system for over a year, and have threatened to blockade roads through their land unless the current ban on commercial fishing is extended to sport fishing.

Editorials in the Toronto Star and Globe and Mail have strongly condemned the refusal of the government to close the English-Wabigoon river system. The Star calls for the federal and Ontario governments to work together on solutions that will give the Indians economic independence and a sense of self-reliance. It says some of the cost should be borne by the industries responsible for polluting the rivers (i.e. Reed Paper Ltd.).

The Globe and Mail editorial speculates that the reasons behind the refusal to ban sport fishing are economic. For example, closing the mercury-polluted system to all fishing would cost the tourist industry in north-western Ontario between two and three million dollars in direct annual revenue. A sport fishing ban would also mean 300 lost jobs, and would cost the province between five and 10 million dollars to buy out lodge owners forced to close their operations.



The editorial states the health and safety of Ontario residents should take top priority, over both economic and political consequences.

CNSP NOTE: *The Ontario government has consistently refused to recognize the results of many tests carried out by health department officials which show strong evidence of mercury poisoning in the Indian people. These tests, government officials say, are inconclusive.*

GM 6/5/77 p. 1 Victor Malarek; TS 6/5/77 p. A1;
TS 13/5/77 p. A1 Philip McLeod; TS 12/5/77 p. B6 ed.;
GM 26/5/77 p. 6 ed.; GM 20/5/77 p. 1 Victor Malarek

BROAD MANDATE FOR REED INQUIRY

Environment Minister Kerr has introduced an amendment to the Environmental Assessment Act which will permit the province to appoint Mr. Justice Patrick Hartt to conduct an inquiry into major developments north of the 50th parallel. The inquiry will also include an investigation of all aspects of the proposed agreement giving Reed Paper Ltd. timber rights over about 19,000 square miles of land in northern Ontario. The amendment authorizes Hartt to consider both "the natural and human environments, including cultural, social and economic aspects of a proposed development."

The Indians in northwestern Ontario support the revised terms of reference for the inquiry. Chief Andrew Rickard of Grand Council, Treaty No. 9 says he is satisfied the commission "will produce a land and resources development policy that will reflect the concerns of all Ontarians, especially those in northern Ontario." WFP 27/4/77 p. 41 CP
GM 7/5/77 p. 5



NATIVE LANGUAGE RIGHTS

The Crees and Eskimos of Quebec say the Quebec language bill may breach the language rights recognized by the 1975 James Bay Agreement. Chief Billy Diamond of the Grand Council of Crees (Quebec) says "the Crees want a guarantee that Bill 1 will be amended to make it clear that the Crees are entitled to continue to use English as the language of communication with the south and as the language of implementation of the James Bay and Northern Agreement."

The only references to native people in the Bill is as follows: "Subject to the special provisions regarding them in the Education Act, the Amerinds and the Inuit may receive their instruction in their own language if they wish; if not, this chapter applies. Reserves are not subject to this Act."

Dr. Laurin, the PQ minister responsible for language, says the language charter would not contravene the rights native people now have. Indian Affairs Minister Warren Allmand says the federal government will ensure the Cree and Inuit of northern Quebec do not lose language rights guaranteed to them.
G, 6/5/77 p. 8 Stan Oziewicz; GM 7/5/77 p. 11 CP

FINAL APPROVAL OF JAMES BAY AGREEMENT

Legislation for the James Bay agreement between the native people of northern Quebec and the Quebec government has been given final approval, and now goes to the Senate for debate, despite attempts by opposition MPs to halt it. Mr. J.R. Holmes, Conservative Indian Affairs spokesman, says the agreement unilaterally extinguishes the rights of third parties without affording them any legal protection. There are Inuit and Naskapi Indians who do not live within the Quebec border but use the land for hunting and trapping. The Quebec government has said it will negotiate the claims of these people later,

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but that commitment is considered merely moral, not legal.

The NDP opposed the legislation, saying that it sets a bad precedent for land claims yet to be settled in other parts of Canada.

HCH 29/4/77 p.3 CP; TS 5/5/77 p.All CP

SEPARATE POLITICS FROM LAND CLAIMS ?

The federal government is proposing to separate "constitutional development matters" from land claims negotiations with Canada's native people in the Yukon and NWT. The decision is one of the key points in a special policy paper on Northern development to be made public this spring. The government will also appoint a special constitutional development representative to act as the go-between in discussions and eventual negotiations.

Important elements of the policy announcement will relate to:

- constitutional developments leading to responsible self-government in the Yukon and NWT.
- ways in which the native majorities in the North can achieve their "legitimate aspirations" in harmony with other Northern residents.
- the scope and pace of economic development in the North. GM 9/5/77 p.11 Jeff Carruthers

SIX QUIT NWT GOVERNMENT

Six people, an entire division of the Northwest Territories government have resigned in a dispute with Commissioner Stuart Hodgson over the right of natives to political control over their lands.

The resignations are the latest development in a confrontation between the commissioner, backed by his executive committee, and the arm of the government responsible for developing awareness and political skills among native people in the North. The Six resigned after being told they have no right to take public stances that oppose government policy, that they must support current political structures in the territory and that the government does not endorse political self-determination for natives. Mr Hodgson stated in a letter "this administration does not believe that aboriginal people of any other racial or ethnic group in Canada should have the right to form its own constitutional political jurisdiction or racial political unit, as these are incompatible with our constitution."

The group of six has stated it cannot work for a government which hold these views. Its position is that natives should have the same rights as Canada's two founding peoples in deciding how they want to be governed. EJ 27/4/77 p.38 CP
GM 28/4/77 p.10 Nancy Cooper

FEDERAL GOVERNMENT

LIBERAL MPs TO GO NDP IN QUEBEC?

Two Quebec Liberal MPs might jump to the NDP because they fear the government is losing its commitment to social reform by staking out an electorally-safe middle ground.

Serge Joyal (Maisonneuve-Rosemont) and Pierre de Bane (Matane), two of the leaders in the fight for French-language rights, have discussed the possibility with NDP leader Ed Broadbent. "The Liberal Party has signs of trying to be a party of national consensus, working on a common denominator so small it won't have aggressivity for social progress," Joyal said.
TS 4/5/77 p. Al Peter Lloyd

PM HINTS ELECTION NEXT YEAR

Prime Minister Pierre Trudeau is quoted as saying to the Paris newspaper Le Monde, "It will be necessary to return one day to free enterprise and collective bargaining, but it would be folly in my view, to abolish controls (pay and profit controls) before the general election."

Asked when that would be, he replied, "the constitution gives us another two years, and I don't want to create an election fever. Let's say in principle it will take place in a year". GM 21/5/77 p1 CP

FEDERAL JOB BUDGET SLATED FOR OCTOBER?

Manitoba's Labour Minister A.R. Paulley said that Federal Finance Minister Donald MacDonald had indicated a fall budget might be presented to Parliament.

Paulley said he felt a federal budget emphasizing work creation was "quite conceivable" after reading statements on unemployment made by Prime Minister Trudeau at the economic summit conference in London, England.

"Trudeau seems to be becoming awakened, knowledgeable or amenable to accepting the fact unemployment really is a greater problem now than inflation."
WFP 12/4/77 p4

CNSP NOTE: *It would appear that the Liberals will wait until closer to election time to propose tackling unemployment or an important issue.*

A MATTER OF UNDERSTANDING?

It is difficult to discover exactly what Prime Minister Trudeau was telling Western Canada during his address to the Canadian Association of Broadcasters.

On one hand he told his audience only a change in attitudes could hold Canada together, while on the other he seemed to be urging the West to take a leaf from Quebec's book and bargain hard for a better deal. He said Ottawa was working hard to satisfy the West, but he also said that if the West wanted more, it should say so in a loud voice and his government, which was already doing its utmost, would do more.

Mr. Trudeau said he wished "we had never described the official languages policy as 'bilingualism' because the word apparently implies our intent is for all Canadians to learn two languages." He left the impression that the word, but not the program, would be changed.

If Mr. Trudeau believed he could woo the West by praising the free enterprise spirit which turned a hinterland into an industrialized civilization, he said all the right words. WFP 19/4/77 p29 editorial Fred Cleverley

FLASHBACK: 1975

"I will not leave Ottawa until the country and the Government are irreversibly bilingual."
-Pierre Trudeau, January, 1975 GM 27/4/77 p6

BILINGUALISM TODAY

"Language equality does not require a federal public service in which most public servants are bilingual."
-Pierre Trudeau, April, 1977 GM 27/4/77 p. 6

LOOPHOLES IN HUMAN RIGHTS ACT

Several loopholes need to be plugged in the anti-discrimination sections of the proposed Canadian Human Rights Act, says the Canadian Civil Liberties Association (CCLA).

The bill would prohibit the federal government and its agencies from practising discrimination based on sex, national or ethnic origin, religion, age or marital status.

Alan Borovoy, general counsel of the CCLA said the bill doesn't make it illegal for employers to ask job applicants potentially discriminatory questions.

Also, the bill's definition of wages should be extended to refer to pensions and other fringe benefits. Borovoy continued, sections dealing with protection of personal information give the government too much power to withhold access to files. A court or other independent tribunal should be empowered to overrule governmental claims of exemption. TS 28/4/77 pB8



PROVINCIAL GOVERNMENT ONTARIO

Introduction: The Ontario election called for June 9th received the most coverage this month. There was much speculation that the government was unjustified in calling the election over the defeat of a rent control bill and used it as an easy excuse. The expense of the election will be an estimated \$20 million. There is also speculation that a provincial election in Manitoba will be called either this spring or fall.

ONTARIO ELECTION JUNE 9

Premier William Davis called a provincial election for June 9 after a defeat in the Legislature that forced a change in a bill to extend rent control until the end of 1978.

Although 29 NDP and 25 Liberals forced the amendment on the PC's by a 54-47 vote, what brought on the election was the Government's decision to consider a defeat a matter of non-confidence.

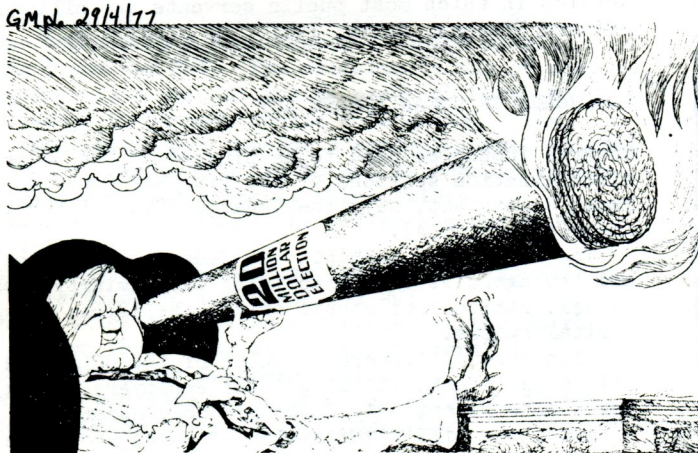
Both NDP leader Stephen Lewis and Liberal leader Stuart Smith called this use of the issue unjustified, both said they were ready for an election.
GM 29/4/77 pl by Peter Mosher

ELECTION TAB \$\$\$

We are hearing on all sides that this Ontario election represents an unnecessary expenditure of \$20 million. Things break down this way. About \$11 million to run

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the election machinery. The Election Expenses Commission will dole out another \$2 million or so, mainly in public subsidies for candidates. Then the politicians will spend an estimated \$7 million to get their message to the voters. Total: \$20 million.
GM 29/4/77 p6 by Norman Webster



What this province needs is...

66 BILLS DIE IN LEGISLATURE AS ELECTION CALLED

More than 60 pieces of legislation giving Ontarians everything from a tax on pop cans to new family laws, died when Premier William Davis called a provincial election.

Only 2 bills passed during the brief fourth session of the 30th Legislature.

These were a bill allowing weekly newspapers to publish election advertising the day before a vote, and the other a bill extending rent controls to the end of 1978.

Among the 66 dead bills were 12 which, if passed, would enable the government legally to impose or exempt taxes outlined in Treasurer Darcy McKeough's budget. Queen's Park sources cannot recall a time in recent memory when the government has called an election before it's budget was approved.

Job-creating schemes outlined in the budget have also not been approved. They included a plan to subsidise employers up to \$1 an hour for each young person hired for the summer.

TS 29/4/77 pA2 by Philip McLeod

TROUBLE AT DOWLING

Like children arguing over who spilt the milk and who, therefore, should clean it up, CP Rail has been bickering since 1973 with the Ontario Environment Ministry over a directive that it should pay to clean up the site near Sudbury of a train crash which poured 900 gallons of cancer causing polychlorinated biphenyls into the ground.

The PCBs have been seeping into the ground and creeping relentlessly closer to the town of Dowling, population 3,000 about 30 miles northwest of Sudbury.

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This week the Ministry rejected a call from the Sudbury Regional Council for what is clearly the solution to the problem. Clean up the damage now and decide later who's responsible and should pay.

"We don't regard this as a rapidly deteriorating situation," said one Ministry official.
GM 14/4/77 p6

A SPRING OR FALL ELECTION: MANITOBA

While declining to predict how election timing might affect the present NDP government's political fortunes, ten Manitoba businessmen polled suggested a severe drought could be the most significant economic factor bearing on an election outcome.

"Traditionally, good economic conditions do rebound to the benefit of the party in power," said one spokesman. On this point, agriculture could become a volatile factor while manufacturing is likely to remain on a steady though languid keel.
WFP 6/5/77 p13 by Paul Moloney

ALBERTA CREATES CHEMICAL PROJECTS

Alberta is considering corporate tax incentives to induce the petrochemical industry to build plants in the province, according to Premier Peter Lougheed.

He said Alberta will have provisions in its corporate income tax system, - once it assumes responsibility from the federal government for collection of corporate taxes - that could influence corporate decisions in the selection of sites for processing plants. Alberta has been negotiating with the federal government over this for almost two years.

Mr. Lougheed charged that the petrochemical complex at Sarnia, to be completed soon by Petrosar Ltd., represents a major set back for Alberta based petrochemical activity.

"Up to 16 percent of Alberta's crude oil production is now going to provide jobs for people" in South-western Ontario. GM 21/5/77 pB14 by Thomas Kennedy



QUEBEC

INTRODUCTION: *With only minor changes the White Paper on language policy has been introduced as Bill 1 to the Quebec Assembly. It passed first reading with the support of all Quebec's provincial parties except the Liberals. This month we continue to report on reaction to the PQ Language legislation. Other stories this month include investment, head offices, and the PQ new policy on political parties. The issue of independence for Quebec raised two opposite responses, negative on the part of the four western Premiers and positive on the part of the newly formed Committee for a New Constitution. The CNSP presents a summary of and commentary on the 6 part front-page series that appeared in the Toronto Star "What Quebec Really Wants".*

LANGUAGE

Public hearings on Bill 1 are to begin on June 6th.
GM 5/5/77 p8

CNSP NOTE: *For reaction of Quebec's native peoples see Native People section.*

DEMARAIS: PRESIDENT, POWER CORPORATION

"I intend to participate determinedly and vigorously in the language debate. I regret that others are threatening to leave the province. By doing so they lose any right to participate in the debate and therefore influence its outcome." Mr. Demarais met Levesque originally in 1965 when the government was taking over Dosco's holdings to create the government-owned provincial steel company Sidbec. Power Corporation's links to the PQ government were tightened yesterday when two new directors were appointed to its Board. They are Michel Belanger of the Provincial Bank and Roland Giroux of James Bay. LD 7/5/77 p1

LANGUAGE DELEGATION TO EUROPE

The PQ government is sending a delegation of businessmen to Europe to take a look at the language of work situation there. Members of the delegation are: Laurent Picard, Marine Industries Ltd., Pierre Des Marais II, President, Conseil du Patronat, Pierre Laurin, Dean of l'Ecole des Hautes Etudes Commerciales, brother of Camille Laurin, Maurice Sauve, Vice-President, Consolidated Bathurst, former federal Liberal cabinet minister and husband of present cabinet minister Jeanne Sauve, Daniel Johnson, Secretary of Power Corp., son of former Union Nationale Premier of Quebec, Andre Bisson, General Manager, Bank of Nova Scotia. FP 21/5/77 p1, GM 14/5/77 pB1

INVESTMENT

Of 91 companies said by the federal Department of Consumer and Corporate Affairs to have moved their head offices out of Quebec since Nov. 15, 35 are investment or holding companies with no telephone number; several others appear also to have no phone. GM 26/4/77 p1

A study by 13 companies, - Alcan, Royal Bank, Bank of Montreal, Bell Canada, Canadian Pacific, Consolidated Bathurst, Domtar, DuPont, Genstar, Imasco, Montreal Trust and Sun Life Assurance - claims that they contribute \$430 million to the provincial economy directly and over \$1 billion indirectly. Direct jobs include 13,260 and indirect are said to be 40,000. The study was done to indicate the impact of moving head offices out of Quebec. GM 26/4/77 pB4, TS 28/4/77 pC8

Statistics published by the Quebec ministry of Industry and Commerce indicate that since Nov.15 352 businesses have invested \$233 million in Quebec and contributed to the creation of 5,621 jobs. LD 4/5/77 p6

Industry and Commerce studies on investment patterns since 1970 reveal that all the major investments in Quebec both in the manufacturing sector and in natural resources have come from U.S. and European sources or from within Quebec. Apart from Noranda and Teck Corp., no new capital has come from the rest of Canada. Investments totalling \$1 million or more included:

Noranda	\$123 million	1971
ITT (Rayonnier)	\$500 million	1971
Sidbec-British Steel	\$500 million	1975
Quebec Cartier Mining	\$700 million	1976
Donohue-B.C. Forest	\$300 million	1976

LD 6/5/77 p23

U.S. Ambassador Thomas Enders said that U.S.-owned firms in Quebec "will adapt(to the language policy) if they want to stay in Quebec and the vast majority want to stay". The subjects he discussed in meetings with Levesque and the Quebec cabinet included the asbestos industry, U.S. tax laws concerning conventions, James Bay, the textile industry and the auto-pact. HCH 29/4/77 p1

Quebec manufacturing firms will be encouraged to produce more for export by a series of measures announced by Rodrigue Tremblay, Industry and Commerce Minister. Ten regional development banks will be required to devote 65% of their funds as risk capital to small

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and medium sized manufacturing firms. These firms produce 60% of industrial output but less than 10% of Quebec's exports in finished products.

	Quebec		Ontario
	<u>1971</u>	<u>1976</u>	<u>1976</u>
raw materials	18.8%	27.5%	7.8%
finished products	n/a	30.0%	68.7%

75% of Quebec's finished product exports are in metals, pulp and paper and transportation equipment. WFP 11/5/77 p51

Bill 2 - Political Parties

Bill No.2, an act to govern the financing of political parties and to amend Quebec's Election Act, calls for a director general who will have broad powers to determine which parties will be authorized and under what conditions they can hold meetings or demonstrations to collect funds. Authorized parties include the party of the premier, the party of the leader of the official Opposition and every party which at the last general election had 10 official candidates. It appears the legislation will restrict the formation of new parties or parties that have a restricted voter appeal. Contributions can be made only by electors; corporations are restricted to making their premises, transportation or advertising available. Contributions are limited to \$3,000.00 and every contribution over \$25 must be made by cheque or other traceable form of payment. A list of contributors can be examined by any person at the director general's office. FP 14/5/77 p.1

QUEBEC'S INDEPENDENCE

Premiers of the four Western provinces have rejected any form of economic association with a separate Quebec. At the same time they rejected maintaining things as they are now and want a new arrangement under Confederation. Details of such a constitutional revision were not available. WFP 6/5/77 p.1

CNSP NOTE: *For United Steelworkers position see Labour Section.*

COMMITTEE FOR A NEW CONSTITUTION: A PROPOSAL

We believe that English-speaking Canada exists as a viable national community. During the extended period when Quebec is coming to a decision about its constitutional future we believe that it is essential for people in English-speaking Canada also to debate the principles of its continuing life - while maintaining public communication with the people and government of Quebec. That dialogue should take place within the context of the following principles:

1. The right of Quebec to choose its own constitut-

ional future by free and democratic means.

2. The parallel right of English-speaking Canada to define its priorities, determine its constitutional features and protect its own legitimate interests.

3. The obligation of both communities to conduct negotiations with one another in a spirit of good will aimed at mutual accord.

The new constitution should allow for negotiated changes in provincial boundaries, such as the union of the Maritime provinces, if they so desire, or the creation of a distinct province in Northern Ontario. Canada's native people have begun to assert their identity and to claim recognition of their collective rights, especially to lands in the northern areas of the country. The new constitution should also recognize the legitimacy of dealing with any further aboriginal claims to land and political rights that may arise by negotiation.

We propose that the most serious consideration be given to the creation of a constitutional commission appointed jointly by the Parliament of Canada (on provincial nomination) and by the National Assembly of Quebec, made up equally of members chosen from English-speaking Canada and Quebec. It should hear and study the suggestions of all Canadians who wish to participate. It should report within one year but its report should not be binding on either constituency.

We further suggest that consideration be given to the creation of a popularly elected constituent assembly charged with drafting a new constitution.

We invite your support.

The Committee for a New Constitution (Canadian writers, educationalists, professionals, native leaders). Canadian Forum, May 1977

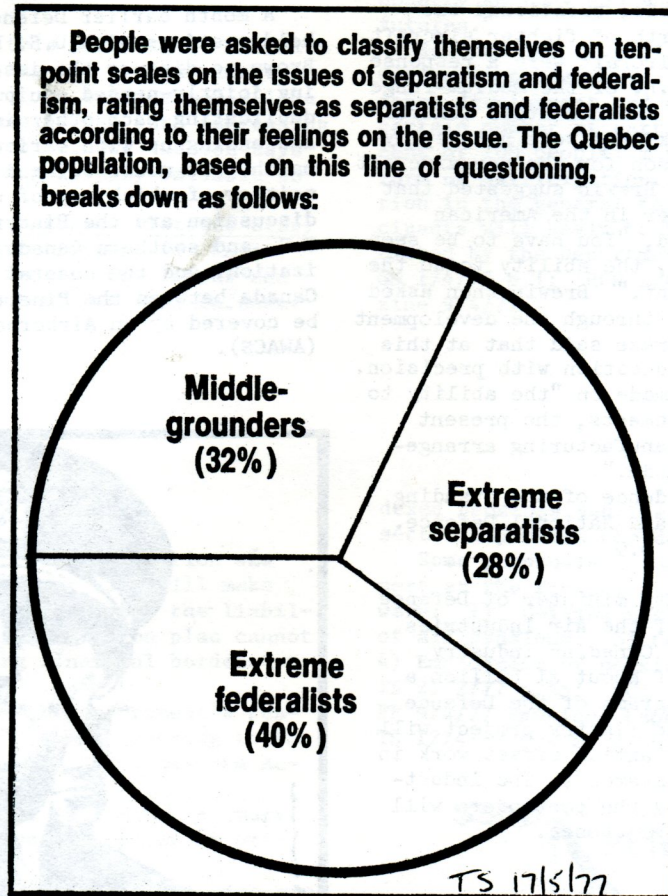
TORONTO STAR SURVEY: WHAT QUEBEC REALLY WANTS

Goldfarb Consultants Ltd. of Toronto conducted in-depth interviews with 522 residents in Montreal, Quebec City, Hull, Sherbrooke, Matane, St. Hyacinthe, Trois Rivieres, Arvida, Chicoutimi, Riviere du Loup and surrounding rural areas, to produce a study which the Toronto Star published in 6 front page articles between May 14 and 20, 1977. Major conclusions of the study were:

1. Jobs, not language, are the most important test to Quebecers of whether its worth staying in Confederation.
2. Quebecers think of Quebec as a wealthy province; 54 per cent think it is very wealthy and another 42 per cent think it is somewhat wealthy while only 2 per cent think it is poor.
3. Quebecers who see themselves supporting separatism believe the English minority looks down on them.
4. Quebecers think that Quebec needs investment to avoid too slow economic growth. Seventy per cent believe American investment has the most important role to play; only 20 per cent think Canadian financiers' role is more important.
5. Quebecers support the PQ as the party of hope and new policies compared to the mismanagement they got from the previous Liberal government.
6. Quebecers don't want confrontation with Ottawa.

TORONTO STAR SURVEY: WHAT QUEBEC REALLY WANTS

People were asked to classify themselves on ten-point scales on the issues of separatism and federalism, rating themselves as separatists and federalists according to their feelings on the issue. The Quebec population, based on this line of questioning, breaks down as follows:



This group was not described in specific terms except to say they differ little from the overall Quebec population. Two thirds said they voted for the PQ on Nov. 15.

This group indicated they favoured separatism and most said they also favoured economic union with the rest of Canada. They are younger, better educated, urban, French though most can speak English, tend not to own property, tend to belong to a union or be employed by the government and support the PQ.

This group tends to be older. The French tend to be unilingual and live in rural areas. The English belong to this group. Tend to be married and have property. Members tend not to be unionized but to be in business, either employed by a company or self employed. They supported either the Liberals, the Union Nationale or the Creditiste parties.

POLITICAL

MILITARY

INTRODUCTION: Three issues stand out this month. NDP defence critic in the Commons questions the proposed purchase of aircraft fighters, Trudeau and Danson call for joint defence programs with the U.S. and Danson's new youth corps (affectionately known as 'Barney's Army') will start this summer.

BREWIN QUESTIONS NEED FOR FIGHTERS

Andrew Brewin, NDP defence critic, questioned the need to purchase \$2 billion worth of fighter aircraft. Brewin asked whether the new aircraft were a response to the deployment by the U.S.S.R. of the medium-range bomber, the Backfire. Chief of Defence Staff General Dextraze answered that the Backfires were not deployed anywhere as yet but the reason for the new aircraft is to act as a deterrent. When Brewin suggested that there was "ample deterrent power in the American strategic arm" Dextraze replied, "You have to be seen as having the ability to deter, the ability to do the job, which becomes the deterrent." Brewin then asked how many jobs would be created through the development of an aircraft industry. Dextraze said that at this point he could not answer the question with precision. He said the decision would be made on "the ability to meet the total military requirements, the present type of offsets, the type of manufacturing arrangements which can be made in Canada." Minutes of Proceedings and Evidence of the Standing Committee on External Affairs and National Defence. 24/3/77 p.11;21-22; GM 25/3/77 p.9

L.G. Crutchlon, assistant deputy minister of Defence told the semi-annual meeting of the Air Industries Association of Canada that the Canadian industry should benefit to the extent of about \$1 billion a year from the new spending programs of the Defence Department. Crutchlon said the fighter project will require the commitment of substantial offset work in Canada before the contract is awarded. The industrial benefit package offered by the contenders will determine which aircraft will be chosen. GM 5/4/77 p.31

CNSP NOTE: The aerospace industry is highly capital intensive and is one of the least effective job-creating industries. The more the government concentrates on the industry the more capital investment is drained from other more labour intensive areas. Military personnel are expensive. Canadian soldiers are the third highest paid in the world, more highly paid than non-military personnel in government. Last Post, April 1977, p.24

U.S. CANADA JOINT DEFENCE PROPOSAL

Prime Minister Trudeau called for a standardization of military equipment in Western countries at the North Atlantic Treaty Organization (NATO) meeting in London this month. He said, "The West's ability to match communist aggression is being seriously weakened by NATO countries using a mixmatch of

weapons. If we have to fight a war, we will have to fight it together." TS 11/5/77 p.A2

A month earlier Defence Minister Barney Danson held meetings with U.S. Defence Secretary Harold Brown to discuss the issue of developing and building jointly-needed equipment. Danson said, "We are duplicating each other in development and production and ending up with various weapons systems that don't match. It means being inefficient and expensive, neither of which any of us can afford." Areas under discussion are the Pinetree radar stations across the U.S. and southern Canada, which are due for modernization, and the coastal areas and the parts of Canada between the Pinetree and DEW lines which may be covered by an Airborne Warning and Contact System (AWACS).



General James A. Dextraze, Canada's armed forces chief, now has a billion dollars a year to spend on new armaments. photo: David Lloyd

Danson suggested that we supply DHC-7R coastal patrol vessels for all of North America. In return we would buy all NORAD equipment off US shelves. NATO countries agreed in principle to buy \$27 billion worth of US radar planes and put them into joint service; now many countries are hesitating to spend that amount of money for various political and economic reasons. Canada's new cooperation and willingness to spend more on defence and talk seriously about joint plans may cause Washington to favour Canada above other allies in its defence planning. FP16/4/77 p.1

CNSP NOTE: *Danson claims that a further tying of Canada to the US defence industry through joint programs will reduce expense and inefficiency. However, the Science Council of Canada indicates that the results of production sharing is some assembly-line production done in Canada for the US war industry but all technological, development and research innovation tend to funnel directly into the US.*
Last Post, April 1977, p.24

BARNEY'S ARMY AT A DOLLAR A DAY

Barney Danson spoke earlier this year at the Canadian Defence Association emphasizing the need to increase the strength of the military. He said he would like to see about \$70 million annually put into increasing the reserve force of 22,000 to 40,000. Danson says the reserves "are becoming increasingly valuable to the country."

On April 9th the Canadian Magazine (Toronto Star) ran a one and a half page advertisement for Katimavik. It is funded by the Federal Government and associated with the Department of National Defence.

The project will start with 1,000 people between the ages of 17 and 22 from across Canada who will be involved with 33 projects of social and community improvement. Their pay is one dollar a day and a pay-off of \$1000. for ten months work. Katimavik is an Inuit word meaning 'meeting place' and the program is advertised as a way to "live, learn, work and share today's ideas for a better tomorrow."

Danson claims that this youth corps is "not a labour force, a unity brigade or anything other than a vehicle to expose young people to parts of their country so they can meet people and select their futures."

However the advertisement outlines the Military Option to Katimavik: "In the same spirit of personal development and of voluntary cooperation a certain number of participants (a maximum of ten per cent or 100 people) may choose a more disciplined form of participation. After a period of integration in the general Katimavik program, those participants will begin to follow distinct projects initiated by the Department of National Defence."
 GM 1/4/77 p.1; HCH 2/4/77 p.5; TS Canadian Magazine 9/4/77

SOCIAL WELFARE

PENSIONS: BOOM OR BUST

In 1971 only eight per cent of the population was over 65; by the year 2001 the over 65's will make up 12 per cent. According to Actuaries, the liability being taken on by the public pension plan cannot be discharged without imposing financial burdens on future generations.

The generous provisions of the government's pension plan for its' employees such as indexing to the cost of living, will have to be altered say the Actuaries.

At the heart of the argument is whether primary reliance should be on government-run plans or private superannuation programmes.

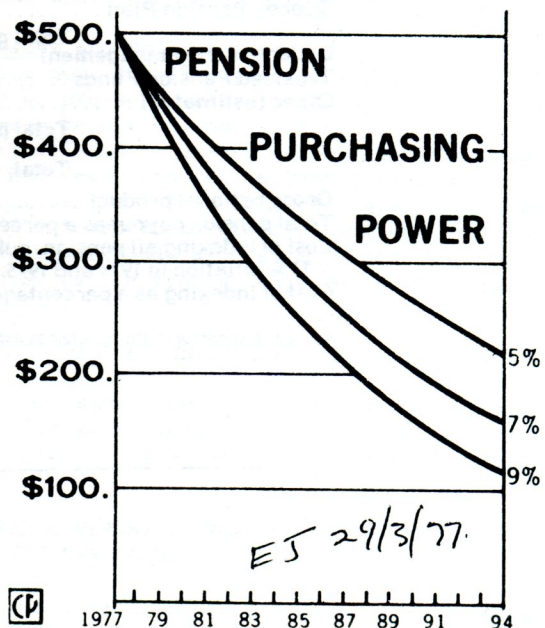
The corporate sector says that public service compensation is a factor in the wage demands of unions in the private sector. If these demands are met, Canada becomes less competitive on world markets and unemployment increases.

The Canadian Labour Congress (CLC) has proposed a tripling of the Canada Pension Plan (CPP) benefits with the private pension industry relegated to providing supplementary income for those who think they need it. Under most pension plans, employees who terminate before retirement cannot claim employer contributions to their pension plan unless they are over 45 and have completed ten years of service.

Managers of the Private Pension funds criticize the federal government's indexed pensions for their own employees because they say they cannot afford the scheme because of unpredictable costs. A non-indexed pension loses buying power every year because of inflation. Retired employees now form two classes: government employees enjoying fully in-

dexed pensions and the other class, the private sector employees who do not have indexed pensions.

Some proposals by Geoffrey Culvert, a pension expert at the Financial Post Conference in Toronto were: 1) Delayed retirement; 2) Part-indexing of all pensions; 3) Community services for aged; 4) Employment of pensioners. MS 15/1/77 p.C3; TS 21/2/77 p.A5; HCH 17/3/77 p.17, 16/3/77 p.26; FP 9/4/77 Pensions Report, p.31-35; TS 12/4/77 p.D by Richard Gwynn



CP

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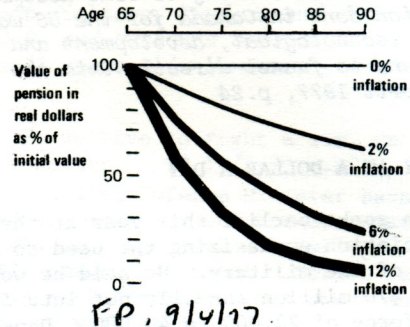
POLITICAL

-- Only 40% of the paid labour force are members of private pension plans. Those with no coverage are tens-of-thousands of part-time workers, employees in agriculture, fishing and marginal industries without extra resources to provide a pension plan. HCH 16/3/77 p.26 by John Ferguson

(b) Treasury Board President Robert Andras, has appointed an actuarial firm to examine the financing of the federal public service pension plan particularly the full indexing of benefits to compensate for inflation. If the study vindicates the government's position that indexing the pension is financially sound, more pressure will be on the private plans to follow suit. EJ 29/3/77 p.15

(c) New Old-Age Pension Legislation will be enacted July 1, providing partial pensions based on the number of years of residence. The government plans to negotiate shared-pension agreements with other countries, beginning with U.S.A., U.K., Italy and France. The new system will provide partial pensions to immigrants from countries which provide no social assistance. GPM 23/2/77 p.8 (CP)

How inflation erodes a fixed pension



(a) One quarter of the two million old age pensioners in the country - 500,000 aged 65 and over live below the poverty line says a recent study by the Canadian council on Social Development. -- More than one million pensioners receive extra assistance because they have no other private income.

What pension programs cost

	1974	1975	1976
From government	\$ million		
Old Age Security Fund Payments	3,303	3,751	4,305
Pensions to government employees — federal	358	392	400
— provincial	146	160	175
Disability pensions, World Wars I and II	290	312	347
War Veterans' Allowance	136	195	206
Workmen's Compensation benefits	415	500	600
Old Age and Blind Pensions	160	257	329
Canada Pension Plan	360	527	776
Quebec Pension Plan	135	194	260
Total government	5,303	6,288	7,398
Under private management			
Trusteed Pension Funds	754	900E	1,100E
Other (estimated)	377E	450E	550E
Total private	1,131	1,350	1,650
Total, government and private..	6,434	7,638	9,048
Gross national product	146,616	161,132	184,494
Total pension payout as a percentage of GNP	4.4%	4.7%	4.9%
Cost of indexing all pension, public and private, assuming 11% inflation in 1974 and 1975, and 7½% in 1976	655	783	645
Cost of indexing as a percentage of GNP	0.4%	0.5%	0.4%

Source: Except for items denoted as estimates, all data from Statistics Canada.

F.P. 9/4/77

EDUCATION

"BACK TO BASICS" A REACTIONARY POINT OF VIEW

Dr. Timothy Byrne, ex-deputy minister of education in Alberta, told a group of educators to expect public dissatisfaction with schools to increase. Byrne says the 1950's and 70's "reflect conservative, even reactionary views of education". Graduates, then as now, were criticized for their inability to read, write and handle the demands of university or the work place. The 50's and 60's witnessed a tremendous growth in mass education. Tests were used to select those individuals best suited to further economic and industrial growth. "Back to the basics" reflects this "industrialism". Arising out of an industrial organization of labour are "the beliefs, values, practices and expectations of a consumer society." EJ 6/4/77 p.22

UNIVERSITY FEE HIKES

Tuition increases at the university level were reported across the country. Fees at the University of Victoria, B.C., will increase 20 to 25 per cent in September -- the first increase in 12 years. Fee hikes in Alberta are the second in a year's time after they had held steady for the previous 10 years. In Alberta there will be a \$300 surcharge for foreign students. This two-tier fee structure was opposed by some critics as racist. In the Maritimes, fee hikes are being proposed but have not yet been enacted. The Council of Maritime premiers has decided to limit increased contributions to the operating costs of universities to an average of seven per cent less than the 12 per cent proposed by university professors or the 11.5 per cent recommended by the Maritime Provinces Higher Education Commission. WFP 22/3/77 p.31 CP; EJ 5/4/77 p.25; HCH 26/3/77 p.1 Betsy Chambers

MEDIA

INTRODUCTION: Debate continues over the political bias of Radio Canada, violence in the media, and the Telecommunications Bill. All three issues pose the question: how much control will the federal government have over media?

CRTC AGREES TO CBC INQUIRY

After several Liberal cabinet ministers accused CBC's French language network of a pro-separatist bias, the Prime Minister asked to CRTC to open an inquiry into the political bias of CBC reporting.

In the following weeks two decisions came from the CRTC: the inquiry would not look strictly at pro-separatist reporting, but examine all aspects of the CBC mandate: and also, the inquiry would not be public.

The commission began its work by asking the Members of Parliament who had made the accusations to provide evidence. Some have complied, but their letters are not to be made public. The Prime Minister, although he made accusations, will not supply evidence.

The Parliamentary Press Gallery, the Quebec Federation of Journalists, and even Harry Boyle, Chairman of the CRTC, have objected to the inquiry on the grounds that it is difficult to define a political bias, impossible to be objective in the task, and poses a threat to the free expression of opinion in the press. TS 28/4/77 p.A1, A12; WFP 7/4/77 p.10, 20/4/77 p. 2; EJ 9/4/77 p.77; HCH 16/3/77 p.3; GM 23/3/77 p.8

CBC AND RADIO CANADA EVENING NEWS MONITORED

The Globe and Mail monitored the French and English evening news for 12 nights over six weeks. They found no pro-separatist political bias in the French language reporting, but half of the stories were directly related to Quebec. The English language network had fewer stories on Quebec than any other region of Canada. Both networks carried the same number of international stories, but the English language network had twice as many stories concerning the U.S. as the French language network did. GM 22/3/77 p.1

ROYAL COMMISSION ON VIOLENCE IN THE MEDIA

The Commission made its interim report in April. It calls for government intervention in the media to reduce the level of violence. WFP 14/4/77 p.31

FEDERAL GOVERNMENT PROPOSES TAKING MEDIA POLICY INTO ITS OWN HANDS

There is a bill before the House of Commons which would take media policy out of the hands of the

CULTURE

Doug Sneyd

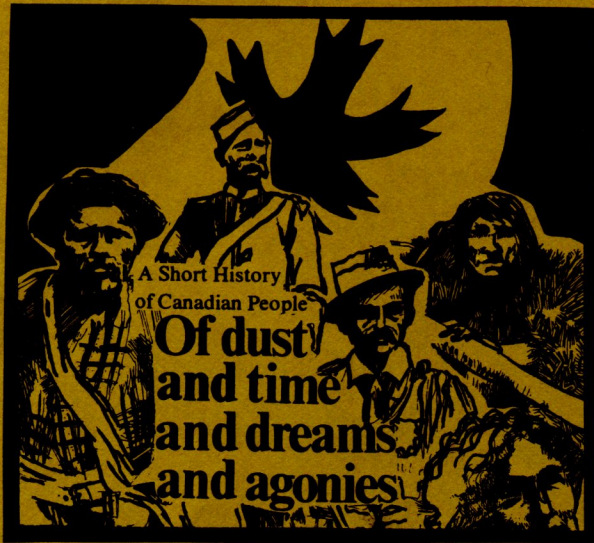
CRTC and give it to the Federal Cabinet. The CRTC would still control licensing of stations, and cable rates, and carry out a quasi-judicial role. The Federal government would make policy, order or prevent (rather than invite) public hearings and approve all members of the CRTC. In response to provincial objections to Federal control of media, the bill would give the cabinet the power to share regulatory power with the provincial governments. The provinces would have partial control, and it would be at Federal discretion.

Chairman of the CRTC, Harry Boyle objects strongly to the bill. He says the proposed legislation will take away the independence and public nature of media policy making and destroy the CRTC's ability to oppose the government on media issues. Decisions will be made instead in the secrecy of the Cabinet.

GM 26/3/77 p.14; WFP 29/3/77 p.31; GM 19/4/77 p.B1; GM 23/3/77 p.1; WFP 29/3/77 p.30



TS 26/3/77 DAG
"Have you been listening to the 6 o'clock news again?"



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