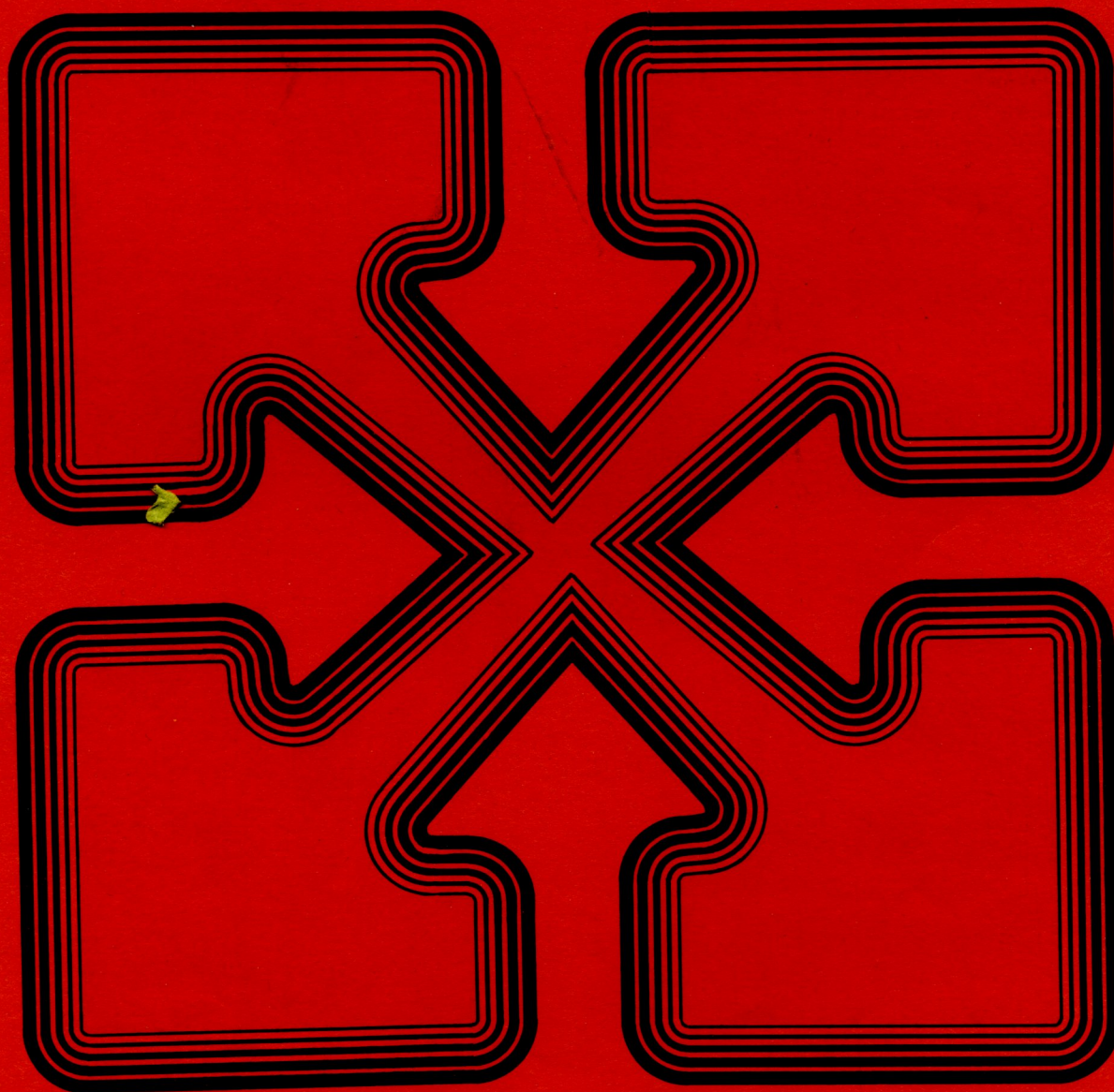


Synthesis

A Review of Events Reported in the Canadian Press



HIGHLIGHTS

- Trudeau Loses Head
- Coal Makes a Comeback
- Cossitt Capers
- Pension and Productivity

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Canadian News Synthesis Project

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Synthesis

HIGHLIGHTS

Ivan Head has left his job as Trudeau's foreign affairs adviser after 10 years. The Head-less Prime Minister and his Cabinet plan to increase three-fold the Export Development Corporation's lending and insurance capacity. With trade down and world economic prospects dark, Ottawa is lending massive support to Canadian exports. See page 4.

With the price of other forms of energy rising, there is renewed hope that coal will provide an economical power source. Companies in both the Maritimes and the west are increasing their investment in coal production, but many of the same old problems of pollution and safety remain. See page 11.

The federal liberals' heavy-handed approach to breaches of the Official Secrets Act has given Conservative MP Tom Cossitt wide publicity for his accusations of Soviet and separatist infiltration. A more serious matter, however, is the government's willingness to threaten the press, and its ability to get away with it. See page 19.

The demands are growing across Canada for a comprehensive pension scheme that will provide adequate benefits for all Canadians. However, private pension managers say the money is needed for investment to increase the productivity and competitiveness of the economy. The debate over which idea better meets the needs of the people will become increasingly important as the number of pensioners increases dramatically. See page 27.

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CANADA AND THE WORLD



THE GENERAL CONTEXT

NEW WORLD ECONOMIC PARLEY

Invitations have gone out for another world capitalist economic parley. West Germany's Helmut Schmidt will host the meeting in Bonn this July. There were three earlier meetings; in Rambouillet, Puerto Rico and London, the latter in May, 1977. Despite pledges to restore world economic growth, the participants, the leading capitalist nations, have failed to meet even their own stated goals. In London the U.S. aimed for 5.4 per cent growth but barely achieved 4.9 per cent. West Germany promised between 4.5 and 5 per cent but only achieved 2.4. There were many pledges for free trade, but trade is growing more slowly than at any point since 1945. Relations with the Third World have not improved. Such international summits seem to produce high-sounding resolutions but little concrete effect.

EJ 27/2/78 p.C8 Peter Cook FTS

INCO

THE SEABED: A NEW CORPORATE BARBEQUE

After five years of talks, a showdown is looming in international discussion about the seabed. Third World countries are pressing for the riches of the sea to be recognized as a "common heritage of mankind." They would like an international publicly owned monopoly, known as the Enterprise, set up to mine and market nickel, copper, cobalt and manganese from the seabed. The U.S. and other "developed" countries want the world Enterprise and private mining firms to operate together. The major firms interest-

ed include a consortium of INCO, a German combine AMR, a Japanese group, Ocean Mining Co. (DOMCO) and Sedco, a Dallas Oil Firm. Noranda Mines has a minority interest in a consortium including Kennecott Copper Corp. and British and Japanese firms. A third consortium, Ocean Mining Associates, includes U.S. Steel, Tenneco, Union Miners of Belgium and the Japanese Manganese Nodule Development Co. One estimate puts value of the nodules in the Pacific at \$3 trillion.

U.S. Ambassador to the World Law of the Sea talks, Elliot Richardson, attacked the proposed treaty for requiring private firms to hand over technology to the world Enterprise.

The U.S. Attitude is simply that if the current world talks fail, the Congress would authorize the mining companies to act unilaterally. The consortia are unlikely to be happy with such actions, however, unless there is insurance against losses from future international treaties.

TC 27/3/78 p. 16, Peter Cook

FOOD FOR THE FAT

The Food and Agriculture Organizations of the United Nations (FAO) has issued its World Food Survey report on 161 countries. It states: "Firm evidence of any significant progress being made since 1974 in reducing the numbers affected by inadequate supplies of food is not yet available." Rich countries show excessive food intake and steadily rising prevalence of diseases. Mal-nourishment among Africans rose from 25 per cent of the population in 1970 to 28 per cent four years later. A similar increase was noted in Asia. Because of mal-nourishment, the study states, about 40 per cent of adult females in developing countries are anemic, up to 100,000 children go blind each year and 200 million suffer from goiter. In Latin America, more than half of all deaths during the second year of life are attributed to nutritional deficiency. Food production in industrialized nations is rising 1.4 per cent annually, but production growth in developing countries declined from 0.7 per cent in 1970 to 0.3 per cent in 1974. The "most seriously affected" countries are experiencing an actual drop in food production.

14/3/78 p.12 AP

CAUSES AND CONSEQUENCES

Two experts brought to Canada by the Church-sponsored Ten Days for World Development programme explained the underlying cause of the situation the FAO described. Susan George, an agricultural economist, and Gonzalo Arroyo, a Jesuit agronomist, told audiences in London and Ottawa that residents of the Third World go hungry so that Canadians can have strawberries in December. The best Third World land is garnered by multinational corporations who seed long growing seasons and cheap labour to supply our markets with luxury foods. This means, Ms. George stated, that masses of people in countries like Brazil cannot even afford staples like black beans, because the land has been taken up with soya production for export.

OC 16/2/78 p. 66; OC 18/2/78 p. 2

THE SPECIFIC AREAS

Trade

THE EDC, AGAIN

Industry minister Jack Horner has introduced a bill to increase to \$26 billion from \$8.85 billion the capacity of the Export Development Corporation to support Canadian exports. The EDC operates without cost to the Canadian tax-payer and earns a profit on its multi-million dollar loans. The new bill would increase the EDC's authorized capital to \$12.5 billion (from 5.1 billion), increase ceilings for insurance to \$13.5 billion (from \$3.5 billion), and enable the EDC to provide further support for bid bonds and performance guarantees issued for export contracts.

EDC 20/3/78



Meanwhile, the EDC announced a \$3.1 million loan by the EDC and the Bank of Montreal to provide for the participation of a Canadian firm -- Patrick Harrison and Co., Ltd. of Toronto-- to sink a 675 metre deep circular shaft for a copper mine. The mine, in Bahia state in Eastern Brazil, is being developed by Cariba Metais S.A. Industriae Commercio of Brazil.

EDC 15/3/78

PREPARING THE WAY FOR THE IDB

The Inter-American Development Bank will meet in mid-April in Vancouver, B.C., bringing together 2,000 diplomats, businessmen and traders from Latin America, North America, Europe and Asia. In preparation, several Canadian business groups and the Department of Industry, Trade and Commerce have sponsored a series of seminars. Robert Joyce of the Department of Finance told a Montreal seminar that Latin America is Canada's fourth largest trading partner. But Canadians are not getting their share of money made available from the Inter-American Development Bank. The Bank which has committed nearly \$12 billion to major economic and social development programmes since 1961. Thirty per cent of Canada's manufactured exports go to Latin America, he said. T.M. Burns told a seminar in Calgary that Canadians will have to try harder to gain IDB funds. But he cited Canadian companies' involvement in a \$500 million railway construction scheme in Venezuela as evidence of what could be achieved. He saw similar potential in the bids of Canadian firms for \$500 million worth of equipment for the Itaipu hydroelectric project in Brazil.

MS 7/3/ p. D3; GM 10/3/78 p. B12;; GM 7/3/78 p. B2

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MS 7/3/ p.D3; GM 10/3/78 p.B12; GM 7/3/78 p.B2

ARGENTINA: BUSINESS AS USUAL DESPITE PROTEST

A bus-load of representatives of labour, church and human rights groups met with M.P.'s, Atomic Energy of Canada officials and government representatives to protest the sale of Canadian nuclear reactors to Argentina. Protestors emphasized the plight of political prisoners and ordinary citizens in Argentina, dominated by a military dictatorship.

OC 92/78 p. 3C

Two Argentine pulp and paper projects will receive loans totalling \$57 million from the Export Development Corporation. EDC Chairman, John A. MacDonald, visiting Argentina, detailed loans for SNC-Rust Ltd, of Montreal, and Sandwell and Company of Vancouver, to provide engineering, design and project management services for a sulphate pulp and industrial paper mill and a bleached pulp mill, in the province of Misiones, together with a \$34 million loan by EDC and the Bank of Montreal to an SNC-Rust contract for the mill at Puerto Piray. A second loan of \$23 million by EDC, the Royal Bank of Canada and the Toronto-Dominion Bank for the Alto Parana bleached pulp mill at Puerto Esperanza. The mills are both being built by subsidiaries of Celulosa Argentina S.A., and their construction costs will total some \$900 million. MacDonald hopes that Canadian equipment suppliers will gain an entry to further stages of construction because of the loans.

EJ 11/3/78 p. A13; EDC 9/3/78

EXPLOSIVE BUSINESS

Argentina's military governors are still negotiating for a third nuclear reactor. West Germany built a 300-megawatt reactor which opened in early 1975 at Autcha, 160 kilometres north of Buenos Aires. Canada has been working on a second reactor twice as large, for Cordoba province, scheduled for completion in

CANADA AND THE WORLD



OC 9/2/78 P. 3

—UPI photo

1981. Admiral Castro Madero, President of Argentina's

National Atomic Energy Committee visited Ottawa in February to seek further nuclear co-operation with Canada. Ottawa originally agreed to supply nuclear technology, but has held back because Argentina has neither signed the nuclear non-proliferation treaty nor agreed to having its installations inspected by the International Atomic Energy Committee. Meanwhile, in Canada, debate continued over the propriety of the original sale of a reactor to Argentina. The Toronto Star (1/3/78 p. A8) called for further investigation by the RCMP into the CANDU sale to Argentina. At the same time James Neilson, Southam Correspondent in Buenos Aires detailed the paranoia in the Argentine military about a world Marxist conspiracy aimed at its rule. He cited attempts to "improve" the regime's image through freighting in planeloads of foreign journalists (some from Canada) for all-expense paid junkets including friendly meetings with President General Videla. Neilson noted that these efforts have not been totally successful, and that such well-known magazines as the New Statesman have carried detailed condemnations of the Argentinian regime by correspondants who would never have visited Argentina if they had not been taken there by the Argentinian junta.

OC 27/2/78 p. 36
HCH 28/2/78 p. 36; GM 27/2/78 p. 11; TS 1/3/78 p. A6;
TS 28/2/78 p. A1; TS 1/3/78 p. A8; OC 16/3/78 p. 56

Investment

THE BIG COMPANIES ARE FOREIGN

Statistics Canada reports that foreign ownership in Canada is concentrated in the largest companies and those industries in which only a few companies compete. It studied 30,000 companies in 1972. Of these, 100 account for 46 per cent of all business activity. Of those, 66 are foreign controlled. In the second 100 companies, 74 are foreign controlled, and 69 per cent of the next 300 largest companies are under foreign control. Most of the smaller firms are Canadian. The foreign-owned firms tend to be much larger and much more diversified than the Canadian companies. OC 21/2/78 p. 23; WFP 21/2/78 p. 13

CANADIAN FOREIGN POLICY

TRUDEAU LOSES HEAD

Ivan Head replaces David Hopper as head of the Canadian International Development Research Centre. He ends a decade as P.M. Trudeau's foreign affairs advisor. Head has been closely devoted to Trudeau, travelling as his agent to the U.S., Africa, Britain, Jamaica and the Soviet Union. As a member of the Trilateral Commission and of the Club of Rome, he has been imbibing ideas and sprouting theories for the prime minister. Before joining the Prime Minister in organizing the 1967 constitutional conference, Head was a Harvard-trained professor of law at the University of Alberta. In reviewing his conduct of foreign affairs for the Prime Minister, Head admitted that his chief failure was in relations with developing countries. He said Canada's theory has been much better than its performance in this area.

FTC, March 13-19. p.2, George Radwanski, OC, 18/2/78 p.9; OC 17/2/ p.1.

SOUTH AFRICA: DEBATE CONTINUES

Following the series of articles written by Wayne Chevaldayoff in the Toronto Globe and Mail in late February (see CNSP vol 6, No. 2) Canadian Foreign Policy), the South African embassy placed a half page advertisement in the paper claiming that black leaders support continued foreign investment in South Africa. Not long hereafter the Canadian Labour Congress placed an ad which countered the embassy's story with the case and the works of Steve Biko, the murdered South African black leader. GM 3/3/78 p.4, GM 21/3/78 p. 14

GM 3/3/78 P.4

Disinvestment in South Africa

Sanctions would be crippling to my people says black leader

Speaking "as a Black man" CHIEF GATSHA BUTHELEZI, CHIEF MINISTER OF THE ZULU NATION, declared in a speech at Soweto, near Johannesburg on January 29, 1978:

"Economic sanctions against South Africa would be useless. Calling for sanctions would be self destruction on the part of the blacks of this country. Sanctions would be crippling to Blacks."

Saying that the United Nations had recently been told by Mr. Donald Woods that the "real" leaders of the African people wanted outside nations to disinvest in South Africa, Chief Buthelezi said: "In other words, people like myself who have not advocated this in the past are not the authentic or real leaders."

"I do not for one moment doubt the sincerity of people who urge disinvestment. But at the same time I am wary of adopting futile stances so that I can be popular in certain circles at the expense of my people, when I know that the people who will bear the brunt of it are first and foremost the African people". He appealed to the 15,000 Africans attending the Soweto Political Rally for guidance. "I would like to know whether this (the Woods speech to the United Nations) represents your views and that we should advocate disinvestment so that there will be fewer jobs and that you are ready to lose more jobs and to suffer (shouts of "No" . . . "No")."

Chief Buthelezi is not the only non-white leader to have spoken out strongly against economic sanctions.

DR. WILLIAM BERGINS, A LEADER OF THE COLORED PEOPLE OF SOUTH AFRICA:

"Disinvestment is absolute nonsense . . . capital and exper-

tise must come into the country. Of course I want change. Drastic change. But that change must be evolutionary, not revolutionary. Change must come to benefit South Africans, not to benefit outsiders with possibly ulterior motives.

MR. J. N. REDDY, SOUTH AFRICAN INDIAN COUNCIL EXECUTIVE COMMITTEE CHAIRMAN, BANKER AND BUSINESSMAN:

"The lot of the non-white people can only be improved by increasing the rate of investment. The greatest move forward by my people came from 1955 onwards when, because of boom conditions and the shortage of skilled white manpower, whole brackets of jobs previously reserved for whites were opened up to my people."

MRS. LUCY MVUBELO, FIRST BLACK DEPUTY VICE PRESIDENT OF THE TRADE UNION COUNCIL OF SOUTH AFRICA:

"If overseas investment dries up it will traumatically lower the standard of living here with the Blacks the very first to suffer. I have opposed disinvestment in season and out. It can only serve to bring the greatest misery to my people."

MR. LENNOX SEBE, THE ELECTED CHIEF MINISTER OF THE CISKEI HOMELAND, expressed his opposition to the American Administration's attitude during a visit to Washington:

"It is easy for the armchair philosophers to talk of the necessity for American business withdrawal . . . they are not the ones who will suffer when the cake, instead of being shared in an equitable and decent sharing process, is broken and falls to the ground to be trampled into the dust and lost to all."

People who advocate withdrawal of foreign investments, refusal of bank loans, disruption of trade and economic pressure on South Africa do not have the interests of the black man at heart. They are knowingly or unknowingly propagating joblessness and revolutionary violence in South Africa.

Bring the statements of South Africa's black leaders to the attention of your newspaper, member of Parliament, your church, your business colleagues and your bank.

For information on South Africa of a political, economic, scientific or general nature write to:

The Counsellor (Information), South African Embassy, 15 Sussex Drive, Ottawa, Ontario. K1M 1M8

DISINVESTMENT IN SOUTH AFRICA

LOSS OF FOREIGN INVESTMENT
WOULD HURT BLACKS IN THE SHORT RUN
BUT IS IN OUR LONG TERM INTEREST
SAYS BLACK LEADER



South Africa's laws make pro-sanction statements illegal and dangerous for black trade unionists and leaders. Apart from one, the only black trade unionist to associate with the white controlled Trade Union Council of South Africa, black unionists support the withdrawal of foreign investment. To say so in South Africa would bring them closer to the fate of STEVE BIKO the black leader murdered by South African Security Police. This is what he had to say about foreign investment

"The argument is often made that loss of foreign investment would hurt blacks the most. It would undoubtedly hurt blacks in the short run because many would stand to lose their jobs, but it should be understood in Europe and North America that foreign investment supports the present economic system and thus indirectly the present system of political injustice. We blacks are therefore not interested in foreign investment. We blacks are perfectly willing to suffer the consequences. We are quite accustomed to suffering."

People who advocate withdrawal of foreign investments, refusal of bank loans, disruption of trade and economic pressure on South Africa, clearly have the interests of the black man at heart. They are knowingly working to ward off revolutionary violence in South Africa.

Bring the statement of STEVE BIKO to the attention of your newspaper, member of Parliament, your church, your business colleagues and your bank.

For information on South Africa write to:

Director of International Affairs, Canadian Labour Congress, 2841 Riverside Drive, Ottawa, Ontario K1V 8X7.

GM 21/3/78 P. 14

THE ECONOMY

GENERAL

MONTHLY STATISTICS

<u>CAPITAL</u>	Feb.	Jan.	Change from Year ago (%)
Consumer Price Index (1971 = 100)	168.9	167.8	8.7
Merchandise Trade Surplus (\$million)*	245.0	268.0	
Current Account Deficit	1977: \$4.24 billion 1976: \$4.19 billion 1975: \$4.78 billion		
<u>LABOUR</u>			
Employed (millions)	9.58	9.48	3.1
Unemployed	1,007,000	991,000	8.0
Unemployment Rate*	8.3	8.3	

(*Seasonally adjusted)

INTRODUCTION: *Canadian exports increased in the fourth quarter, the only bright spot in a period of dismal performance by all other economic sectors. Even the export increase is a mixed blessing, since it was caused by the fall of the Canadian dollar. This fall will make imported goods more expensive, thus contributing to inflation. Business capital spending is declining, despite a healthy profit increase of 12.2 per cent in 1977. Governments are also cutting their spending, despite increasing calls for tax cuts to stimulate the economy.*

LOW GROWTH MEANS HIGHER UNEMPLOYMENT

The Canadian economy had a real growth of only 2.6 per cent last year. The week before this news was released, Finance Minister Jean Chretien had claimed the Gross National Product grew by five per cent in the second half of 1977. Statistics Canada showed the GNP only grew by 3.2 per cent in the last quarter. Many experts claim the Canadian economy has the potential to have between five and 5.5 per cent real growth each year. In 1975 the rate was 1.1 per cent, and it was 4.9 per cent in 1976. Thus, 1977 was the third consecutive year of sluggish economic performance. The economy needs to have real growth of five per cent each year just to create enough new jobs to handle the increase of the labour force, let alone reduce existing unemployment.

Real exports were up 7.7 per cent in 1977. Since imports grew by only two per cent, real net exports were the major source of economic strength. The GNP growth was low because the other sectors of the economy performed badly. Personal spending and government expenditures on goods and services grew at below-average

rates. Business capital investment and inventory spending actually fell. EJ 1/3/78 P.A1; Statistics Canada Infomat March 10, 1978

SURPRISE! PROFITS UP AGAIN

A Globe and Mail survey of 306 major corporations shows 1977 profits were 12.2 per cent higher than in 1976. The profits totalled \$5.5 billion last year. A fourth-quarter survey showed the profits of 307 firms were 16.9 per cent higher than in fourth-quarter 1976.

YEAR	PROFIT GAIN FROM PREVIOUS YEAR (%)
1977	12.2
1976	2.8
1975	-5.2
1974	20.0
1973	46.4

GM 24/3/78 P.B1

THE ECONOMY

GM 24/3/78 P. B GROUPS SAMPLED	Number of companies sampled	FOURTH QUARTER (\$ Millions)		% Change	Number of companies sampled	YEAR (\$ Millions)		% Change
		1977	1976			1977	1976	
Banks	9	220.2	165.8	+32.8	9	732.7	663.6	+10.4
Base Metals	14	16.3	20.3	-19.7	15	71.7	71.6	+0.1
Beverages	7	40.8	34.7	+17.6	7	141.0	129.6	+8.8
Chemicals	6	13.8	6.2	+122.6	6	56.6	44.1	+28.3
Communications	19	40.3	35.7	+12.9	18	121.1	104.7	+15.7
Construction and Materials	10	25.8	18.6	+38.7	10	85.1	76.4	+11.4
Food Processing	10	18.8	14.7	+27.9	9	51.1	47.8	+6.9
General Manufacturing	31	6.3	50.2	-87.5	32	168.9	379.1	-55.4
Gold	5	4.7	3.7	+27.0	5	22.5	7.1	+216.9
Industrial Mines	11	30.5	97.1	-68.6	11	250.4	362.9	-31.0
Merchandising	21	52.5	49.3	+6.5	18	137.5	124.1	+10.8
Miscellaneous Financial	12	26.1	21.5	+21.4	12	111.7	94.2	+18.6
Miscellaneous Industrial	40	202.7	144.9	+39.9	42	687.2	438.8	+56.6
Oil Refining	6	218.0	195.0	+11.8	6	736.3	648.8	+13.5
Paper and Forest	18	92.8	54.4	+70.6	18	274.6	173.2	+58.5
Pipeline	6	54.5	57.3	-4.9	6	236.7	205.8	+15.0
Real Estate	11	28.8	17.0	+69.4	11	79.2	81.5	-2.8
Steel	4	67.8	45.0	+50.7	4	209.4	192.9	+8.6
Transportation	7	7.3	2.6	+180.8	7	20.1	10.9	+84.4
Trust and Loan	20	44.8	29.3	+52.9	20	139.8	108.3	+29.1
Utility	11	155.5	147.2	+5.6	11	526.7	494.1	+6.6
Western Oils	29	181.2	115.4	+57.0	29	635.0	436.2	+45.6
Total	307	1,549.5	1,325.9	+16.9	306	5,495.3	4,895.7	+12.2

TAX CUTS NEEDED FOR ECONOMIC GROWTH

The Financial Post wants the federal government to reduce, and eventually eliminate the manufacturing sales tax. FP 18/3/78 P.1

The C.D. Howe Research Institute has called for sales tax cuts. It criticized Ontario's treasurer Darcy McKeough for raising taxes. TS 14/3/78 P.A15

The Canadian Chamber of Commerce has called on Ottawa to subsidize the provinces to encourage them to cut sales tax by two or three per cent. The Chamber says this is the quickest and most effective way to put money in consumers' hands and encourage them to spend. TS/3/78 P.A1

Economics columnist Dian Cohen criticized the conservative budgets of Ontario, Nova Scotia, and Newfoundland. She congratulated Saskatchewan's Walter Smishek for introducing personal tax cuts. The first three governments are concentrating on reducing their deficits. However, increased taxation is cutting the real incomes of people in those provinces, so spending falls. Saskatchewan, on the other hand, is encouraging people to buy. This will mean an unbalanced budget, but the important thing is to stimulate the economy. MS 20/3/78 P.D2

CNSP NOTE: In the third quarter, consumer spending was the main stimulus of economic growth. However, this did not continue in the fourth quarter as continuing high inflation and unemployment cut into personal disposable income. This eventuality was discussed in Synthesis Vol. 5, #10, P.6. The government can't rely on exports to pull the economy along for two reasons. First, it increases our dependence on primary resources, our major foreign exchange earner. Secondly, our cheaper dollar, the reason for the export surge, means domestic inflation is higher because import prices and interest rates are rising. (See Synthesis Vol. 6, #2, P. 12.) Thus, we need growth in another area, and the call is for tax cuts to achieve this. Cutting corporate taxes hasn't encouraged expanded output, so various groups want reduced sales tax. This would be a helpful measure since this is a regressive tax, taking a high-

er proportion of a low income than of a high income. A cut in the manufacturing sales tax would help consumers only if the companies passed the savings along to their customers.

Most of the provincial governments that have presented budgets this year have spurned tax cuts, saying the large budgetary deficits are causing inflation and "loss of confidence" in the dollar. Chretien has also indicated he won't cut taxes. The conservative attack on government deficits as the cause of inflation is another attempt to pull the wool over our eyes. Governments have deficits in large part because they give tax breaks to corporations. NDP leader Broadbent claims the effective corporate tax rate declined between 1970 and 1975 from 29.6 to 26.6 per cent of profits. In 1952, 46 per cent of income taxes came for personal income and 54 per cent from corporate income. By 1970, personal income taxes accounted for 70 per cent, he says. (GM 2/10/76 P.14) If governments would make the corporations pay their fair share of taxes, then personal taxes could be cut



EJ 23/2/78 P. A4

THE ECONOMY

to stimulate spending and economic growth. However, tax reform goes against the basic tenet of the capitalist system--accumulation of profit by the business class. The federal government is putting its faith

in the cyclical nature of the economic system, and says conditions will improve without effective action. In effect, the government is indifferent to the plight of the Canadian people.

OIL AND GAS

INTRODUCTION: As the northern gas pipeline legislation passed out of committee and into its third and final reading in the House, gas swaps with the US moved another step closer with the negotiation of inter-corporate contracts. Meanwhile, Energy Minister Alastair Gillespie's dream of an energy corridor in the North received a boost with news of a study into a possible Alaska Highway oil pipeline side-by-side with the gas pipeline. On the east coast, a Quebec and Maritimes Pipeline to continue the Trans-Canada Pipeline from Montreal has found favour in the eyes of Ottawa. A federal government study points to our energy future and finds it filled with nuclear reactors and slimmer pocketbooks for the Canadian public.

GAS SWAP TALK

Pan-Alberta Gas Ltd., a subsidiary of Alberta Gas Trunk Line Ltd., has signed gas export contracts with the US owned Northwest Alaskan Pipeline Corp. - the main US partner in the Alcan Pipeline project. Over 1.04 billion cubic feet a day of natural gas may be shipped south over the initial six-year life of the contract.

Both Alberta and Ottawa will have to be convinced before any swap arrangement can be finalized. The crucial question is price. If the sale is made at the current market price, what would the buy-back price be? The two sides must also negotiate the delivery location of any replacement energy, the quality and/or type of the replacement, the timing and the length of the swap. Pan-Alberta hopes to have government approval for the deal by the year-end in order to allow for pre-building of southern sections of the Alaskan Highway Pipeline.

FP 18/3/78 p1, GM 15/3/78 pb2, EJ 11/3/78 p1

OIL LINE NEXT FOR ALASKA HIGHWAY ROUTE?

Northwest Energy Corp. has requested its Canadian partners in the Alcan gas pipeline (Alberta Gas Trunk and Westcoast Transmission) to begin a feasibility study on a parallel Alaska Highway oil pipeline. With the proposed Kitimat oil port and pipeline temporarily eclipsed, the Alcan oil pipeline would enable Alaskan crude to be marketed in the US midwest. However, if the line is built after the gas pipeline, some arrangement would have to be made to bring the oil to the midwest earlier, since those refineries need oil immediately. One possibility might be short-term oil swaps of western Canadian crude in return for Alaskan crude when the line is completed.

GM 7/3/78 p.B10, Jeff Carruthers

"WE WAS ROBBED": LEGGATT

New Westminster MP Stuart Leggatt writes in the Toronto Star that Canada received a raw deal in the

Alcan Pipeline negotiations. He lists four key points:

- no guarantee of Canadian content in the provision of goods and services for the \$4 billion section through Canada;
- no mention of native land claims in the pipeline legislation;
- no assurance that federal government financing will not be available to the private project;
- the Northern Pipeline Agency - responsible for administering the project - is a powerful bureaucratic structure which will operate beyond the scrutiny of Parliament. TS 13/3/78 p8 Stuart Leggatt

Q AND M PIPELINE GATHERING STEAM

Q and M Pipelines Ltd. (60 per cent controlled by Alberta Gas Trunk and 40 per cent by Petro-Canada) plan to build a has pipeline from Montreal to Quebec City, then south to Moncton and Halifax. The line would complete the Trans-Canada system bringing more than 200 million cubic feet a day of Alberta gas to Quebec and the Maritimes. The line would take some of the export pressure off the surplus of more than two billion cubic feet of gas a day now in Alberta. However, Q and M is also considering some exports of gas through its proposed Lorneville, N.B. LNG terminal and pipeline complex.



HYDRO

LABRADOR HYDRO DISPUTE DEADLOCKED

Quebec and Newfoundland have failed to reach an agreement on the Churchill Falls, Labrador hydro dispute. Under a 1969 contract, Quebec receives all but 300 megawatts of the 5225 megawatt project. Newfoundland wants more of the power and a higher price for the electricity it sells to Quebec. Quebec wants to develop more of the hydro-electric potential of the Labrador river system but Newfoundland is adamant that no negotiations will proceed until the original contract has been reworked. The issue is now in the courts. HCH 11/3/78 p1, OC 11/3/78 p5, FP 18/3/78 p46

FUNDY TIDAL POWER INCHES AHEAD

Ottawa, New Brunswick and Nova Scotia have announced a \$33-million study into a possible \$3-billion tidal power project in the Cumberland Basin in the Bay of Fundy. The federal government will pay half the costs of the study and the two provinces will fund the remainder.

The new study follows closely on the heels of a report by the Fundy Tidal Power Review Board recommending the most suitable areas for more intensive investigation. If feasible, the project could start by 1990. The Cumberland Basin site would produce 1085 megawatts of power, equal to two conventional nuclear reactors. Both Ottawa and the Maritimes provinces are aiming to reduce foreign oil imports and increase energy self-reliance. Energy Minister Gillespie warned that, in the short term, the tidal power project might involve higher costs than conventional electrical generating systems. HCH 16/3/78 p1, MS 16/3/78 p1, TS 16/3/78 p5

The project has federal government backing since it would supposedly ease imports on the east coast and help the balance of payments deficit. However, to be competitive, Alberta gas would have to undercut the cost of imported oil. This is difficult at present for two reasons. There is a glut of refined products in the east and the added transportation charges beyond Montreal would increase the price of gas almost to the level of imported oil.

MS 18/3/78 p1, FP 11/3/78 p1, GM 1/3/78 pb2

FINANCING ENERGY PROJECTS

A study from the Department of Energy, Mines and Resources estimates that Canada will need \$181 billion (in 1975 dollars) by 1990 to finance energy projects designed to help to country reach "energy self-reliance".

The report sees a growing electrical sector dependent on nuclear power and growing exploitation of oil sands and heavy oil deposits. The electrical sector will need the bulk of the financing - between \$90 and \$110-billion, most of it from Crown corporations and provincial utilities.

The study says energy investment will rise to about five per cent of GNP from 3.5 per cent and Canadian savings devoted to energy projects will jump from eight per cent to 18.5 per cent. Borrowing for expenditures like house mortgages will decrease from 25 per cent to 14 per cent of all domestic borrowing. The study also notes that the vast energy projects will be dominated by large corporations, consortiums and governments. GM 7/3/78 pb8, FP 25/3/78

FISHING

INTRODUCTION: The 200 mile offshore zone declared in January 1977 is still causing differences over who controls what. Negotiations continue both on the west coast, between Canada and the United States, and on the east coast between Canada, the United States and France.

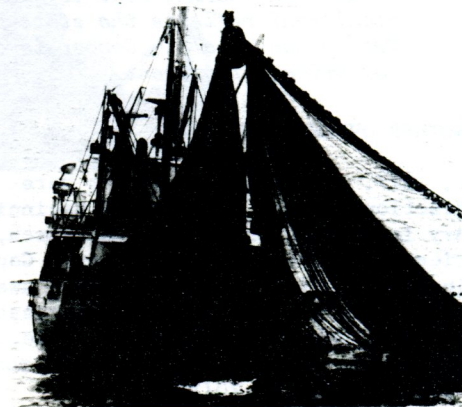
Resentment and accusations against the Freshwater Fish Marketing Board continue.

BOUNDARY NEGOTIATIONS

...EAST

Negotiations are continuing between Canada and the United States over the dispute concerning fishing rights in the Georges Bank area off the Atlantic coast. Canada is demanding a boundary equidistant from Canada and the United States. This line would give Canada about one-third of the banks. The Americans are asking for control of all fishing rights in the Georges Bank.

The area is a very valuable fishing territory. Nova Scotia fishermen get about 40 per cent of their total landings from the banks.



THE ECONOMY

Negotiations have been difficult because of the strong views held on both sides. Premier Gerald Regan says that he is "confident" that if arbitration is eventually required at the international court at the Hague, Canada's position will be upheld.

Nova Scotia NDP leader, Jeremy Akerman, expresses fears that the federal government may make concessions on the east coast negotiations in order to gain concessions from the U.S. in the west coast boundary talks. Premier Regan denies this possibility.
HCH 8/3/78, p.3; HCH 8/3/78 p.10

The 200 mile offshore resources zone has also created something of a peculiarity because of the French-owned islands of St. Pierre and Miquelon. These islands are just off the south coast of Newfoundland, is well within the Canadian jurisdictional boundary.

France and Canada have been bartering over the situation but nothing has been resolved. No date has been set for official negotiations over the establishment of a French zone around the archipelago.
HCH 4/2/78 p.18

...WEST

British Columbia thinks Canada is legally entitled to much more of the valuable resources of the Pacific Ocean than Ottawa is trying to win in drawn-out boundary negotiations with the U.S.

The difference could involve an offshore area larger than Vancouver Island and annual fishing catches in the \$30-50 million range, as well as promising mineral and oil potential.

Details of the previously secret bargaining stances of the provincial and federal governments became known with the unauthorized release of a confidential B.C. government document, by disgruntled officials of the United Fishermen and Allied Workers Union.

Instead of a boundary line straight westward across the southern tip of the Alaska Panhandle, B.C. wants the line to hook northwest.
EJ, 10/2/78 p.D16

MINING

INTRODUCTION: As energy consumption grows the energy rich minerals are in high demand and thermal coal is gaining popularity. The poor market for metallurgical coal reflects the state both of the world's steel industry and of other production metals. Copper is one of the many metals with high inventories and low prices at present.

COPPER - ANOTHER OVERWROUGHT METAL

In December, 1977, economic forecasters were hailing a fractional price rise as the beginning of a recovery in the copper market. By March, 1978, however, prices were dropping once again. Copper is being mined more quickly than it can be used in industry. Canada is the world's third largest producer of copper behind the U.S. and Chile. Our annual production is approximately 750,000 tonnes.
EJ 10/2/78 p.D14 (FTS); GM 20/12/77 p.B1

FFMB TROUBLE CONTINUES

Fifty per cent of the long-deferred final payment to northern fishermen for the fiscal year ending April, 1977 was promised by the Freshwater Fish Marketing Board (FFMB). The board said final payment to fishermen was deferred until now as a result of a bumper fish harvest during the summer season and heavy competition in the market place. (See Synthesis Vol. 6 no. 1 pg. 7)

A series of complaints have been made against the federal crown corporation which is responsible for marketing fish from the Prairies, the Northwest Territories, and some parts of Northwestern Ontario, including the allegations that:

- several shipments have been rejected by the U.S. Food and Drug Administration after the agency found blood in blocks of frozen fish.
- some American firms have rejected shipments of fish on the grounds that they were too old.
- on several occasions, the corporation has retrieved quantities of frozen fish that had developed freezer burn while being held in cold storage. The corporation took the fish - packaged in large frozen blocks - back to its plant in Transcona, shaved off the damaged sections, repacked and redated the cartons and sold them.
- millions of pounds of fish, held in cold storage for as long as four years, will probably end up being sold as fodder for mink or pet food.
- fish-processing equipment valued at tens of thousands of dollars is sitting unused and unprotected outside the corporation's plant.

Manitoba Northern Affairs Minister, Ken MacMaster has indicated he believes the allegations are correct.
WFP 15/2/78 p.1; WFP 18/2/78 p.49; WFT 11/2/78 p.9;
WFP 16/2/78 p.1; WFP 17/2/78 p.1; WFP 18/2/78 p.1;
WFP 3/2/78 p.6

NATIONAL SEA PROFITS

W.O. Morrow, president and chief executive officer of National Sea Products Limited reported a net profit of \$5,123,000 for the fiscal year ending December 31, 1977. HCH 2/3/78 p.1

CNSP NOTE: The companies blame the over-supply on state-run mines overseas and on high taxation and labour costs at home that make production here less competitive. But over-exploitation of this non-renewable natural resource by multinationals who take advantage of low labour costs in the Third World in their greedy search for profit is one reason for high inventories.

THE ECONOMY

QUEBEC COPPER

Quebec Minister of Natural Resources, Yves Benube, announced plans for low-interest loans to encourage development of reserves and to finance unsold stocks of copper. He said "This strategy aims at sustaining employment at our mines and thus at our processing plants". Quebec is also discussing a bilateral supply policy with France involving a government assisted program to stabilize the price of copper. Mr. Benube says this method of ensuring stability and security of demand and supply for the participating countries could be implemented more easily and more rapidly than that of UNCTAD (United Nations Conference on Trade and Development). In December, France and Quebec signed a five-year, \$10 million agreement of copper exploration in northwestern Quebec. France and Canada will share the costs equally but the exploration will be carried out by a state-owned French company (SEREM). Any deposits discovered will be mined by a company owned jointly by SEREM and a specially-formed Quebec company.
WFP 7/12/77 p.68 GM 7/3/78 p.B9

NOVA SCOTIA COAL

The Cape Breton Development Corp. (Devco) is closing its two-year-old Prince Mine. Devco officials say the reasons are heavy financial losses and poor quality coal. Bill Marsh, president of the local of United Mineworkers of America says the closure is due to "mismanagement and poor engineering". The mine has a record of rock falls. This confirms Marsh's contention that the design makes it "practically impossible to mine in a safe fashion". Rather than closing the mine and dislocating miners to Lingar to take up jobs others are waiting for, Mr. Marsh suggests a federal investigation into alleged mismanagement at the mine.
HCH 3/3/78 p.1 HCH 23/11/77 p.1

Drilling has confirmed extensive reserves of coal in the Donkin area on Cape Breton. Although he called the deposits "very promising", Allan MacEachen, Liberal MP for Cape Breton Highlands - Canso, says a "final decision" on whether to proceed with developing the site cannot be made until a firm estimate of the cost is ready. Regional Economic Expansion Minister Lessard says a decision on the new mine at Donkin won't be made for several months.

Andy Hogan, NDP member for Cape Breton - East Richmond, has stressed it is essential to open new mines on Cape Breton to help ease unemployment. Furthermore, the increasing emphasis on thermal coal as an energy source means demand is rising. Mr. Hogan sees no reason for the delays, but urges competent planning to avoid repeating the problems of the Prince Mine.

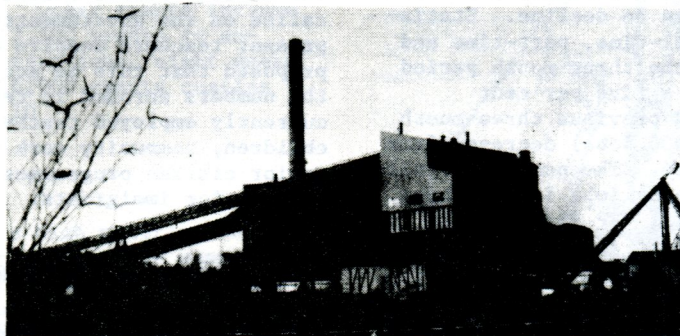
HCH 15/2/78 p.1 HCH 8/3/78 p.7

COAL'S CONTRIBUTION

Coal made the greatest contribution to the value of production in Nova Scotia in 1977. It was exported as well as being consumed in the province. The "energy crisis" has brought thermal coal back into favour as a way of assuring future power generation. And not only in Nova Scotia; the energy value of Alberta and Western Canada's coal reserves is also attracting attention. Luscar Sterco Ltd. has contracted to supply Ontario Hydro two million tons of coal annually from Alberta and 750,000 tons from its B.C. Mine. Forestburg Collieries Ltd. is seeking approval for a new surface coal mine to serve the growing requirements of Alberta Power Ltd.

The activity in thermal coal contrasts with the soft markets for metallurgical coal. Much of this coal goes from Alberta to Japan, but at present there is little demand since the world steel market is depressed.

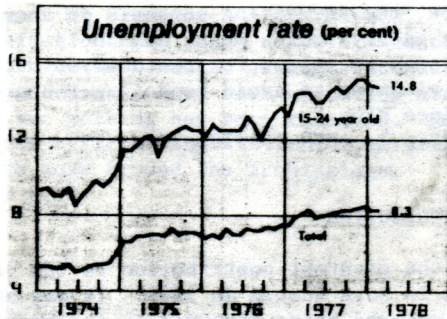
EJ 7/2/78 p.G10 EJ 4/2/78 p.B5 HCH 6/1/78 p.15



LABOUR

EMPLOYMENT

INTRODUCTION: *This month's media coverage of the unemployment picture included the usual collection of statistics, suggested causes, proposed solutions, opposition demands and government inaction. A look at concrete examples of how unemployment affects different groups, shows the human meaning of the statistics we look at accounts of unemployment amongst teachers and workers on the east coast, as well as a variety of responses to the problem from government, workers, and unions.*



ONE MILLION 'OFFICIALLY' UNEMPLOYED

Statistics Canada's unemployment figures hit the one million mark in early February indicating a 9.5 per cent unemployment rate. The media called the one million figure a "milestone" which was bound to dramatically affect public confidence in the economy. WFP 4/3/78 p.1; OC 14/3/78 p.1; MS 15/3/10 p.A10

Figures also indicate the incidence of long-term unemployment (14 weeks) has been increasing. In 1976, an average of 247,000 people experienced long-term unemployment. This average rose to 302,000 in 1977. GM 16/3/78 p.B2

While those seeking work steadily increases, the number of available jobs continues to decline. Statistics Canada reports 36,700 full-time, part-time and casual jobs available during the three month period ending January 1978. This is a five per cent (2,000 jobs) decrease from the previous three-month period and a 29 per cent (14,000 jobs) decrease from the same period one year before. The number of full-time, long term (4 weeks or more) jobs is declining most rapidly. HCH 3/3/78 p.11; FP 25/3/78 p.10

WHAT NEXT?

Predictions for the future do not offer much hope to the unemployed. The Ontario Economic Council predicts that unemployment within the province will remain well above six per cent for the next four years and above five per cent for the following four years. In the shorter term the Conference Board in Canada predicts that national unemployment will not fall below 8 per cent in 1978. TS 2/3/78 p.B8; TS 28/2/78 p.A1

TEACHERS FACE CUTS

Layoffs among teachers in elementary and high schools continue and will increase in the future. These follow declining enrolment levels and decisions to increase the pupil/teacher ratio. Based on a Board of Education study, North York plans to cut 1,193 teachers (24.4 per cent of its teachers) before 1982. This predicted cut is based on current pupil/teacher ratios. If recommendations of management committees to increase this ratio by one pupil per teacher by 1980 and to close schools are followed, the number to be fired will increase. With school sizes reduced it will be difficult to maintain special subjects, a balanced academic programme and special education programmes. TS 8/3/78 p.A4

WHO GOES?

The Toronto Board of Education began to pull names out of a hat to decide the seniority rankings of elementary school teachers hired since 1975. Teachers are given a number from which they can predict roughly how long it will be before it is their turn to be fired. The board is firing between 120 and 130 teachers before next year. TS 14/3/78 p.A16

TEACHERS' PROPOSALS

The Ontario Public School Men Teachers' Federation called on the governments to guarantee the jobs of present teachers despite dwindling enrolment. It proposed that this be accomplished by cutting back the numbers enrolled in teachers colleges and by using currently employed teachers in work with exceptional children, community work with day care services or senior citizen programmes, and language instruction classes for immigrants. TS 4/3/78 p.A13

UNEMPLOYMENT DECLINE IN NOVA SCOTIA?

Statistics Canada has recently reported a decline in the unemployment rate for Pictou County in Nova Scotia. Similarly, the caseload in the Canada Manpower centres and the number receiving Unemployment Insurance benefits has gone down. But the statistics do not indicate less unemployment amongst the county's 10,000 residents. Rather, an increasing number of people have given up looking for a job, have left the area, or have been shifted from UIC benefits onto the welfare roles. The official unemployment rate for

the area in December was 10.1 per cent, but J.K. Bell, secretary-treasurer of the Nova Scotia Federation of Labour, estimates it is closer to 25 per cent. Elsewhere in the eastern provinces, official figures reach the 30 per cent mark.

Bruce Murray of the Pictou County Research and Development Committee (a municipal organization geared to the encouragement of industrial development) is optimistic. He points out that the provincial government will be opening a coal strip mine soon, Michelin Tire is planning an expansion, the 200 mile fishing limit may increase ship-building, and Hawker Siddeley is bidding on a \$1 billion railway project in Venezuela which would create a demand for rail-cars. However, the strip mine would only employ 100 men and the possible Hawker Siddeley contract would not mean an increase in the output of rail-cars until 1980. GM 13/3/78 p.27

CANADA MANPOWER PLACEMENTS

A recent survey of the 18,347 members of the Canadian Federation of Independent Businessmen showed that employers do not have much faith in the Canada Manpower placement centres and usually use other means (newspapers, private personnel agencies, notice boards etc.) to fill job vacancies. Asked if they listed jobs with the government agency 53.9 per cent said 'never', 35.4 per cent said 'occasionally' and 10.7 per cent said 'usually'. Assessing the job of the centres 64.7 per cent called them 'poor', 23.3 per cent 'fair' and 9.9 per cent 'good'. FP 25/3/78 p.10

MOBILITY GRANTS

Canada Manpower mobility grants are to enable people to seek employment outside of their immediate area. They include return airfare to an area believed to have jobs as well as \$20.00 per day for two days while looking for work. A total of 12,900 such grants, costing \$1.3 million were given between April 1977 and February 1978. Other grants include moving expenses to new jobs (7,500 grants to accommodate the taking of temporary jobs, eight weeks to nine months in duration (16,000 grants costing \$1.5 million). FP 25/3/78 p.10

SKILLS NEEDED

Queen's Park promised to set a high priority on training programmes geared to satisfy the manpower needs of industry. Since World War II, Canada has relied on skilled European immigrants to supply trained labour with few apprenticeship programmes to train young Canadians. J.L. Meschino, chairperson of the Machinery and Equipment Manufacturing Association says that apprenticeships will not work since most firms lack the facilities to set them up and will not invest in such programmes because of a high turnover and drop-out rate. He calls for more institutionalized vocational training programmes within the current educational system. GM 17/3/78 p.B5; TS 4/3/78 p.C2

CNSP NOTE: Meschino gives no data to back his allegations of high dropouts in apprenticeship programmes. In addition, his comment on the lack of extra machinery and facilities to run programmes seems doubtful with Ontario industry currently running at approximately only 80 per cent production capacity.

MANPOWER TRAINING

In 1977, 300,000 people used government training programmes costing of \$550 million. Programmes are geared towards academic and skills training courses both within institutions and industry. Participants either collect unemployment insurance benefits or receive weekly grants not exceeding \$109 per week. FP 25/3/78 p.10

ALBERTA SAYS 'NO' TO UNSKILLED LABOUR

Alberta's provincial manpower minister, Bert Hohol says that province would stop unskilled workers from entering the area if it could. He complains the federal Employment and Immigration Commission sends such workers despite the lack of jobs for them and rising provincial unemployment. Alberta's unemployment rate is four per cent. In 1976, 100,000 unemployed persons entered Alberta mainly from British Columbia and Ontario. Forty thousand of these stayed. TS 14/3/78 p.A16

GM 18/3/78 P. 3



LABOUR

WORKER TAKEOVER?

In a combined effort between government, employees and private businessmen, the Pioneer Chain-Saw Company, Outboard Marine Corp., of Peterborough Ontario, will re-open soon. The company previously closed the plant laying off the 450 employees who belonged to the United Steelworkers of America. As well as putting initial money into the purchase of the company the workers have agreed to work for \$1/hour less in exchange for a ten per cent share of the after-tax profits and the option to buy shares.

The purchase of the company was engineered by Joseph Mason of Tembec Forest Products Ltd. He will be the director of the new company with two of Tembec's Montreal consultants as president and vice-president of finance. Although the media hails the purchase as a "worker take over" and "trailblazer for worker participation", the Mason group will control the company with 51 per cent of the shares. Workers own 24 per cent and are expected over time to buy the government's 25 per cent. Previous attempts of workers to organize the purchase between themselves and the government were turned down on the grounds that they lacked a strong management team. Workers will be represented on the board of directors.
TS 7/3/78 p.A1; FT 13/3/78 p.4; TS 13/3/78 p.A7

MORATORIUM ON MORTGAGES

The Vancouver and District Labour Council unanimously adapted a motion to urge the Canadian Labour Congress to press the government for a moratorium on mortgages on unemployed workers' homes. Foreclosures reached record rate in 1977, being three times that of the previous year. Pacific Tribune 24/2/78 p.1

TAX CONCESSIONS RESULT IN LOST JOBS

Ontario treasurer Darcy McKeough last year gave the corporate sector a seven percent sales tax exemption on purchases of new machinery and equipment. He hoped business would expand and create new jobs. Instead, according to a study by the Institute for Policy Analysis at the University of Toronto, the exemptions resulted in the loss of 3,770 jobs and \$160 million in tax revenues. The study predicts a total loss of 10,000 jobs in Ontario as employers take advantage of the tax concession to buy machinery that replaces workers. TS 10/3/78 p.A10

UNEMPLOYMENT INSURANCE BENEFITS

UIC benefits in 1977 totalled \$4 billion, with 824,000 recipients in December.

A former employee of the Canada Employment and Immigration Commission, Victor Schwartzman, told the CBC that employees are urged to disqualify as many applicants as possible in order to make the records look good. He stated that people in benefit control are expected to disqualify between 40 and 60 per cent of the cases they investigate. Of the 660,000 claims investigated last year 223,000 were disqualified,



slightly more than one-third. L.E. St. Laurent, executive director of the benefit programme denied the use of any type of quota system, and upheld the recent \$1 million advertising campaign warning UIC cheaters as necessary and effective for stopping fraud. OC 18/2/78 p.7; GM 22/3/78 p.5 EJ 3/3/78 p.A2

LAYOFFS

The Iron Ore Co. of Canada Ltd laid off 350 of its 3,000 employees in Labrador City Nfld., and announced the planned closing of its iron ore pellet plant for five weeks in July. EJ 7/3/78 p.H8

Northern Telecom Ltd. has laid off 80 workers in Aylmer, Quebec. TS 10/3/78 p.A5

Three-hundred and seventy-eight employees of the Manitoba government are being fired as a result of provincial cutbacks. EJ 10/3/78 p.A8

Massey-Ferguson Ltd. increased the total number of workers laid off to 1,921 with a further 243 layoffs in Toronto. GM 10/3/78 p.2

Firestone Canada Ltd. has laid off 280 workers from its original 390 in Calgary. Eighty of these are indefinite layoffs. GM 9/3/78 p.B15

WORKERS' STRUGGLES

POLICE INTERFERE IN LEGAL STRIKE

Autoworkers at the Fleck Manufacturing Co. Ltd. near London have been on strike since early March. The union is seeking its first contract and wants the company's minimum wage set at \$3.20 an hour plus an across-the-board increase of 75 cents an hour. It is also concerned with union security, fringe benefits and safety conditions in the plant which produces wiring for the auto industry. The majority of workers at the plant are women. After negotiations broke down, two OPP officers

entered the plant to lecture the workers about charges they would face if they caused a disturbance and they said they could face five years in prison. One worker said that many of the women were scared after the lecture and will not go out on the picket line. Since the strike began, there have been a number of instances of police intimidation of workers and interference of picketers by police escorting scab workers into the factory. Following this, the Oshawa and District Labour Council has called on the Ontario Federation of Labour to support active resistance to any police intervention in legal strikes.

The United Auto Workers has applied to the Ontario Labour Relations Board for permission to prosecute Fleck Manufacturing Co., its vice-president, three members of the OPP and a member of the Ontario Legislature. The application was made on the basis of charges that they violated seven sections of the Ontario Labour Relations Act. The sixteen-page document accuses the company of failing to bargain in good faith, interfering with representation of employees by a union, intimidation employees, imposing terms of employment that would exclude union representation, changing terms of employment and failing to comply with a certification order. The complaint against the OPP is based on charges that they interfered with representation of employees by a union and that they intimidated employees. The complaint states that the police "at all times acted for and on behalf of the company and were more concerned with assisting the company and breaking the union than with the neutral or other performance of their duties as police constables".

Mr. Grant Turner, vice-president of Fleck, has said he would not meet union demands for a mandatory check off of union dues from all employees nor would he negotiate on matters related to safety.

The 130 workers at the plant have had strong support from the United Auto Workers locals from neighbouring towns and there are plans for busing in more supporters to picket. TS 8/3/78 p.A6; GM 8/3/78 p.1; OC 16/3/78 p.14 CP; GM 18/3/78 p.2 Wilfred List; GM 24/3/78 p.8 CP

CALGARY OUTSIDE WORKERS' STRIKE

Nineteen hundred outside workers of CUPE local 37 in Calgary have been on strike since March 2, 1978, the first civic strike in Calgary in 40 years. Negotiations, which began last September, collapsed January 6. The union, which represents workers employed in garbage collection, grave digging, maintenance of water and sewer lines, and upkeep of recreational facilities, is seeking a \$1.11 an hour across-the-board increase, equal to about 12 per cent. It is also asking for a reduction of the work week from 40 hours to 36 hours and a guarantee that the city will not contract out to private operators work which could be done by union members.

Mayor Ross Alger has remained adamant about staying within provincial wage-increase guidelines of six per cent, but Clive Chalkley, the city's personnel director, says the city may offer up to seven per cent. However, the city has refused to

make any guarantees with respect to contracting out work.

The city was granted an injunction by the Alberta Supreme Court forcing 1,760 members of CUPE local 38 to cross picket lines. The city is also suing local 37 for \$250,000 plus unspecified damages for "illegal acts" allegedly committed since the strike began.

Since March 13, 165 members of CUPE local 709, the foremen of the striking outside workers, have also been on strike and are likewise seeking a 12 per cent wage increase. GM 4/3/78 p.3; GM 9/3/78 p.9; GM 11/3/78 p.8; GM 21/3/78 p.9

B.C. TEL: CONTRACTING OUT CONTINUES

CNSP NOTE: None of the regular dailies carried details of the settlement won last month by the Telecommunications Workers Union following a 15 week lockout by B.C. Telephone Co. CNSP has learned however, that the new agreement restricts contracting-out, one of the major issues in the dispute. The company had tried to delete a clause from the previous contract that protected workers against this practice. The new agreement spells out specific areas which can be contracted out without notification while any other contracting-out must be submitted for approval to a Joint Standing Committee on Contracting Out and Technological Change. The committee is made up of four representatives each from the company and the union with a chairman appointed by mutual agreement or by a chief justice of the Supreme Court of B.C. The three year contract, which is retroactive to January 1977 also provides for a 45 cent wage increase in the first year, 32 cent in the second year and six per cent in the third year.

UNION WINS CONTRACT, FACES DECERTIFICATION

Fresh from winning a 16 month lockout battle with the Ottawa Journal, the members of the Journal Unit of the Ottawa Newspaper Guild are having to fight a decertification bid. The bid was launched by the employees hired by the newspaper to replace the locked-out Guild members. The new contract signed February 15, will be rendered invalid if the Ontario Labour Relations Board rules in favour of the decertification bid.

The Guild was one of four unions that went out in support of the International Typographical Union (ITU) whose dispute over technological layoffs and lack of severance pay in 1976 precipitated work slowdowns and the subsequent lockout. The ITU has still not achieved a contract. OC 16/2/78 p.2; OC 10/3/78 p.9



LABOUR

WOMEN MUST FIGHT FOR JOBS !

As unemployment gets worse, women are under increasing pressure "to step back and let the men have the jobs" reports Grace Hartman, president of the Canadian Union of Public Employees (CUPE). She adds, however, that women must resist this pressure and should fight to improve provisions for women in collective agreements--not just wages, but safety and health, day care, and social security.

Mary Eady, assistant director of the CLC's women's bureau, worries that women are accepting the blame for unemployment among men, despite statistics showing the facts to be otherwise. Dian Cohen points out that the Canadian job market is still largely a ghetto in which women are concentrated in only three or four occupations. Of the more than three million women in the work force, more than two million are found in clerical, sales, service or professional jobs. One million women work in the clerical group and half of these are stenographers, typists or receptionists. In services, almost two-thirds of the women work as cooks, waitresses or hairdressers. Of the half-million professional women, more than 60 per cent are school teachers or nurses. Only two per cent of all males in the work force are in the teaching or nursing professions. Statistics for 1971 in the occupations traditionally viewed as being masculine show that women represent:

15% of the accountants	5% of the lawyers
12% of the managers	10% of the physicians
1.6% of the engineers	5% of the dentists
3% of the architects	

Even if all these women professionals were fired and their jobs given to men--and they were not counted as unemployed--the jobless rate would drop less than one-half of one per cent.

GM 10/1/78 p.12; WFP 10/1/78 p.6 CP;
EJ 10/1/78 p.A14 CP; HCH 22/2/78 p.22 CP;
EJ 2/3/78 p.B12 CP; OC 2/2/78 p.35 Dian Cohen

CLC CONFERENCE ON WOMEN TRADE UNIONISTS

Four hundred delegates to a CLC conference on equal opportunity and treatment held in January participated in workshops on bargaining, health and safety, equal pay for equal value, equal opportunity, organizing the unorganized and other issues of concern to women trade unionists. They were reminded that the wage gap between male and female workers was widening and that federal and provincial laws requiring equal pay for equal work have had "very limited success" largely because women fear reprisals if they make complaints against their employers. Items such as child care and maternity leave which were being bargained for were wiped out when wage controls came in. It was acknowledged that it was "pretty difficult" to convince people in the trade union movement to fight for women's rights when anti-inflation guidelines did not allow wage increases even to keep pace with the cost of living but the delegates left the conference determined to struggle harder for gains in both the labour market and the union movement. GM 13/1/78 p.12 Patricia Bell; TS 14/1/78 p. A13 Rosemary Speirs; WFP 14/1/78 p. 75 CP; EJ 14/1/78 p.B6 CP; GM 14/1/78 p.16 Patricia Bell; GM 16/1/78 p.27 Kathleen Res; Steel Labour, Feb., 1978 p.6 CPA; Canadian Transport p.8

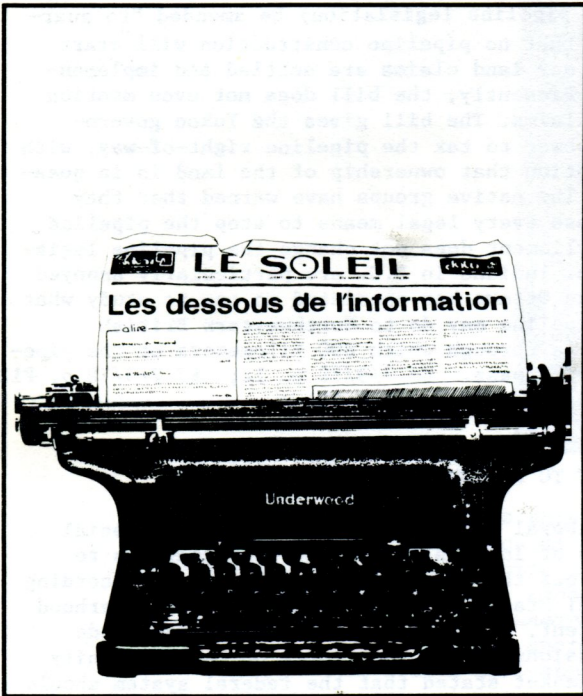
QUEBEC LABOUR

INTRODUCTION: *The continuing strikes at three major Quebec newspapers continued to get attention in Le Devoir. They received no attention in the English language press outside Quebec. By the end of March, the disputes were still unresolved. However, a number of reflective articles on the nature of the press in Quebec did appear.*

The public sector was newsworthy this month, with Premier Levesque suggesting that government workers must be "realistic" and "restrained" in their demands at the next round of negotiations. The public sector unions' reaction to this suggestion was a swift criticism of the government's tax subsidies to private corporations.

A small strike by economics students at the University of Quebec at Montreal received a fair amount of press coverage in Quebec. The dominant issue of the strike was the demand that a course in Marxist economic theory be added to the curriculum. The strike was successful.

Ecris et tais-toi



Edité par le Syndicat des journalistes de Québec

LE SOLEIL STRIKE ENTERS SEVENTH MONTH

A journalist at Le Soleil reflects on the course of the strike and worries too about the effect of having such an important Quebec City daily silent for seven months at a time when Quebec citizens need good information about their society. He is critical of the new management at the paper, which is oriented towards Montreal and has downplayed regional news and, above all, seeks profit and ways to cut costs. LD 17/3/78 p. 5

A magazine put out by striking journalists at Le Soleil, called Ecris et tais-toi (write and shut up) makes these points: "the objectivity of the media is really the objectivity of the status quo". This was very clear during the October Crisis in 1970. "The press cultivates stars and celebrities." "The quality of economic information in Quebec newspapers is very poor. This is partly because economic data is non-sensational and sensitive. The least error for example in reporting on the affairs of a private company is dangerous."

REFLECTIONS ON THE PRESS IN QUEBEC

Pierre Godin, a former journalist, is worried by the situation of the press in Quebec. It is unhealthy, in his opinion, that not a single newspaper in the province openly advocates or even

sympathizes with the Parti Quebecois. He wonders whether the PQ will be able to put across its positions in the upcoming referendum campaign in this climate/ LD 3/3/78 p.5

THE PUBLIC SECTOR

Commenting on Lesveque's advice to practice restraint, Yvon Charbonneau of the Quebec Teachers Federation (CEQ) said it is indecent to say this without also mentioning the waste of resources at the hands of of private companies. It is worse still to offer tax incentives to companies without demanding jobs and reinvestment of profits in Quebec.

LD 24/2/78 p.7

Fifty thousand members of the 71,000-strong Social Service Federation (CSN) met yesterday to study the situation of cutbacks in Quebec that resulted from the reforms suggested by cabinet ministers Forget and Lazure. A union study says the cutbacks will mean 1167 positions abolished, 751 layoffs and 997 beds less in Quebec.

LD 2/3/78 p.8

NATIVE PEOPLE

FLUORIDE POLLUTION THREATENS MOHAWKS

Fluoride pollution is seriously affecting the health and livelihood of 1,300 Mohawks who live on the St. Regis reserve on Cornwall Island in the St. Lawrence River. The fluoride emissions are from the Reynolds Metals Co. aluminum smelter on the New York side of the river.

A preliminary health survey has been done by two U.S. environmental health experts; Dr. Bertram Carnow and Dr. Shirley Conibear. Their study shows that over 25 million pounds of fluoride has passed over or fallen on the island since the Reynolds plant opened in 1959. The company's own figures indicate that between 1959 and 1968 the plant was emitting 307 pounds of fluoride an hour, and still is emitting 73 pounds an hour. Too much fluoride in the body can cause crippling bone disease, respiratory illness, and thyroid problems. The fluoride is also destroying the agriculture economy of the island. The report called for an immediate reduction of pollution.

The St. Regis band sought help from the American doctors in November, 1977, after the Department of National Health and Welfare rejected their request for a full-scale study. Early in February, Hugh Faulkner rejected further funding for the U.S. team, asking that the band instead put faith in bilateral negotiations between Canada and U.S. aimed at getting emissions reduced.

Negotiations did take place in mid-February, however they proved to be a disaster. The Canadian External Affairs diplomats came unprepared, and were told to go home and do some homework before raising the matter again.

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Recently, Faulkner has announced that the federal government is prepared to go ahead with a major health study on the fluoride contamination. However, he did not specify who will do the study; the health department cannot do the job as quickly and comprehensively as the two Chicago doctors. If they cannot get funding for further research by the U.S. team, they are prepared to raise funds on their own. The CLC has also agreed to help in fund raising. OC 10/2/78 p. 10; OC 9/2/78 p. 1; OC 15/3/78 p. 14; OC 17/3/78 p. 2; OJ 2/3/78 Jim Robb.

MERCURY POISONING - PASS THE BUCK

The first major Canadian health study of mercury poisoning is to be carried out by McGill University with support from the federal and Quebec governments and the Donner Canadian Foundation. The two-year, \$400,000 study will be conducted in Cree communities of Northwestern Quebec.

Originally the study was planned for Northwestern Ontario, but the Indians there refused to participate unless Ottawa ordered the English-Wabigoon River system closed to all fishing. Commercial fishing has been banned since 1970. However, licences are still given for sport fishing.

Health and Welfare Minister Monique Begin asked the Federal Fisheries Department to close the mercury-contaminated river system to sport fishing. There was a heated debate between the federal and Ontario governments over whose responsibility it was to close the river. Ottawa feels that only the provincial government could enforce the ban. The Ontario government, however, has repeatedly refused to ban all fishing to avoid being sued by tourist camp operators for losses they would suffer.

The result of this debate has been that instead of banning fishing, the federal and provincial governments are planning to dredge out the mercury or bury it deeper in the river mud. GM 25/2/78 p. 5; GM 28/2/78 p. 1 CP; TS 28/2/78 p. A1; TS 2/3/78, TS 21/3/78 p. A5.

ONTARIO INDIANS WIN HUNTING, FISHING RIGHTS STRUGGLE

Ontario does not have control over Indian hunting and fishing rights according to a ruling made by Judge Bernstein of Temiskaming district court. The judgement is an important court declaration that Indians were promised continual use of good hunting and fishing grounds when Ottawa signed treaties decades ago and still have those rights.

Ontario has allowed uncontrolled Indian hunting on treaty lands. Yet it claims to have legislation to prohibit the use of Crown Land. Bernstein's ruling, if upheld by higher courts, may directly challenge this long-standing control by the province. TS 22/3/78 p. A4 Ross Howard.

PIPELINE LEGISLATION IGNORES CLAIMS

Both the Council for Yukon Indians and the Union of B.C. Chiefs have requested that Bill C-25 (proposed pipeline legislation) be amended "to guarantee that no pipeline construction will start until our land claims are settled and implemented." Presently, the bill does not even mention land claims. The bill gives the Yukon government power to tax the pipeline right-of-way, with no mention that ownership of the land is in question. The native groups have warned that they will use every legal means to stop the pipeline if Parliament does not change the pipeline legislation. Indians in B.C. are particularly annoyed because Ottawa has appointed no one to study what the pipeline may do to Northwestern British Columbia through which 800 kilometers of the pipeline will pass. EJ 7/3/78 p. 12; EJ 7/3/78 p. F12; OC 7/3/78 p. 40 Howie Collins.

THREAT TO NATIONAL UNITY

The Liberal Government is ignoring the special status of Indians because of its eagerness to stamp out the Quebec separation threat, according to Noel Starblanket, National Indian Brotherhood President. The Inuit, Metis, and Indians made submissions to the Task Force on Canadian Unity. Starblanket stated that the federal system should be flexible enough "to allow a people's collective expression of their political, cultural and economic goals. Unfortunately, our federal government has reacted in a knee-jerk fashion against every hint of self-determination in Canada." GM 3/3/78 p. 10; HCH 3/3/78 p. 4.



FEDERAL GOVERNMENT



INTRODUCTION: *The press this month could hardly keep Thomas Cossitt (P.C.-Leeds) off the front page as the Solicitor-General and the MP tangled with the issues of national security and parliamentary privilege. And in the end, the government shifted its emphasis from MP Cossitt to the Toronto Sun as it tenaciously attempts to unearth security leaks — a politically astute and legally clumsy move. On another front, P.M. Trudeau got a jump on his election opponents with a well-staged, up-beat campaign swing out west.*

COSSITT CAPERS

The "affair" began on February 13th when Tom Cossitt, the P.C. member from Leeds, announced in the House of Commons that foreign intelligence agencies, including the Russian KGB and the French Deuxieme Bureau, were conspiring to foment guerrilla activity in Quebec.

Cossitt charged that foreign spies funnelled at least \$4.5 million to Canadian firms since 1958 to promote separatism, and added that ammunition and weapons were smuggled into the province by Cuban, Russian and French intelligence agents. He also said 15 Canadians now in Montreal had been trained in a "terrorist school" in East Germany.

In the next few days he went on to name several companies including Renault Automobile Co. and Air France, saying that they had unwittingly acted as fronts for the laundered money. He charged that five Soviet-owned companies in Canada were financing Quebec terrorism.

In the wake of the government expulsion of 13 Russian spy-diplomats last January, Cossitt charged that the government had known for at least seven years that 30 of the 60 members of the staff at the Soviet Embassy in Ottawa were intelligence agents. He said the government had refused to act earlier for fear of rocking the diplomatic boat.

On February 23rd, he said a Russian reporter in the parliamentary press gallery in Ottawa tried to recruit two special assistants working for a cabinet minister in March 1976. Solicitor-General Jean-Jacques Blais did not deny the reports. Meanwhile the Tass News Agency in Moscow accused Canada of conducting a smear campaign against Russian diplomats. Soviet officials

told the Canadian Ambassador, Robert Ford, that they expected these charges to stop. The RCMP linked Cossitt's accusations to a stolen document from top-secret files. The RCMP realized that Cossitt had these documents in his possession by comparing statements by the M.P. in the Commons with data contained in top-secret files. On March 2nd, Blais and Lt.-General Michael Dare visited Cossitt's office in an attempt to recover the document and/or documents they believed Cossitt had. The Official Secrets Act makes it an offence for any citizen to give or receive secret government information without proper authorization. M.P.'s have certain protection against libel action for what they say or reveal in Parliament.

Trudeau argued in the House that the revelation of the papers posed three dangers: tipping off the Soviet KGB on the operations of RCMP counter-spy operations; inhibiting Canadians from informing the RCMP of subversion; and disturbing allies who give Canada intelligence on subversion in Canada. He argued that the documents, if left in Cossitt's hands, would pose a threat to national security. Cossitt contended that the government, by not acting against the Soviet spies described in the documents, was itself threatening national security. Cossitt also argued that his rights as an M.P. had been obstructed by the government's attempt to retrieve the documents.

Jean Jacques Blais subsequently served "formal notice" to Cossitt demanding the return of a specific document. Cossitt was able to embarrass Blais with the disclosure that the Solicitor-General had guessed incorrectly-- Cossitt did not have the document in question. He then vowed he would not return whatever

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security documents he did have on the activities of foreign agents in Canada because he said his source might be traced from the material -- and he vowed that he would face jail rather than reveal his source.

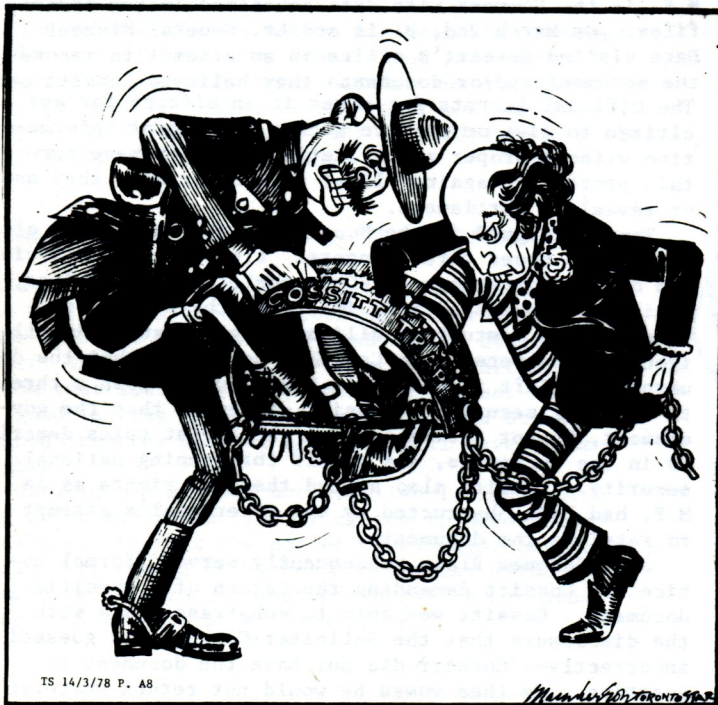
The RCMP spent days investigating the source of the leak in their security. Armed with search warrants, they seized films the CTV and Global Television Network had made of a press conference Cossitt had held after he disclosed the secret information in the House on February 21.

On March 7th, Peter Worthington, editor of the Toronto Sun, described in his column sixteen instances of what he called Soviet Spying attempts aimed at Canada. Worthington wrote that the operations were listed in a secret document prepared by the government's security advisory committee in 1976. That is the same document Blais had said Cossitt quoted in the Commons (the one Cossitt denied he had).

On March 17th, Toronto Sun Publishing Ltd., the Sun's publisher, Douglas Creighton, and Peter Worthington were charged with violating the Official Secrets Act for publishing information from a top-secret RCMP report. Justice Minister Ron Basford decided not to prosecute Conservative MP Thomas Cossitt for disclosing information from the same top-secret document.

GM 3/3/78 p. 1; TS 3/3/78 p. A1,A8; OC 3/3/78 p.1; GM 6/3/78 p. 1; TS 4/3/78 p. A2; TS 7/3/78 p. A1; OC 7/3/78 p. 1; GM 9/3/78 p. 1; GM 18/3/78 p. 1; OC 17/3/78 p. 1; WFB 22/2/78 p. 1 EJ 9/3/78 p. A6

CNSP NOTE: *If it makes far more political sense to charge a newspaper than to make a martyr of a Conservative M.P. in an election year, the justice minister's legal logic was unclear. Noting that parliamentarians have absolute privilege to say anything in the Commons, Basford reasoned that since Cossitt had said substantially the same thing outside the House, he could not be charged.*



In essence, Basford has reinforced the principles of parliamentary immunity, while serving notice on the press that publishing sensitive material can bring prosecution under the Official Secrets Act. The freedom of the press is an equally important issue, but very few people have to become angry that the government is attacking the Toronto Sun. Very few people indeed called for reform of this act.

The Cossitt affair raises the issues of parliamentary privilege and the right of an M.P. to protect his sources of information. Although Cossitt's posturing about his rights as an M.P. being infringed probably amounts to little more than political grand-standing, there was at least one tangible result: the House of Commons has approved the establishment of a seven-member all-party committee to examine application of the Official Secrets Act to M.P.'s. The committee's task will involve researching the laws, how they have been applied in the past, and what precedents have been set. (OC 10/3/78 p:33)

The Montreal Star accused the government of using the Cossitt affair to distract attention away from the RCMP. Furthermore, Dalton Camp (13/3/78 p.A10) pointed out "Tome Cossitt's small-love cause celebre conveniently shuts off the reality of Canada which is at the moment hurting just about everywhere." In the end, this caper shows how easily the government gets its priorities wrong and how easily the press lets it get away with it.

P.M. TAKES A TRIP

Prime Minister Trudeau arrived in Edmonton last month to launch a three day pre-election campaign blitz by himself and 27 of his cabinet ministers in the three prairie provinces. Trudeau defended the use of public money on this venture by proclaiming that it was the duty of the central government to be present in the regions of the country. Although there were some editorial writers that supported this move (MS, 14/3/78), most commentators considered it a waste of the public's money on a purely political effort. The cost of the trip, including the use of four government airplanes, armed forces helicopters, hotels and other expenses is estimated to be in excess of \$50,000.

The most interesting aspect of the trip was that it provided everyone with a "sneak-preview" of Liberal campaign strategy in the up-coming federal election. For the Westerners, it was a soft sell approach, despite such gimmicks as introducing Trudeau with the theme song from the movie "Rocky". He emphasized the prosperity of the West and praised their ability to create that wealth. On some economic issues, he described Canadian taxes as lighter than those in the U.S. He mentioned the commitments of all governments to limit spending to increases in the GNP and he said the public debt, as a percentage of the GNP, had fallen since the 1950's. His use of statistics was quite remarkable. His comparison of debt figures completely ignored the fact that the debt from the 1950's was a war debt, and that the debt is now about 30 per cent of the GNP after a low of 13 per cent in 1975. His footwork was just as slippery when he declared that the percentage of Canadians living below

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The Citizen OC 28/2/78 P. 6



the poverty line has decreased from 21 per cent to 9 per cent since he came to office. In fact, between 1967 and 1976, the absolute numbers living in poverty has dropped by only 750,000 from about four million to about 3.25 million. Similarly, although the Prime Minister declared that federal spending had increased 10 per cent while the GNP had increased 15 per cent "in money terms", Statistics Canada reports that GNP increased only 9.3 per cent from 1976 to 1977. If this is what we can expect from the P.M. in the future, it's going to be a long election.

OC 10/3/78 p.8; OC 14/3/78 p. 7; GM 13/3/78 p. 10;
OC 13/3/78 p. 8; TS 10/3/78 p. A15; TS 11/3/78 p. A1;
TS 14/3/78 p.A11.

PROVINCIAL GOVERNMENT

PEI LIBERALS MAY LOSE VOTES

Although a date has not be set, P.E.I. is preparing for an election, probably in late Spring. In the last general election, in 1974, the Liberals scored a landslide victory, capturing 26 of the Island's 32 seats. The remaining 6 seats went to the P.C.'s under Angus MacLean. Some of the issues which may be focused on are the province's land use legislation to preserve agricultural land and the raising of the minimum wage from \$2.70 per hour to \$2.75.

HCH 4/2/78 p.11 -Joe Knycha

NEWFOUNDLAND TO BENEFIT FROM CONTROL OVER RESOURCES

It has been announced that a Shell-Texaco partnership called Shell Canada Resources Limited has agreed to take out nine permits under the province's own regulations. While the regulations are stiff, past experience of exploitation of their natural resources

with little benefit to Newfoundlanders, has brought widespread popular support for the regulations.
HCH 4/3/78 p.9 -Jim Gourlay

NEW BRUNSWICK P.C. PARTY GETS DONATION AFTER OFFERING CONTRACT

An Ontario-based company, Babcock & Wilcox (a subsidiary of Babcock & Wilcox in the U.S.), made donations to the N.B. P.C. party after receiving a \$4.6 million contract for work in the province in 1974. The donations were entered in the company's accounting books under operating expenses and other categories.

The company, which manufactures energy-producing equipment, entered into agreements whereby donations were made on a sustaining or continuing basis to other political parties in other provinces where B&W had a large volume of business.
GM 24/2/78 p.10

QUEBEC, NEWFOUNDLAND PREMIERS CLASH OVER CHURCHILL FALLS

Premier Rene Levesque and Premier Frank Moores clashed over the price Quebec pays for Churchill Falls hydro-electric power. Under a contract signed in 1969 and in effect till 2037, Quebec now pays 3 mills (0.3 cents per kilowatt hour) for the electricity, and the rate is due to be reduced to 2 mills. Mr. Moores maintains that Newfoundland loses about \$750 million a year, the amount it would make over present payments if Quebec paid the going rate for electric power.
GM 15/2/78 p.10 -William Johnson

CLAUDE RYAN CONTESTS LIBERAL LEADERSHIP IN QUEBEC

The former publisher of *Le Devoir*, Claude Ryan is gaining momentum in his bid for the Liberal leadership against former Quebec finance minister, Raymond Garneau.

In a meeting held in Garneau's riding of Jean Talon, the 3,000 member audience heard both men develop themes of personal liberties, the renewal of the Liberal party, and both attacked the Parti Quebecois. Ryan stressed that the Liberal party had to not only win the referendum on independence and the next election, but must also have a coherent constitutional reform option.

With almost half of the delegates to the Quebec Liberal leadership convention already chosen, it is estimated that Mr. Ryan has won about twice as many committed delegates as Mr. Garneau.

WFP 3/3/78 p.3 -Peter Hadkel
WFP 20/2/78 p.10 (CP)
OC 20/2/78 p.16 -Peter Cowan

TORY RECORDS ON WASTE MANAGEMENT INC. DESTROYED IN ONTARIO

Investigations for the Royal Commission into Waste Management Inc., who are looking into a \$35,000 donation to the P.C. party of Ontario, say in a re-

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port that they were "unable to carry out meaningful work" because party records of donations before November 1975, had been destroyed. The donation was made while a subsidiary of that U.S. based corporation, Disposal Services Ltd., was applying to the Ontario Environment Ministry for a landfill permit. The permit was issued about a week after the donation was made. Officials of the company have testified that none of them made any attempt to influence members of the government or the civil service, and in fact tried to make the donation in a way that Government and staff would not find out about it.

GM 19/1/78 p.1; GM 20/1/78 p.1

MANITOBA LAUNCHES HYDRO PROBE

Acting on an election promise, the Conservative government of Premier Sterling Lyon launched an inquiry on December 30 to determine if the intent and purpose of the Manitoba Hydro Act has been carried out in the development of the Nelson-Churchill river system. Hydro's proposed 20.8 per cent rate increase was cut back by the Public Utilities Board to 14.9 per cent.

WFP 16/12/77 p.9 -Mary Ann Fitzgerald

WFP 3/2/78 p.1 -Mary Ann Fitzgerald

PC'S AIM TO CUT \$32 MILLION OFF THEIR BUDGET

Manitoba's Progressive Conservative government has asked its departments to try to trim about \$32 million from the total money voted to them for the 1977-1978 fiscal year when preparing spending estimates for 1978-79. The cuts assigned to individual departments were based on how much of their budget was considered flexible.

WFP 11/1/78 p.1 -John Sullivan & Debbie Sproat

ALBERTA PETROLEUM REVENUES CLIMB

The Alberta government received \$2.77 billion from oil and gas royalties, lease sales and lease rental during 1977. This is up more than \$900 million from revenue received in 1976.

EJ 14/2/78 p.E13

HERITAGE FUND TEMPTATION TO SPEND

The Alberta Heritage Savings Trust Fund totalled \$2.2 billion on March 31, 1977. Not all of Alberta's oil wealth goes into it - it gets less than one third. The other two-thirds goes directly into the provincial budget. Alberta spends proportionately more than any other province, however because of oil and natural gas revenues, while it spends \$1,761 on every Albertan, it only has to get \$985 per capita in taxes to pay for it.

EJ 6/2/78 p.A5 -Bob Bell

ONTARIO NDP CONVENTION

New Democrats emerged from their 9th Ontario Convention on February 5 with a new leader who promises a stronger stance on economic issues. Michael Cassidy, MPP for Ottawa Centre, is a graduate of the London School of Economics with a reputation for an uncompromising personality and a promise to make the NDP as credible on economic issues as Stephen Lewis made it on human and social issues.

The convention passed two resolutions on nationalization, one calling for the immediate nationalization of Inco and the other detailing an industrial strategy which would include nationalization of Inco, Falconbridge, Denison and Rio Algom mines. The party backed away from its \$4 minimum wage policy and adopted a policy that it should be 60% of the provincial industrial composite wage index. Last year that formula would have yielded a minimum of \$3.97. A Nickel Belt riding resolution declaring that Quebec has "the absolute right of self-determination as a nation up to, and including, independence", was amended to add the entire federal NDP policy statement on Quebec, which was adopted last year. The words "the absolute right of self-determination" were changed to "the right to make their choice without coercion". Other resolutions called for public ownership of all nursing homes and housing developments for the aged.

Within an hour of his election, Cassidy called for the nationalization of Denison and Preston uranium mines to prevent "the biggest bloody sell-out of our natural resources in the history of Ontario". (See *Synthesis* Vol.6, No.1)
TS 6/2/78, PA7; OC 6/2/78, P.1; Don Butter;
GM 6/2/78, P5 Robert Williamson; GM 4/2/78, P.5 Peter Mosher.

THRONE SPEECHES FROM ACROSS THE COUNTRY

New Brunswick - A freedom of information act conflict-of-interest legislation and political financing measures were promised. Premier Richard Hatfield said government and private sources will finance political parties and election campaigns, with contribution disclosure. The speech also revealed that the Bay of Fundy Tidal Power Review Board has recommended tidal power as a "feasible alternative" to producing electricity from imported fuels. WFP 15/3/78 P.89 (CP).

Newfoundland - A continuation of spending restraints and a renewed effort to develop the hydroelectric potential of Labrador were among the highlights of the speech from the throne opening the Newfoundland legislature. Legislation to prevent disruption of essential services caused by strikes among government employees is to be introduced. WFP 7/3/78 p.11 (CP).

P.E.I. - The government's Throne Speech stressed strengthening the Island's primary resource and small industry sectors to achieve greater self-sufficiency. The government also intends to in-

crease funds available to farmers through the family farm and new farmer programs. Pledging to hold the line on taxation, it proposed the establishment of a P.E.I. Energy Corporation to seek ways to reduce the province's dependency on imported oil, and announced plans to build experimental wood gasifier and solar and wind power generating units. A major reforestation of one third of the island's woodlands was also announced. HCH 3/3/78 p.1, Joe Nycha.

Ontario - Premier William Davis's speech from the throne promised various measures, but gave out few details. There will be initiatives to create jobs and spur investment, measures to combat alcohol abuse, initiatives to sell more Ontario foodstuffs abroad, some commitment to French-language juries in the courts, in regulatory and administrative tribunals and a start on translating Ontario statutes into French. There will also be more emphasis on special education. GM 22/2/78 p.7, Norman Webster.

There will also be compulsory auto insurance by December 1979, and legislation to allow sales of Northern Ontario cottage lots on Crown land. TS 22/2/78 p.A1, Charlotte Montgomery.

Manitoba - Apart from expanding and upgrading health facilities, the throne speech offered only reiteration of the Conservative government's aim of spending restraint. The Farmlands Protection Act will be changed to ease restrictions on non-farming Canadians and firms. The education tax on elderly homeowners' property will be reduced; and "contractions of staff" in the civil service will take place. (373 were laid off as of March 31). WFP 17/3/78 p.1 - David Lee

QUEBEC

INTRODUCTION: In January's issue (Vol. 6 #1) we reported on the Sun Life story. At that time we provided a step by step account of the story as it unfolded. This month we look at the reasons being offered in different circles for the decision to move the head office. Technically, of course, Sun Life's board has decided only to seek approval of the move from its policy-holders; in fact policy-holders will not refuse the board's request.

Sun Life's own explanations--the language laws, problems of recruitment and loss of business--seem unconvincing, not only to Synthesis but to many media and business commentators as well. Other business spokesmen point to the expected PQ policy controlling the reinvestment of Quebecers savings within Quebec. This policy will affect not only insurance companies like Sun Life but such other financial institutions as trust companies and banks. If this is the case then Sun Life may be the opening shot in a campaign waged by the financial community against such a policy. Another commentator, Richard Holden, the Montreal lawyer-shareholder of Sun Life who has headed the fight against the move, has recently argued that what's really at stake is the PQ plan to 'nationalize' Asbestos Corporation. As evidence he cites such corporate inter-links as the presence of Alistair Campbell, Sun Life chairman, on the executive committee of the board of Asbestos Corporation.

Still others see in the high profile announcement a political motive. Sun Life, it is suggested, is saying to Quebecers, "We aren't the first and

SOME PROVINCIAL BUDGETS

Nova Scotia - Finance Minister Peter Nicholson has brought down a finely balanced budget for 1978-1979, with greater emphasis on job creation in primary industries and no changes in taxation. The government plans a record \$207.8 million capital spending program aimed primarily at highway construction and public works projects. GM 4/3/78 p.B13 (CP).

Saskatchewan - Lower taxes, a program to create jobs and moves to stimulate the economy were the good news in Finance Minister Walter Imishek's budget. Taxes on alcohol and tobacco were raised. Personal income taxes were lowered, property improvement grants increased, car insurance lowered, and utility rate increases were held to a minimum. There will be a one per cent drop in corporate income taxes for small businesses and grants to expand and modernize small industries. There will be more money for highway and home construction, and livestock, agricultural and irrigation programs expanded. GM 8/3/78 p.B16 (CP).

Ontario - Finance Minister Darcy McKeogh has budgeted for a \$1.05 billion deficit. The most controversial item is a rise in health premiums of 375 per cent. Ontario residents would then pay twice as much for health care as any other province. Alcohol and tobacco taxes were raised and civil servants' salary increases are to be limited to 4 per cent. Mining companies will be allowed to deduct the full cost of sending Ontario ore out of the country for processing. OC 9/3/78 p.7 - Don Butter; TS 8/3/78 p.A16.

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we won't be the last to pull out if we don't like what 's going on here; keep this in mind at referendum time."

In itself, the Sun Life "move" is not as significant as the heavy media coverage and the federal government's reaction have suggested. As Mr. Galt, Sun Life's president, pointed out, there is a "distinction between moving the head office, a purely legal move, and transferring its 1800 head-office staff. The company has made no decision on which departments will go to Toronto or when. No large scale moves are likely for another two years." MS 28/1/78

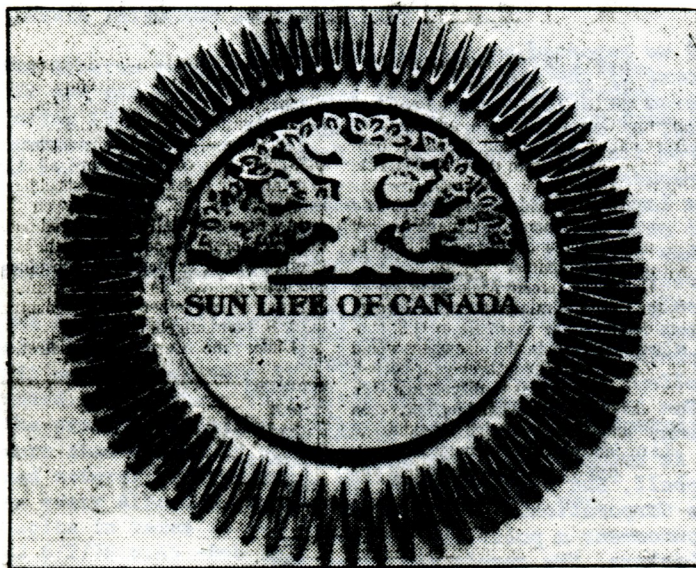
What the incident does illustrate is the kind of pressure the business community exerts on governments whose policies it doesn't like. In its battles with governments, business attempts to instill fear of economic chaos, loss of jobs etc., so that the population as a whole will lose faith in their government's policies and pressure will build against them. In this battle the media plays a role too, giving maximum coverage to business statements and actions and urging caution on governments.

LANGUAGE LAW NO REASON TO GO

The office of the French Language says it will be realistic in applying the articles of the language law relating to head offices when the clauses come into effect in four months. "No head office will be justified in moving because of the demands of the French Language Charter," office president J. Raymond Gosselin said. OC 2/2/78 p78

PROFITS UP BUT WE'RE STILL HURTING: GALT

President Thomas Galt did his best to reconcile the fact that the company could rack up record new business and earnings during the past year with his statement that the business was suffering because it was located in "unsettled" Quebec. Sun Life's group life insurance rose 42 per cent but sales of individual policies were down slightly (2 per cent decrease in Canada and slight increases elsewhere). He called the drop in individual sales "disappointing" even though Sun Life's assets grew by a half billion and overall sales were up 16 per cent from \$3/8



billion to \$4.5 billion. TS 15/2/78 pA1; TS 17/2/78 pB7; GM 17/2/78 p11

SUN LIFE BOARD OUT OF TOUCH WITH QUEBEC

"Look at their board of directors" sputtered the chairman of one Montreal financial institution. All those guys are in their 60's and 70's and they have lunch together every day in the Mount Royal Club. They aren't very modern in their thinking. If they went down to Old Montreal for lunch one day they'd find that things look a little different." The president of one francophone insurance company says that for as long as he can remember Sun Life has been notorious as a company where no French Canadian had any hope of rising to senior management ranks. FTC 16/1/78 p15

THREAT TO MOBILIZE SAVINGS IS BEHIND MOVE

The threat of legislative action to mobilize savings to the service of the state is still little more than a statement of PQ intent. But a preliminary white paper is widely expected in six months and legislation could follow soon after. Sun Life is not waiting for this to come about. Nor can it be expected that other financial institutions, similarly exposed will either. WFP 14/1/78 p11

ASBESTOS SCARED SUN

Sun Life chairman Alistair Campbell decided to pull the insurance company's head office out of Quebec because of the PQ's plan to take over Asbestos Corporation, claims Montreal lawyer Richard Holden. MS 10/3/78 pA1

CNSP NOTE: The move has all the marks of an essentially political operation whose main objective is to bring the Quebec government to heel. This type of economic blackmail is just one of several tactics the business community use regularly against governments and groups which they judge not sufficiently docile. Twenty years ago most Montreal financial institutions

began to shift a good part of their operations to Toronto. Sun Life's decision must be seen in this global context much more than in the context of the election of the Levesque government. What confirms the political motives of the Sun Life move is the way the company has let everyone know it

is leaving sometime within the next two years. This coincides with the referendum period. One has only to examine the English-language press of Montreal to see to what extent there is an attempt to create a fear of economic catastrophe around the question of the referendum.

POLICE

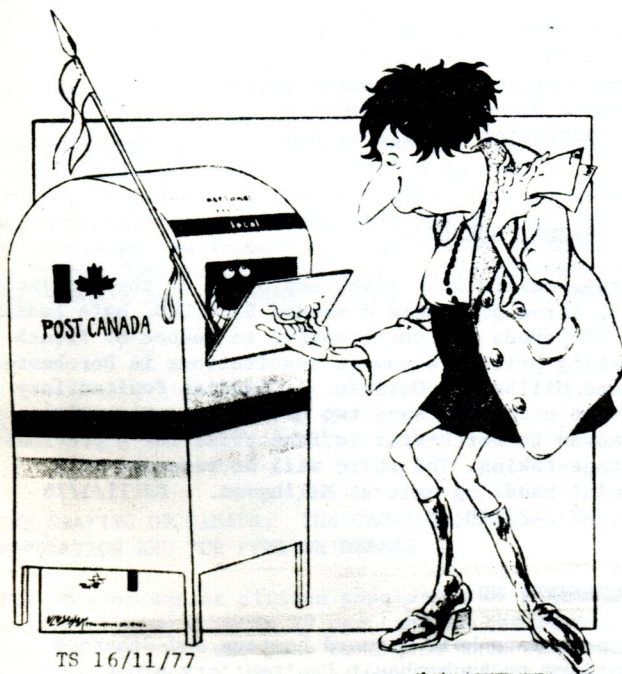
INTRODUCTION: *The House of Commons gave initial approval to a bill giving the RCMP the right to open private mail. Possible illegal activities of the Immigration Department and the RCMP in allowing informers in and out of the country at leisure created debate in the House. The McDonald Commission's latest revelation concerns unorthodox and perhaps illegal attempts by the RCMP to recruit informers from Quebec separatist groups. For coverage of the perils of Tom Cossitt, see Federal Government.*

MAIL BILL APPROVED

The House of Commons approved in principle a bill allowing police to open private mail. Six new Democrat MPs, one Conservative and one Liberal voted against the bill on the grounds it denies civil liberties and gives the Solicitor-General too much power. The bill goes to committee for detailed debate TS 21/3/78 pA4

MAIL BILL RESEARCH STAMPED "SECRET"

The Federal Government put a "confidential" stamp on the research that went into preparation of the new mail opening legislation. The Justice Department says it is under orders not to make public even straight forward research comparing mail opening laws in other countries. The government refused the Law Reform Commission of Canada, one of its own agencies, access to the research. Opposition MPs have suggested it's a political exercise by the government trying to corner votes in an election year with a pro-RCMP attitude. OC 16/3/78 p8



TS 16/11/77

A COSY TRIO—HART, RCMP, IMMIGRATION DEPARTMENT

Conservative MP Elmer MacKay said the RCMP arranged for the deportation and re-entry into Canada of an FBI informer Warren Hart through "irregular" dealings with the Immigration Department. Hart was paid by the RCMP to infiltrate radical groups in Canada and the Caribbean. He trained revolutionaries in the Caribbean and smuggled immigrants into Canada as a cover for his RCMP work. Hart said part of his duties included bugging then Solicitor-General Warren Allmand and NDP MP John Rodriguez. Solicitor-General Jean Jacques Blais claims Allmand and Rodriguez were accidentally taped while Hart was bugging someone else. Immigration Minister Bud Cullen acknowledged that after it discovered Hart was in Canada illegally, the Immigration Department left him alone because of his RCMP connections. MacKay says the RCMP controlled Hart, who was deported and allowed re-entry at the convenience of the authorities. MacKay said officials in the Prime Minister's Office knew of the unusual arrangements between the RCMP and the Immigration Department.

The Government has refused to let a Commons' committee investigate allegations that MP John Rodriguez was bugged by Hart. The vote on the issue held up debate on the northern pipeline legislation

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for two hours. OC 28/2/78 p1; OC 1/3/78 p14;
OC 4/3/78 p5; GM 1/3/78 p3; TS 1/3/78 pA2; GM 22/3/78
p8

BUGGINGS NO ACCIDENT: BAIN

The Toronto Star's George Bain questions the government's claim that the buggings of Allmand and Rodriguez were accidental. If, as Blais claims, Hart was only bugging the radical Roosevelt Douglas, he could have asked him in person since Hart was already a confidante of the ex-prisoner. In addition, if the RCMP were only interested in Douglas they could have approached Allmand himself, who had discussions with Douglas and who was the minister responsible for the RCMP. Bain says it is in the Government's best interest to claim the buggings were accidental. Last August, then Solicitor-General Francis Fox categorically denied the RCMP ever used any electronic surveillance "in any form anywhere at any time against members of Parliament." During the last year the Government has continually denied RCMP wrongdoing even in the face of glaring evidence to the contrary. Bain asks why a government which has apparently been given and relayed so much "bum" information should continue to uncritically accept the word of the RCMP. TS 1/3/78 pA8

MCDONALD'S LATEST REVELATIONS

The Federal McDonald Commission into RCMP wrong-

doing is investigating seven cases of RCMP attempts at recruiting informers from Quebec separatist groups. Some of the recruiting attempts may have involved "physical or moral violence". Lawyers for the federal inquiry have copies of a report revealing "unorthodox" recruiting attempts, but are trying to block introduction of the report at public hearings. The recruiting attempts were a part of a "counter-terrorist programme" approved by John Starnes, Director General of the security service. Intelligence agents were advised to take advantage of any love affairs or drug addiction of members and power struggles with groups to neutralize activities of dissidents. Four months after the 1970 October Crisis the security service formalized a counter-terrorist programme that included long-term infiltration of groups and "disruption-coercion and compromise." GM 7/3/78 p1; TS 7/3/78 pA6; GM 23/3/78 p5

KEABLE FIGHTS- STILL HOPES

Lawyers for the Keable commission filed a special request with the Supreme Court of Canada to obtain permission to re-open public hearings. The Supreme Court held a hearing and rejected the request to re-open the inquiry immediately. Now the commission will have to wait for the court's ruling in a three month battle between commissioner Jean Keable and Solicitor-General Jean Jacques Blais. The case will likely begin in May or June. EJ 7/3/78 pA10; OC 14/3/78 -10; TS 21/3/78 pA12

PRISONS

INTRODUCTION: As the press and the public give their greatest attention to the misdeeds of the RCMP, prison unrest and tensions tend to be ignored. Hostage takings are still taking place across the country. Critics blame prison anxieties on the government's failure to implement the Commons Subcommittee's proposals on prison reform. The Canadian Civil Liberties Association is calling for a halt to prison construction.

WEST TO EAST- HOSTAGE TAKINGS

NEW WESTMINSTER- B.C.

Five prisoners at the British Columbia Penitentiary took 12 hostages after an unsuccessful prison break. One of the main demands was a transfer to Archambault prison in Quebec. The Canadian Penitentiary Service rejected the request. The prisoners are considering a transfer to Millhaven in Kingston. Claire Culhane leader of the Prisoners' Rights Group links the hostage-taking to the failure of authorities to implement recommendations from a memorandum of agreement signed by the RCMP, penitentiary management, a citizens' advisory committee and inmates on October 1, 1976. This is the 13th hostage taking incident at the prison in 15 years. TS 30/1/78 pA2; GM 30/1/78 p1; WFP 30/1/78 p1

ST. JEROME, QUEBEC

Hostage takers held seven employees of the provincial jail. Three prisoners demanded \$100,000, safe passage out of Canada and the transfer to Quebec of French speaking prisoners now in institutions in Dorchester, NB and Millhaven, Ontario. A Canadian Penitentiary Service spokesman says two of the prisoners will be moved to Dorchester to face trial for a previous hostage-taking. The third will be returned to a special handling unit at Millhaven. EJ 11/3/78 pH7; GM 24/3/78 p8

DORCHESTER, NB

Two prisoners held a guard hostage and demanded transfers to Archambault Penitentiary along with

11 other demands. After a week the prisoners gave up after being promised transfers to the Quebec prison. TS 30/1/78 pA2; TS 31/1/78 pA2; EJ 31/1/78 pA3; EJ 3/2/78 pA1

BLAIS' CRITICS DEMAND PRISON CHANGES

MP Erik Neilsen (PC) said recent prison violence can be attributed in part to Government failure to implement 65 recommendations presented last June by the Commons subcommittee on prison violence. MP Stuart Leggatt (NDP) said the Government must show itself willing to fight entrenched bureaucrats who oppose change. Liberals and Progressive Conservatives on the Commons Justice Committee told Solicitor-General Blais his proposed change to make the Penitentiary Service the employer of prison staff rather than the Treasury Board was not an adequate change. The Commons committee had recommended the penitentiary service be made independent of the Public Service Staff Relations Act. Subcommittee members say these Acts make it impossible to act against prison employees. Mark MacGuigan said reform has failed because of the piecemeal measures that do not go to the heart of the problem. GM 11/2/78 p13; OC 15/3/78 p43; WFP 15/3/78 p86; WFP 16/3/78 p11

CNSP NOTE: The frequent changing of Canada's Solicitors-General has created tension and apprehension in the prison system. While Jean Jacques Blais familiarizes himself with his new duties and places increasing priority on RCMP affairs, inmates fear that the recommendations of the Commons Subcommittee will be left to gather dust. Blais commented that "it is becoming glaringly obvious that we need to look at new approaches." Prisoners in Canadian institutions have been painfully aware of the "glaringly obvious" for a decade. Now they want action.

CUT PRISON CONSTRUCTION SAYS CCLA

The president of the national capital region Canadian Civil Liberties Association called for a halt to the five year prison construction programme which he called an irresponsible waste of money. He announced the formation of a Moratorium Committee on Prison Construction- an association of concerned individuals and citizens' groups. OC 23/2/78 p18

SOCIAL WELFARE

THE GRAYING OF CANADA: THE GROWING SENIOR POPULATION AND THE PENSION DEBATE

The present senior citizen population of 8 per cent will grow towards 20 per cent as the people born during post-war baby boom grow into retirement towards the end of this century. The Canadian birth

rate has been below zero population growth since 1971.

YEAR	AGE 65 PLUS
1976	1,971,273
1977	2,026,045
1981	2,264,841
1986	2,556,529
1991	2,909,541
1996	3,174,942
2001	3,358,121
2011	3,881,625
2021	5,179,961
2031	6,405,954
2041	6,249,712
2051	6,186,891
2061	6,202,588

TS 4/2/78 pC1

Senator David Croll has chaired a special Senate Committee on Mandatory retirement. He favours letting people work as long as they want, regardless of age. Civil libertarians and politicians have joined forces, contending that to force people to retire is an infringement of human rights. However, a major underlying reason for the growing resistance is the inadequacy of so many private pensions, especially the fact that they are not indexed to counter rises in cost of living.

In February, Ontario held public hearings on pensions. The Canada Pension Plan (CPP) came under discussion. Both the CPP and the Quebec Pension Plan's accumulation of reserves will peak in the early 1980's. The plans will then be paying out more than they are taking in, until towards the end of the century the funds will run out.

Economist Dian Cohen suggests part of the problem is that money not paid out to retired Canadians is invested at substandard rates. She says neither the Quebec nor Canadian federal governments lend the money out at the highest interest they can get. There are suggestions that some of the money is being used by the governments to pay current expenses rather than being invested. Ontario owes the plan more than \$5 million.

At present the equivalent of seven workers support one retired person. Fifty years from now three workers will support one retired person, a doubling of the Pension burden.

The Auditor General J.J. Macdonell has said, "Assuming the current rate of contributions is maintained, contributions will be insufficient to cover benefits in 1983 and the assets of the CPP will be exhausted by 2000."

The CPP works on a pay-as-you-go basis. The obvious solution is to raise the contribution rates. Except that in Canada the proportion of retired persons increases while the proportion of workers decrease. The result could be higher tax rates or decreased benefits in future.

Some think population changes such as another baby boom, women in the work force, more immigrants and banning compulsory retirement should mitigate

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remarked that such areas as Quebec had legislated an end to discrimination based on sexual orientation and added, "We feel our city and province should do no less. By passing this resolution, the membership wished to witness to their belief in equal opportunity for all, a basic tenet of this church and our denomination."

A special task force, appointed by the Bishops of the Anglican Church in 1976 to study homosexuality and the church, recently submitted its second report to the House of Bishops. The 3½ hour session dealing with the report was closed to the press and the report is still confidential. Some task force members are known to have been pressing the bishops to change the church's stand by openly accepting homosexual behavior, blessing homosexual unions and ordaining practicing homosexuals. The bishops have stated they are committed to "continuing study of this vital issue" and that a study paper for the whole church is being prepared. They reiterated their belief that "only the sexual union of male and female can find expression within...Holy Matrimony".

The United Presbyterian Church is being

urged by a special task force to adopt a policy statement allowing homosexuals to be ordained to the ministry. A minority report will ask the church's general assembly to vote against such ordination.

A recent article indicates that many of the same issues that Protestants have been discussing are being raised in the Jewish community.

The Episcopal Church of America has been divided by the decision of the Bishop of New York to ordain a lesbian to the priesthood. That action was the ostensible reason that a breakaway group left to form a new Anglican body.

The cause of this furor, Rev. Ellen Marie Barrett, spoke recently to the University of Manitoba's Festival of Life and Learning. (See WOMEN for more details of this series of meetings.) "I think some people object to me as a homosexual because they would really like to object to my being an ordained woman," she said. "But it is no longer quite as respectable in certain quarters to complain about women. So they have the other."

EJ 9/2/78, p.B3; TS 4/2/78, p.A3 -Tom Harpur;
EJ 4/2/78, p.B15 UPI; WFP 27/2/78, p.19 -Pat Zanger.

WOMEN

INTRODUCTION: A report on discrimination against female employees in the federal civil service resulted in a rebuttal from the Public Service Commission of Canada. We have a survey of activities on International Womens Day and comments from the House debate on women. See LABOUR for news of other women's struggles.

WOMEN IN THE CIVIL SERVICE

MP David MacDonald released a report compiled by an anonymous group of female civil servants indicating there is increasing discrimination against female federal employees. The report states the majority of women are relegated to junior job levels, get lower salaries than men with equal qualifications, and are victims of chauvinistic male attitudes. It also said male veterans of military service are more likely to be promoted than better-qualified female employees competing for the same job.

The report elicited a "counter-report" from the Public Service Commission of Canada (PSCC) which confirmed some facts contained in the MacDonald report, but quarrelled with the tone of the report, saying "the successes reached to date should not be over-shadowed by the data and emotionalism present in the anonymous report." The PSCC report acknowledges that women are concentrated in lower-level management jobs and that sexual inequalities and prejudice against women in the public service still exist, but feels that government efforts to combat the problem should be acknowledged.

WFP 17/2/78, p.44 CP; OC17/2/78, p.13 CP; TS 18/2/78,

p.A4 CP; OC 16/3/78, p.43 CP; TS 16/3/78, p.D10 CP;
WFP 16/3/78, p.10 CP

"FOR POOR WOMEN, LIFE IS NOT A BOWL OF CHERRIES:
IT'S THE PITS"

Although some newspapers raised questions about women's need to march, women in Toronto, Ottawa and Edmonton felt that demonstrating in front of the House of Commons and City Hall was appropriate and necessary. The quote in the headline was one of many signs of the focus in the demonstrations on the economic position of women. Speakers and signs also addressed such other social issues as abortion on demand, an end to violence against women, and Indian rights for Indian women. Most of the criticisms were aimed at the federal government, but there were also expressions of dissatisfaction with the effects on women of the Ontario government's fiscal policy.

The demonstration in Toronto included participants from Kingston and Rochester, N.Y. In addition to demands similar to those raised elsewhere, this demonstration voiced its disapproval of the deportation of Jamaican mothers. Calling the deportations "harsh and undue punishment", the

rally voted unanimously to demand that the federal Minister of Employment and Immigration, J.S.G. Cullen, rescind the deportation orders against all the Jamaican mothers charged with unlawful entry into Canada.

In Edmonton, the Womens Coalition symposium called for major changes in abortion, rape and matrimonial property laws.

Earlier that week, Opposition parties united in a day-long attack on the government, charging it has fostered, rather than eliminated, discrimination against women. One main thrust of NDP and Conservative arguments was that the government has bolstered the myth that women work for luxuries rather than necessities, and are stealing jobs from men. "The reality is that four million working women make up 40 per cent of the work force in Canada", said NDP leader Ed Broadbent. "The reality is that almost one-half of them are not secondary wage earners at all but are the sole providers either for themselves or their families."

The day following the debate, the NDP named the television networks as winners of male chauvinist

awards for not covering the Commons debate yet finding the space to mention that Princess Anne had taken part in a debate in England on the subject: "A Woman's Place is in the Harem."

Meanwhile, all three national political parties are preparing to lure women's support in the coming election. The Conservatives have defined women as a "target group" along with youth, labour, business and ethnic communities. They, along with the NDP, plan to concentrate on economic problems facing women, especially unemployment and related issues. The Liberals have no announced plan except presumably to laud their own record. All parties want to avoid the issue of abortion, but vigorous politicking by the anti-abortion Coalition for Life may succeed in making it an election issue.

GM 4/3/78, p.16, M. Mironowicz; GM 6/3/78, p.6 ed; TS 8/3/78, p.A8, ed; HCH 9/3/78, p.4 CP; EJ 9/3/78, p.A9 CP; OC 7/3/78, p.8 CP; OC 9/3/78, p. 43, -Bozeca Costigliola; GM 13/3/78, p.29 -Isabella Bardeel; EJ 13/3/78, p.B2; EJ 7/3/78, p. A8, WFP 9/3/78, p.16 CP; OC 8/3/78, p.67 -John Hay; GM 6/3/78, p. 28 -M. Mironowicz

MEDIA

INTRODUCTION: *The question of what constitutes news and responsible reporting received attention this month with the release of a working document prepared for the Quebec government and with several media representations to an Ottawa hearing of the Task Force on National Unity. There was very little press response to the news that the government planned to prosecute the Toronto Sun and its editor under the Official Secrets Act.*

PRESS IN QUEBEC

A committee studying press concentration in Quebec has suggested that further concentration of the press would be harmful. To guarantee and support the fundamental right of citizens to information, the committee made several recommendations:

- every Quebec newspaper should be 50% controlled by Quebecers.
- the government should give special support to independent newspapers such as Le Devoir.
- the government should set up a fund to promote diversity of newspapers and facilitate regional newspapers.
- individuals should be allowed to deduct the cost of a newspaper subscription from their income tax.
- citizens on social welfare should have a free subscription to the paper of their choice since information is a fundamental social right.
- Quebec should establish a wire service (like CP) to diversify information sources and present an image of Quebec which conforms to reality.
- the Quebec Press Council should expand its function to include research on the press and training journalists.
- purchase and transfer of newspaper shares should be subject to approval of the Quebec Public Services

Board to prevent any further concentration.

LD 28/2/78 P.1; MS 3/3/78 P.A6 (Ed.); MS 2/3/78 P.A1; GM 1/3/78 P.8 William Johnson.

CNSP NOTE: *The French and English press gave the report very different treatment. On February 28, the French press said that the report had been "released to the public". The English press, on March 1 said that it was "leaked".*

The French press focused on the right to information and the measures which encourage diversification of the press. The English press concentrated on the recommendations which involve the wire service, the Press Council and the Public Service Board. English papers exaggerated the function of these bodies, using phrases such as: all newspapers would "belong to the Quebec Press Council" and be "under control of the Quebec Public Service Board".

A Montreal Star editorial attacked the report as dangerous government regulation of the press. It urges a diverse and independent press, just as the report does, but sees the only means to this as unregulated private ownership. It also says that the ownership of a newspaper does not control the content. In fact, private ownership of the press has encouraged concentration of control and has strongly influenced the content and bias towards the interests of the

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paper's owners.

CJR SAYS GOVERNMENT RULES UNNECESSARY

A recent article in the Carleton Journalism Review deals with the question of government regulation of the Canadian newspaper industry. It cites a study of the Windsor Star conducted between 1967 and 1975. At the mid-point of this period (1971), the previously independent newspaper was purchased by Southam Press.

The authors of the study recognize that the study of a single newspaper is not indicative of a national trend but they conclude that government regulation of newspapers may well be unnecessary. "What appears to be true in this instance," they write, "is that there has been voluntary compliance with what has become a dominant operational theme for Canadian media: to increase utilization of Canadian resources and to increase amounts of domestic content in media. Because regulations over information processes are inevitably accompanied by a curtailment of free expression and interchange of ideas, it would best be served by an absence of governmental intrusion into a social institution that depends upon open access to, and exchange of information."

Carleton Journalism Review, Vol. 3, Spring '78, pp. 8-9 W.C. Soderlund and W.I. Romanow

CNSP NOTE: *The theory that governments should stay out of an enterprise and allow large corporations to do the job is the dogmatic capitalist response to any*

issue. Apologists for the newspaper chains say government presence in this field is bad by definition, while the fact that a few chains control the press in Canada will not threaten a paper's objectivity. However, as the striking journalists at Le Soleil have pointed out, in our society, "objectivity" means the objectivity of the status quo. Corporate control of the press is a political force that does support the elite of our society and does resist change. See also Quebec Labour in this issue.

THE PRESS AND OFFICIAL SECRETS

In the light of media concern about objective reporting and retaining open access to information, its relative silence on the government's prosecution of the Toronto Sun under the Official Secrets Act is staggering. (See POLICE for more details on Tom Cossitt, the SUN and the RCMP documents.) Richard Gwyn suggests that the lack of press reaction demonstrates that the press often plays "let's pretend-to-be-critics games with the government." Both Gwyn and Dennis Braithwaite refer to our media's applauding the New York Times' publishing of the Pentagon Papers and the refusal of the courts to allow an injunction preventing publication. While the Sun is a far different newspaper, the apparent breach of an official secrets act is the same, but thus far the majority of media comment has either praised Basford's decision to prosecute or made little comment. TS 20/3/78, P. C3 - Dennis Braithwaite; MS 22/3/78, P. All - Richard Gwyn.

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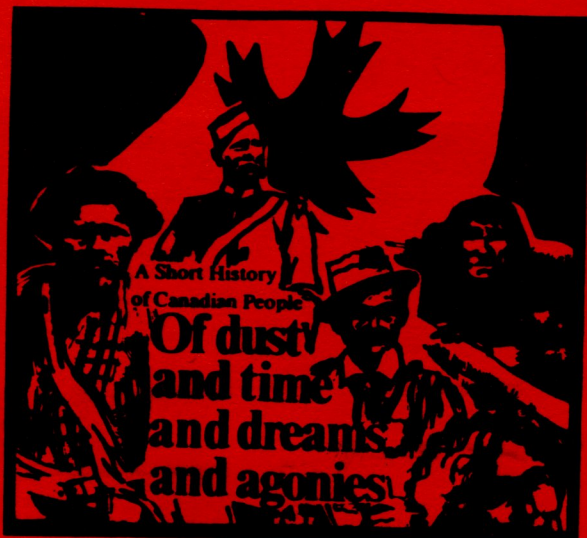
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