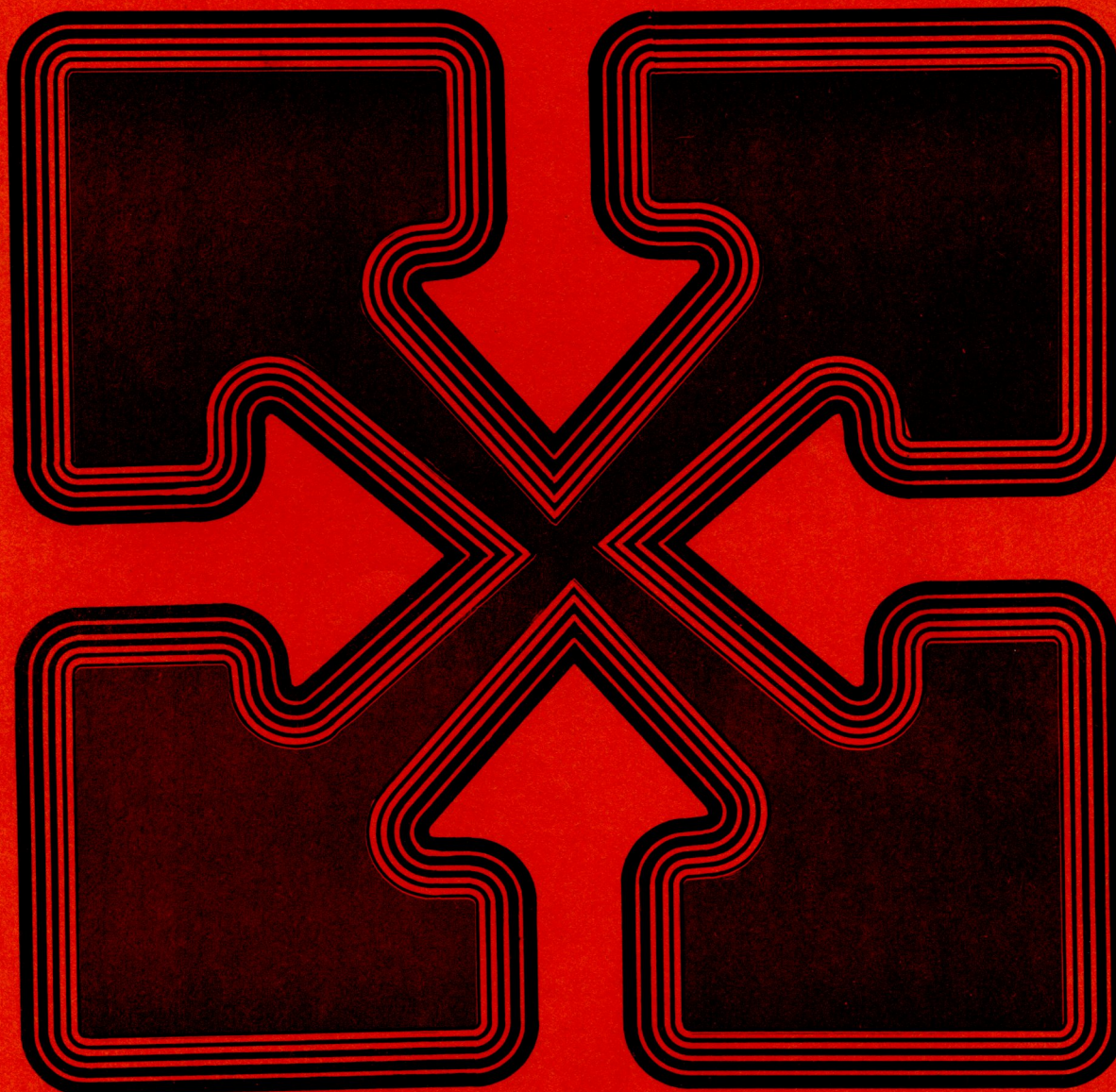


Synopsis

A Review of Events Reported in the Canadian Press



HIGHLIGHTS

- **Manufacturing Sector Underdeveloped**
- **More Pipelines**
- **Stakes Higher on Labour Front**
- **Liberals, Mounties Disagree**

Vol. 6. No. 7

\$1.00

ISSN 0704-6715

Canadian News Synthesis Project

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

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

Subscription Rates

\$12.00 per year for individuals; \$25.00 per year for institutions (Add \$10.00 per year for Overseas; add \$5.00 per year for FIRST CLASS.) Back issues are available at \$1.00 per copy. The Canadian News Synthesis Project publishes monthly, except August and September.

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Synthesis

HIGHLIGHTS

The Science Council of Canada published two studies which criticize the federal government for not protecting Canadian control of the economy, especially the manufacturing sector. Both "The Weakest Link" and "A Technological Perspective on Canadian Industrial Development" say foreign control of Canadian manufacturing limits the development of technology that would make us internationally competitive. The Council also wonders aloud just how much the production of new fighter aircraft is going to help Canadian industry. See pages 4 and 6.

A new gas pipeline company controlled by Robert Blair (of Alcan pipeline fame) wants to carry Alberta gas beyond Montreal to the Maritimes. To finance the line, Blair, along with the rest of the petroleum industry, wants to sell more gas to the U.S. Blair now is involved in every major new gas transportation scheme in the country. See page 7.

The federal government legislated postal workers and marine engineers back to work and is threatening more of the same for any public servants who walk out. As unemployment and inflation continue to rise and a federal election approaches, the stakes for government, business and working people get higher. Strikes are up by 90 per cent this year over last. See page 10.

The government and the RCMP fell out at the McDonald Commission hearings. Previously, they had presented an almost solid front against all inquiries. The government has retreated behind the "principle" of "Cabinet discretion" to justify its stonewalling. However, the RCMP wants to enter classified documents to back its claim that previous Solicitors-General knew more about police lawbreaking than they want to admit. See page 22.

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CANADA AND THE WORLD



CANADIAN FOREIGN POLICY

INTRODUCTION: *In New York and Pretoria, Canadian External Affairs Minister Don Jamieson was busy pushing the Western "human rights" campaign.*

CANADA ATTACKS KAMPUCHEA AT UN

Jamieson called on the UN General Assembly to undertake an immediate investigation of human rights in Democratic Kampuchea (formerly Cambodia). He stated his Department has undertaken its own investigations. Jamieson asserted the concern for human rights can no longer be contained behind national boundaries. He admitted the obvious routes are sanctions to isolate Democratic Kampuchea, and stated, "We would be supportive of any effective action that was taken."

Jamieson's initiative was lauded by the Ottawa Citizen. Its editorial said that Canada is doing its share in taking Asian refugees, and called on Canadians who criticize South Africa and Rhodesia to extend their concern to Kampuchea. HCH 25/9/78 p. 1, CP; WFP 25/9/78 p. 13; EJ 27/9/78 p. D2, CP; HCH 27/9/78 p. 1; OC 29/9/78 p. 6.

MISSION TO PRETORIA

Donald Jamieson and the foreign ministers of Britain, France, West Germany and the United States went to Pretoria for talks with South African Premier Pieter Botha and foreign minister Pik Botha regarding Namibia. Earlier this year, the five proposed to the UN Security Council a

program for UN-sponsored elections to create an independent Namibia. The Vorster regime first accepted, then rejected the proposal. UN Secretary-General Kurt Waldheim set October 25 as the deadline for a progress report, or the African states will move for sanctions against South Africa. Vorster's successor, Pieter Botha, alluded to possible compromises.

Reporting on the compromises reached with Botha, Jamieson indicated that Canadian troops may be needed to keep the peace during the election period in Namibia. Botha argued that elections under South African control should take place in December, and those elected could be asked to allow UN-supervised elections the following year. The Western envoys made it clear that the groups elected in December would have no international recognition. The deal was termed "a rather messy compromise" by some Western sources.

A Globe and Mail editorial criticized the deal as "a new two-ring circus". It prophesied that the December elections will be won by the South-African-created Democratic Turnhalle Alliance, which will be a puppet of Pretoria. Yet it would be a *fait accompli*, a Namibian government on Namibian soil. It will complicate the efforts of the liberation movements. GM 12/10/78 p. 10, David Humphreys; GM 28/10/78 p. 10, CP; GM 10/10/78 p. 6.

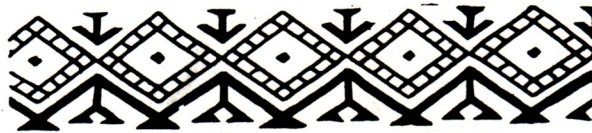
CANADA AND THE WORLD

HUMAN RIGHTS IS MORE THAN HUMAN RIGHTS

A visiting Soviet Official, Len Bagramov of the U.S.-Canada Institute of the U.S.S.R. Academy of Sciences told an Ottawa audience that the West and the East have different perceptions about the 1975 Helsinki accords. "Canada and other Western nations put emphasis on the human rights provisions in the Helsinki agreement, rather than on

economic co-operation." He emphasized that Soviet concern with human rights meant giving people the opportunity to obtain work and proper housing. He argued that Western interpretations of human rights are created by vested interests who have no desire to see economic co-operation and detente. He called for increased Canadian sales of equipment to develop Soviet forestry and fisheries industries.

OC 30/9/78 p. 4 Patrick Best.



THE ECONOMY

FOREIGN INVESTMENT

INTRODUCTION: *While the Bryce Royal Commission on Corporate Concentration finds little to worry about in foreign investment, and argues that the percentage of U.S. ownership in Canada has peaked, recent FIRA figures indicate the take-over rate is growing, and so is U.S. participation. The Science Council tells Canadians that our economic ills are due to a weak manufacturing industry, which is strangled by foreign control. It is quite clear to whom the government is listening.*

TAKEOVER RATE INCREASES

Foreign investors bought up Canadian businesses last year at the fastest rate since the Foreign Investment Review Agency was set up in 1974. The FIRA 1977-78 report indicates that in the year ending March 31, 1978, the Cabinet approved 241 takeover bids and rejected 11, or only 4.4 per cent of applications. In the previous year, 153 acquisitions were approved and 19, or 11.5 per cent, were rejected. U.S. investors accounted for 70 per cent of the takeovers, compared with 65 per cent of the takeovers in the previous year.

GM 19/10/78 p. B2, CP.

SCIENCE COUNCIL REPORT

Canada's economic ills are due in good part to a lack of "technological sovereignty", according to the Science Council of Canada. We cannot gain a highly-technological, independent industrial base because foreign corporations dominate Canadian manufacturing. According to the Council, "the low level of innovative capacity in Canadian manufacturing derives directly from the pervasive influence of foreign control of firms in Canada", and such control "is a root cause of Canada's problems of economic performance." Canada's internal market is underdeveloped even though it is large enough to support an internally competitive industry. Foreign-owned firms buy their know-how and equipment from outside.

The Science Council report, entitled A Technological Perspective on Canadian Industrial Underdevelopment, calls for "far-reaching restructuring of the manufacturing sector". It calls for large government intervention to encourage research-intensive industries and to increase Canadian content. It calls for the creation of "core companies", Canadian-controlled firms of sufficient specialization or technological capacity to compete internationally. Mergers and joint ventures would create these firms, again with government leadership and involvement where it is convinced that Canadian control of a certain area of technology is essential to national economic independence. In given industry areas, like forestry, there should be large-scale integrated



As my accountant Smedloch, remember, profits are NEVER in excess!

THE ECONOMY

MANUFACTURING

THE STATE OF THE SECTOR

Foreign-owned manufacturing enterprises account for 53.5 per cent of shipments, 51.1 per cent of total value added, and 43.1 per cent of total employees in the sector, Statistics Canada reported in August. Less than 20 per cent of the total Canadian workforce is currently employed in manufacturing, a share that has been steadily declining since 1946. This year, Canada's trade in manufactured goods will register a deficit of about \$12 billion.

Infomat, 18/8/78; FTC 14/8/78 p. 8;
FP 19/8/78 p. 5.

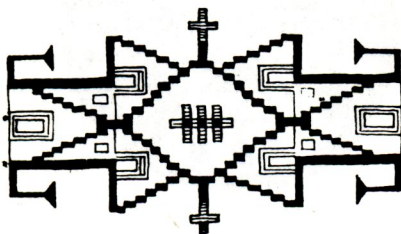
operations across the whole industry group. The Foreign Investment Review Agency should be strengthened to regulate technology imports, through reviews of ventures, licences and joint-ventures, to ensure "technological independence".

FTC 2/10/78 p. 1, Les Whittington.

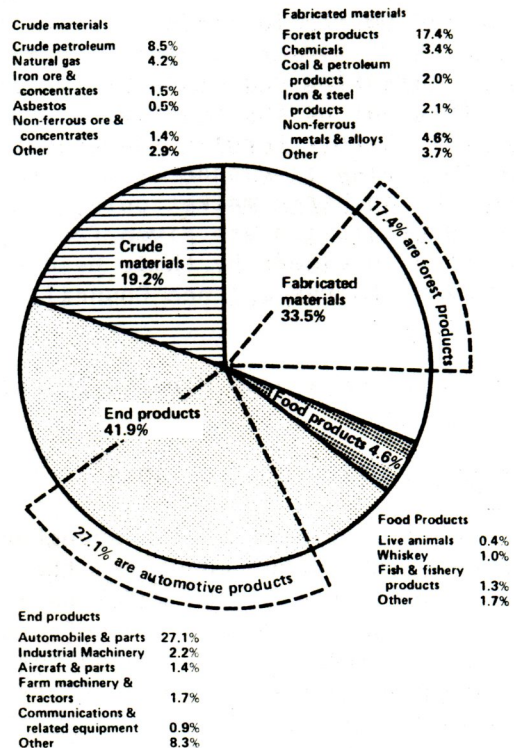
CNSP NOTE: See also Manufacturing.

The Science Council has come face to face with the strength of foreign control of the Canadian economy. The recent report of the Royal Commission on Corporate Concentration shows that foreign firms are more likely to invest in concentrated industries. In fact, researchers have identified a "strong direct correlation" between the degree of foreign ownership, the degree of concentration, and the presence of large firms. Foreign ownership is not haphazard, but reflects the advantages that investments have in oligopolistic industries. The Royal Commission sees these firms as more innovative because of their access to the "core skills" of the parent firms in the U.S. The Science Council objective of technological sovereignty comes into direct conflict with this viewpoint. Without control over technology we cannot stop the under-development of our industry and our increasing dependence on a few firms in several key industrial sectors. To gain control over the technology and industrial planning means confronting the foreign ownership of these key sectors. The present operation of FIRA and the approach of the Cabinet hardly seem to embody the Science Council strategy.

For a discussion of the foreign investment aspect of corporate concentration, see the Foreign Investment Review, Autumn, 1978, Vol. 2 #1.



Canadian exports to United States by category (as % of total Canadian exports to United States, average over period 1971-77)



INTEGRATION WITH THE U.S.

In August, the Standing Senate Committee on Foreign Affairs recommended that Canada work towards bilateral free trade with the U.S. The committee disagrees

THE ECONOMY

with the claim that bilateral free trade would result in the economic and cultural assimilation of Canada by the U.S. However, the committee foresees a role for free trade in the national unity debate. A Canada-U.S. free trade zone would isolate a separated Quebec, at enormous economic and political costs for the latter, and such a policy, says the committee, would lead to a strengthening of Canadian unity. FP 19/9/78 p. 5.

THE DANGERS OF FOREIGN CONTROL

A Science Council of Canada report in October argued against free trade with the U.S. Foreign control of the manufacturing sector, says the Council in its study, "The Weakest Link", is the main reason for Canada's relative lack of sophisticated technology and inability to sell manufactured goods overseas. "Foreign ownership tends to shift the location of research, design, development, marketing and other professional services out of the country," says the report. Direct foreign investment in manufacturing in Canada is made to service the domestic market only, and foreign subsidiaries are given few opportunities to export by their head offices, according to the Science Council. TS 26/10/78

CNSP NOTE: *See also Foreign Investment.*

BROADBENT CITES LOSS OF JOBS

In a series of by-election speeches, NDP leader Ed Broadbent chastized the Liberal government for policies which have led to job losses in Canada's manufacturing sector. Broadbent said Canada has lost 20,000 jobs in the past four years, and another 40,000 potential jobs in the electronics industry as a result of federal government policies. He cited Ottawa's \$60 million reduction in allocations for research and development, the lack of tariff protection for Canadian manufacturing enterprises and the outflow of millions of dollars annually to the U.S. for the purchase of data processing, which could be done in Canada.

In Montreal, Broadbent said current

negotiations of the General Agreement on Tariffs and Trade (GATT) threaten to wipe out about 300,000 jobs in the textile and clothing industries since 1970. The government should reserve at least 75 per cent of the Canadian market for domestic products, says Broadbent. GM 7/10/78 p. 15; TS 30/9/78 p. A16; EJ 30/9/78 p. A8.

THE SELL-OUT OF A GOOD IDEA

A federal government agency intends to sell a milestone invention developed in Canada to the British multinational corporation Hawker-Siddeley Ltd. The technology, which transforms sugar cane into many products, such as automobile fuel and high grade lumber through a simple, low-cost process, could revolutionize Third World economies that currently depend heavily on sugar exports. The developers, a small Canadian tool company in Windsor, Ont., Arvid Machine and Tool Company Ltd., and the inventor, B.C. artist Ted Tilby, are protesting the intention of the government agency in charge of patents to sell the rights to the foreign multinational. The agency, Canada Patents and Development Ltd., argues that "little guys" like the Windsor company can hurt Canada's image because they don't have the organization, capital and size to carry a good idea through to commercial viability. TS 30/9/78 p. A10.



OIL AND GAS

INTRODUCTION: The National Energy Board is in the midst of its cross-country hearings to determine Canada's supply of natural gas, and whether we can afford further or increased exports. Industry spokesmen unanimously favour exports as a means of maintaining current exploration levels and bringing in U.S. dollars to help our balance of payments. Elsewhere, rumours of a huge oil strike in the Beaufort Sea have given impetus to the idea of an Alcan oil pipeline alongside the yet-to-be-built gas line. In the midst of all this, Alcan mastermind Robert Blair has his fingers in a handful of gas and oil transportation schemes.

OIL SUPPLIES OK SAYS NEB

The National Energy Board says Western Canadian oil supplies should be adequate for domestic needs in traditional markets as far east as Ontario until at least 1995. Last year, the NEB said oil supplies would only meet demands until the early 1980s. The board also says the new estimates mean exports of light oil to the U.S. can continue at current rates until at least 1981, instead of being gradually reduced.
EJ 28/9/78 p. A3.

ALCAN OIL PIPELINE UPDATE

Alcan gas pipeline supporters (Foothills Pipelines and Westcoast Transmission) are still pushing the idea of an Alcan oil pipeline to run along the same route as the original gas line. The idea behind the plan is to find a shortcut to transport Alaskan oil to the U.S. midwest. Alaskan oil is currently shipped down the west coast of the U.S., through the Panama Canal and up the east coast to refineries. Says Westcoast Transmission President Edwin Phillips, "The oil pipeline fits conveniently between Phase One and Phase Two of the gas pipeline; between pre-building the southern portion and completing the later northern portion."
HCH 6/10/78 p. F3.

CNSP NOTE: Dome Petroleum has stopped drilling in the Beaufort Sea for the season and the rumour now is that the big find may not be gas but oil. If borne out as "Mid-East massive", as some industry sources have predicted, the oil pipeline could prove a convenient outlet for Canadian Beaufort Sea oil as well as U.S. Prudhoe Bay oil. According to Globe and Mail Ottawa columnist Geoffrey Stevens, the oil pipeline already has strong support and is being actively promoted behind the scenes on Parliament Hill. Canadian officials think they can negotiate the same kind of deal as they did on the gas pipeline, with the U.S. paying the cost of building the link between Whitehorse and Dawson.

NEB GAS SUPPLY HEARINGS

The NEB began its examination of the domestic gas supply/demand situation on October 11, with predictable responses from most corporate witnesses. The board began the hearings shortly after the federal government warned that new gas exports would not be allowed until domestic gas is used to displace imported oil in Quebec and possibly the Maritimes. The major petroleum companies and small producers are both demanding increased exports of gas from Alberta in order to relieve

THE ECONOMY

cash-flow difficulties and keep exploration at its current level. The Canadian gas market of 1.7 trillion cubic feet is just not enough to sustain exploration, the companies say. About one trillion cubic feet is sold to the U.S. annually. Most of the 50 petroleum industry submissions to the NEB proposed an increase of gas exports up to six years. Some industry spokesmen like J.K. Gray of Canadian Hunter Exploration say it is imperative that Canada stake out a larger share of the U.S. market before the huge Mexican gas reserves begin to flow.

GM 12/10/78 p. B1; HCH 5/10/78 p. 27.

ALCAN PIPELINE STILL IN DOUBT

Although significantly different from its original form, U.S. President Carter's newly-passed energy bill will allow the setting of the price of Alaskan gas. There is some doubt, however, whether the Alaskan gas pipeline will attract the necessary financing. Moody's Investors of New York--one of the largest investment dealers in the world--says the pipeline is the most expensive business venture ever, and it has no major backers. Experts think the cost of Alaskan gas to consumers would exceed \$5.00 per thousand cubic feet, compared with regulated prices of slightly more than \$2.00 per thousand cubic feet. The U.S. has already rejected a bid by Mexico to supply gas for \$2.60 per thousand cubic feet, says Moody's. Also, surplus gas exports from Alberta could make the pipeline even more redundant. EJ 7/10/78 p. C6.

QUEBEC-MARITIME GAS PIPELINE PROPOSED

Q and M Pipelines of Calgary (controlled by Alberta Gas Trunk Line--sponsor of the Alcan line--and by Petro-Canada--the state-owned "window on the petroleum industry") has filed an application to the NEB to build a pipeline from Montreal to Halifax to carry Alberta gas to the Maritimes by 1981. The project also includes a special lateral line to carry gas into the U.S. at the Maine border. It would also allow liquified natural gas transmission from Arctic islands into central Canada, the Maritimes, and perhaps to the U.S. AGTL and Petro-Can are also involved in a deal to bring gas by LNG tankers to east-coast markets in Canada and the U.S.

GM 21/10/78 p. B2.

GAS EXPORTS KEY TO Q AND M LINE

The Q and M pipeline extension to the Maritimes may not be economically feasible without added exports to the U.S. Q and M says that without export sales the added transportation costs would make Alberta gas "uneconomical" without hefty subsidies from either Alberta gas producers or governments or both. Transportation costs would be cut in half if exports of 250 million cubic feet a day were allowed, the company says. Another one billion cubic feet a day for six to 12 years is being proposed for export by another AGTL subsidiary, Pan-Alberta Gas Ltd. AGTL hopes to export gas from Alberta to the U.S. midwest in order to garner enough cash to pre-build the southern parts of the Alcan gas pipeline in which AGTL is a major participant. GM 23/10/78 p. B5.



THE ECONOMY



CNSP NOTE: *If for nothing else, AGTL President Robert Blair should be mentioned for his breathtaking entrepreneurial daring. He has truly covered the bases, as the saying goes. AGTL is not only toying with the idea of building an oil pipeline along with the Alcan gas line. It is also in the high Arctic as a partner with Petro-Can in an LNG project. Mr. Blair wants to build the Q*

and M line to "contribute to national unity" and to help alleviate the Canadian balance of payments problem by replacing imported oil with domestic gas in the Maritimes. He also wants to export our gas both directly from Alberta to the U.S. midwest and from the proposed Maritimes pipeline into the U.S. northeast. AGTL is now involved in every major petroleum and natural gas transportation project in the country; not bad for a company that just two years ago was considered a "dark horse" in the race to transport northern gas to southern markets.

And the important thing is, Blair seems to be reading the federal government perfectly. Increased energy exports to the U.S. are politically dangerous since the oil and gas industry has still not been able to regain public confidence after their ridiculously inaccurate supply-and-demand estimates over the last five years. Only by combining exports with the idea of a Maritimes pipeline--which fits into the government's national unity strategy--could the demands for increased exports of gas to the U.S. be sold politically. In any event, the NEB gas supply hearings will not end till next Spring, and it is unlikely that gas exports, if permitted, could proceed till 1980.

LABOUR

WORKERS' STRUGGLES

Canadian Union of Postal Workers

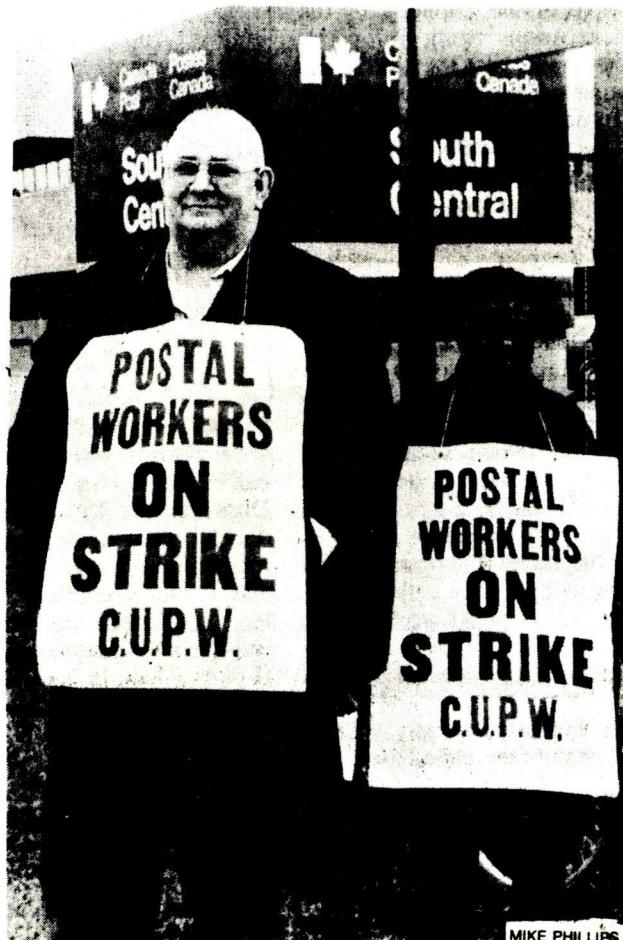
INTRODUCTION: *The Canadian Union of Postal Workers (CUPW) went out on legal strike this month after a conciliation board failed to settle the bitter dispute between the Post Office and its 23,000 inside workers. The government, in blatant disregard for the right of workers to strike, ordered CUPW back to work. It then threatened to fire all postal workers who did not return.*

CONCILIATION BREAKS DOWN

When the postal workers struck, they had been without a contract for about 18 months, and the conciliation board had been meeting for nearly 12. The key issues were technological change, the use of casual, non-union labour, and wages. The union asked for the right to negotiate in advance all proposed technological changes, but Louis Courtemanche, chairperson of the conciliation board, stated the prerogative of deciding on the introduction of such changes fully belongs to the employer. He added, however, that the employer should redress any adverse effects on employees. If a dispute arises, it should be settled within 90 days by a special committee. The union member of the conciliation board, Irving Gaul, says that the Post Office has consistently violated previous rulings in this area. The union also wants an end to the hiring of casual, non-union labour. It estimates there has been a 62 per cent increase of casual workers over the past year. This request was also rejected by Courtemanche and Roy Heenan, the government representative on the board.

In the face of union demands for wage increases and a shorter work week, Courtemanche stated the basic principle to be adopted is the preservation, not the increase, of the workers' purchasing power.

When the conciliation process broke down, the CUPW executive moved ahead with a national strike vote. CUPW president Jean-Claude Parrot met with Labour Minister Andre Oullet in a last-



LABOUR

ditch attempt to avert a strike. The government, however, was already making plans to introduce back-to-work legislation on Tuesday, October 17.

LEGISLATION TO END STRIKE

By Wednesday, October 18, the government had introduced, and received Royal assent for Bill C-8, ordering the postal workers back on the job. The Bill ordered both sides back to the bargaining table with binding arbitration to follow if the talks fail. The fines imposed for disobeying the order are nearly 10 times the amount called for in the Public Service Staff Relations Act. They are; up to \$100 a day for union members, up to \$2500 plus \$250 a day for union officers, and up to \$10000 plus \$1000 a day for the union. The Bill stipulates the new contract must run until December 1979 to ensure a strike-free period while the Post Office is transformed from a government department into a Crown corporation. It also excludes any negotiations on most automation issues.

RETURN OR LOSE YOUR JOBS

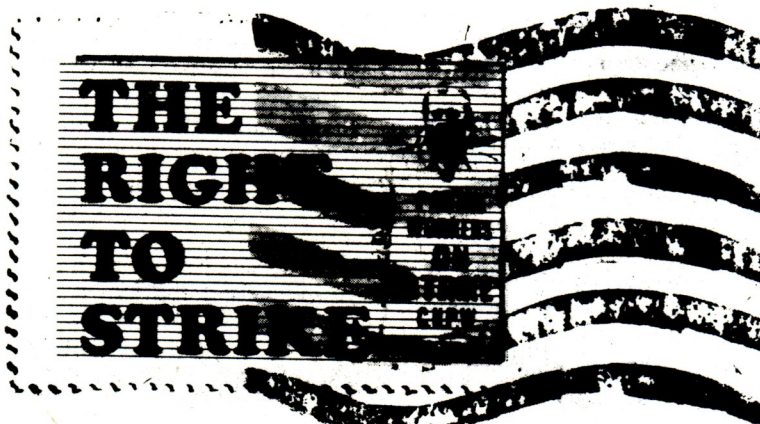
The executive of CUPW called on its members to maintain their picket lines in defiance of the legislation until a contract was signed. Parrot stated that Bill C-8 "retroactively eliminates the choice we were given under the Public Service Staff Relations Act between

the arbitration and the conciliation-strike routes in the event of a dispute." However, Postmaster-General Lamontagne issued a statement saying that all workers who were not back on the job by Thursday, October 26 would be fired. The Post Office had in fact already started to contact casual workers. In light of this, the executive instructed locals across the country to call meetings to end the strike. On the same day, October 25, the RCMP raided CUPW offices in Toronto, Ottawa, Halifax, Montreal and Vancouver, carting off copies of Telex messages, notes and correspondence. Charges were laid against five of the union leaders, including Parrot, for disobeying an act of Parliament. The five were released after Parrot read a statement prepared by Justice D.F. O'Leary of the Ontario Supreme Court. The statement forced Parrot to repudiate his earlier instructions to strike.

CUPW members across Canada are angered by the government's actions, but stand solidly behind their leaders. One Ottawa worker says, "In the face of threats and intimidation, members of CUPW have shown strength and solidarity for the defence of their right."

UNION SOLIDARITY

A number of unions joined in support of the postal workers. Fishermen in Newfoundland and Vancouver, Steelworkers in Sudbury, and Public Service Alliance



CANCELLED ... WHO'S NEXT?

LABOUR

members in Ottawa were among unionists joining the CUPW pickets. The Letter Carriers' Union of Canada honoured the picket lines in the larger centres in Canada, and the Ontario Secondary School Teachers' Federation issued a statement supporting CUPW's right to strike to win a fair and just settlement. The statement condemns unjust legislation that overrules the law of the land. Dennis McDermott, president of the Canadian Labour Congress, charged the Liberals with making political capital out of a bad situation and condemned the police actions ordered by the government. However, he declined to throw the CLC's support behind the postal workers' strike.

Parrot made a plea for greater union solidarity, saying this strike had become more than just a struggle by postal workers for a negotiated collective agreement.

EDITORIALS

The Press has varying reactions to the strike. The Globe and Mail was totally unsympathetic. It fully supported the government's move to legislate the workers back. It added there is a "clear need to outlaw public service strikes which victimize the public." It also ventured the opinion that the right to strike is not a "sacred right." The Halifax Chronicle-Herald also questioned whether strikes have outlived their usefulness.

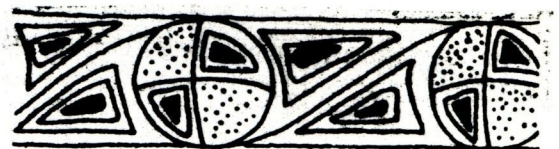
The Toronto Star, on the other hand, had a much more sympathetic stance. It pointed out that the strike was legal until the government took the "drastic action" of removing the right to strike. This move, said the Star, did not get at the root causes of the dissatisfaction. Instead, the bargaining structure and restrictions of the Public Service Staff Relations Act create problems. The Star claimed that changing the Post Office into a Crown corporation would go a long way to resolving some of the problems. Bargaining could then take place in the framework of the Canada Labour Code, and employees could negotiate the key issues. The Star called for a fair and reasonable settlement

for the postal workers. The Edmonton Journal also called for the creation of a Crown corporation.

WFP 29/9/78 p. 2; OC 6/10/78 p. 1; GM 16/10/78 p. 1; GM 18/10/78 p. 1; GM 20/10/78 p. 1; GM 21/10/78 p. 1, p. 6; OC 23/10/78 p. 1; TS 25/10/78 pp A2, A8; TS 25/10/78 p. A10; TS 27/10/78 p. A8; GM 26/10/78 pp 1, 6; OC 26/10/78 p. 1; TS 20/10/78 p. A8; TS 19/10/78 p. A8; GM 10/10/78 p. 6; GM 25/10/78 p. 6; EJ 7/10/78 p. A4; HCH 14/10/78 p. 4.

CNSP NOTE: *The withdrawal of CUPW's right to strike sets a dangerous precedent for future negotiations within the public sector. CUPW members are the first to be attacked, but there are calls for removing the right to strike from all other "essential services." The postal workers' union is a prime candidate for the wrath of its boss largely because it has analysed the government's actions and militantly opposed them. In their presentation to the last CLC convention CUPW stated: "ultimately the responsibility for the recession lies with the unplanned, chaotic nature of our economic system coupled with the dependency of the Canadian economy....the governments have chosen to reduce the real income of Canadian workers in order to reduce labour costs. Tight money policies, cutbacks in social security and social welfare programs and wage controls have all served to reduce the price of labour (and maximize the return from labour)."*

The struggle is over whose interests are really served in our society. The postal union has effectively lost its right to strike, and with that, its only measure to ensure its voice is heard at the bargaining table. This is a blow against the right of all working people to have a voice in shaping the development of our society.



LABOUR

LETTER CARRIERS SETTLE

The 19,000-member Letter Carriers' Union of Canada ratified a new contract with the government following a week of rotating strikes. The final agreement calls for wage increases of 43 cents an hour in the first year of a new 18-month contract, and an additional 27 cents in the final six months. This amounts to a 7.2 per cent increase. There was also an additional 15 cents an hour for the lowest-paid letter carriers to help close the gap of 40 cents between them and the relief P.O.-5s.

Before this compromise, the government's final offer was for 40 cents an hour in the first year and 30 cents an hour in the final six months, which was equivalent to a six per cent raise. The union did not succeed in winning back the additional 19 cents an hour in cost of living allowances the carriers would have received under the old agreement had not the Anti-Inflation Board intervened. The government had been threatening to legislate a settlement if the union did not accept the Post Office's final offer.

OC 29/9/78 p. 1; OC 30/9/78 p. 5;
WFP 26/9/78 p. 1, CP.

MARINE ENGINEERS SENT BACK TO WORK

The 375 members of the Canadian Marine Officers Union (CMOU) ended their strike and returned to work without a contract after Parliament rushed through back-to-work legislation on October 24. The CMOU, representing marine engineers of Canadian Great Lakes freighters, had been negotiating with the Canadian Lake Carriers Association, which represents 20 companies owning 122 inland freighters. These ships carry western grain to Montreal and iron ore to the industrial centres of Ontario.

The major areas of dispute in negotiations were wages, contract length and safety. While the Carriers Association was offering a 25 per cent increase over three years, the union wanted 12.5 per cent over one year. A federal conciliator recommended a two-year contract with a 10.5 per cent increase in



the first year and a cost-of-living-plus-two-per-cent increase in the second. The union accepted this recommendation, but the owners called it irresponsible and inflationary.

With an 89.6 per cent vote in favour of a strike the union walked out on October 16. The 500 members of the Canadian Merchant Service Guild, representing deck officers, struck at the same time. They had also been negotiating with the Carriers Association and had reduced their demands to meet the conciliator's recommendations.

The Association threatened to end the shipping season early, saying that even if the strike ended, the ships could not be put back into operation quickly enough to make it financially desirable. Despite this threat and the cost of \$500 per hour to have a ship idle at the wharf, no moves were made to put the ships up for the winter during the strike.

The strike also affected the 2,000 members of the Seafarers International Union representing the unlicensed seamen. They had earlier negotiated a one-year contract with an 8.8 per cent wage

LABOUR

increase. Ninety-five per cent of their members remained on the docked ships, so continued to be paid. Those who left the ships did not cross the strikers' picket lines to return.

The deck officers' guild did accept an offer from the Carriers Association on October 19. The officers received a three-year contract with increases of 9.5 per cent, nine per cent, and seven per cent. The marine engineers remained on strike, sticking to their demand that the conciliator's recommendations be met.

Members of the United Grain Growers Ltd. and the Canada Wheat Board called on the federal government to order the workers back on the job in order to move the four million metric tons of grain, valued at \$450 million. Parliament passed the legislation in the early morning of October 24, with the only opposition being six NDP votes. The legislation ordered the engineers back to work until May 31, 1979, and gave the power to an appointed arbitrator to extend this date to 1981. Union leaders advised obedience to the law, and the engineers returned to the ships. Shipping resumed immediately.

WFP 12/10/78 p. 39; GM 13/10 78 p. B5; GM 14/10/78 p. B14; HCH 14/10/78 p. 4; GM 16/10/78 p. 4; GM 21/10/78 p. B14; GM 24/10/78 p. 1; GM 25/10/78 p. B1.



Just once I'd like a contract without being blamed for inflation, warts mid-east crises, mass lay-offs, sink backup, mange, dandelion infestation...

CUPE HOSPITAL WORKERS THREATEN STRIKE

The Canadian Union of Public Employees (CUPE) locals representing 13,000 non-medical hospital workers in 56 Toronto area hospitals called for a strike vote in late October. Under the Ontario Hospital Disputes Arbitration Act these unions cannot legally strike and can suffer fines of up to \$1000 per day per member if they defy the law.

Union representatives have been negotiating with the hospitals for a new contract since the old one expired last April. They called for a strike vote when the hospital reoffered a four per cent increase which had previously been rejected by an 80 per cent vote of the membership. The union is asking for a \$600 per year increase, which equals 5.5 per cent. The Service Employees International Union, representing another 8,100 non-medical hospital workers at 43 locals had previously won a contract with a 6.5 per cent increase, which was rolled back by the Anti-Inflation Board to 4 per cent.

The 56 hospitals involved in the current dispute applied to the Ontario Labour Relations Board for a cease and desist order to prevent any strike vote from being taken. The Board Solicitor, Stewart Saxe, said that such an order would not be inconsistent with board precedents. The chairperson for CUPE's Metro hospital committee said that such an order would not be obeyed. The union also sought a court order barring the board hearing. The last strike of hospital employees was at Toronto Western Hospital in 1972. It ended with 300 persons being fired and the eventual decertification of the Canadian Union of General Employees. GM 21/10/78 p. 1; GM 23/10/78 p. 14; GM 26/10/78 p. 5.

DARTMOUTH NURSES STRIKE

The 110 nurses at Dartmouth General Hospital went out on strike on October 6 after the management refused to make any new offer. The strikers are

LABOUR

members of the Nova Scotia Nurses Union (NSNU). The main areas of dispute are job classification and description. One-hundred and seven of the 118 patients in the hospital had been moved to different locations in preparation for the strike. A meeting was set up with Department of Labour conciliator W.J. McCallum. HCH 5/10/78 p. 1; HCH 7/10/78 p. 1; HCH 10/10/78 p. 1.

INCO STRIKERS GATHER SUPPORT

As the 11,700 Sudbury workers continue their strike against Inco, support for their fight is gathering. The local Copper Cliff Credit Union has decided to postpone indefinitely all payments due on loans and mortgages owed by strikers and is offering loans of \$50 per week up to \$500 for striking families. Sudbury banks have promised to make special arrangements of reduced payments on loans for strikers.

Forty women in Sudbury have started the Wives Supporting the Strike committee. They hope to organize support activities including a skills exchange for the men who want to do small repair jobs. The effort is to ensure that wives are not used to help break the strike. During the strike in 1958, church leaders and local politicians brought thousands of wives together for a rally which led to demands for an end to the strike. One month later the strike was defeated. Striking workers are currently being paid \$25 per week if single, \$30 if married and an additional \$3 for every dependent child.

Members of the Mine Mill and Smelterworkers Union reiterated their unanimous support for the Inco strikers, who are affiliated with the United Steelworkers of America. Thirty presidents of other union locals also pledged their support.

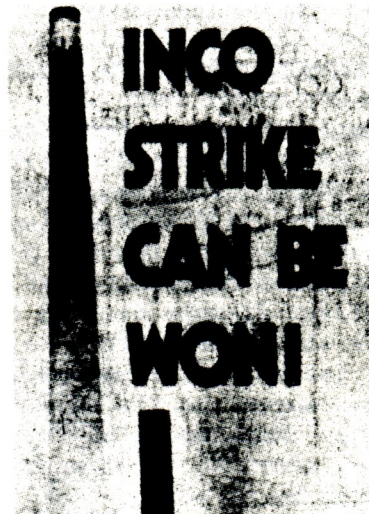
Inco workers agreed to let supervisors and other non-striking personnel to go through the picket lines and into work. However, such persons must do so on foot and must show identification to the picketers. Inco has agreed to these conditions although

they had wanted vehicular traffic to and from the plant. Prior to this agreement the company had been flying supervisory personnel in by helicopter and was threatening to seek injunctions against picketers.

Elsewhere, other workers are concerned with Inco's tactics of forcing workers to strike by offering impossible terms during negotiations. Dick Martin, new president of the Manitoba Federation of Labour, said that Inco has forced Sudbury workers to strike to avoid further unpopularity with the general public over layoffs. He is concerned that a similar strategy will be used in Thompson, Manitoba, by Inco or that a better offer will be made to them in an effort to split worker solidarity and break the Sudbury local. The Thompson workers' contract expires in February 1979. The number of hourly paid workers has been steadily reduced there, and union membership has dropped from 2,400 to 1,700.

Inco has also laid off 160 of the 215 workers in Shebandowan, a mine whose ore goes to Sudbury for processing.

HCH 21/9/78 p. 2; OC 26/9/78 p. 12; WFP 5/10/78 p. 25; GM 10/10/78 p. 8; WFP 11/10/78 p. 4; GM 14/10/78 p. 11; GM 19/10/78 p. 11.



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ALBERTA CONSTRUCTION WORKERS STRIKE

A series of strikes have tied up the Alberta construction industry since early September. The United Brotherhood of Carpenters, representing 3,000 northern Alberta carpenters went out on strike on September 4 to back demands for a 13.5 per cent wage increase over two years. Contractors, offering 12 per cent over two years, were taking the union to court on charges of contravening the Alberta Labour Act with selective strike action. Sheetmetal workers and roofers also voted to strike to back similar demands. EJ 30/9/78 p. B4; EJ 5/10/78 p. B1; EJ 4/10/78 p. B2.

NFLD. GOVERNMENT EMPLOYEES STRIKE

Three thousand members of the Newfoundland Association of Public Employees (NAPE) have been striking since Sept. 18. An additional 3,000 highway and maintenance personnel who had been on strike over a separate contract dispute decided to suspend their strike and return to work. The major issues in the continuing strike are wages and the calculation of overtime. Management's offer of calculating overtime after forty hours was rejected by 81 per cent of the membership, who want to maintain the current system of calculating it after

an eight hour shift. New wage offers are to be voted on with union negotiators recommending rejection. When NAPE threatened a support walkout of its 12,000 membership, should the offer be rejected, the treasury board immediately obtained court injunctions from the provincial supreme court against walkouts of those now under contract.

WFP 25/9/78 p. 11; HCH 25/9/78 p. 4; HCH 19/9/78 p. 3.

QUEBEC LABOUR

CADBURY TO CLOSE, 500 TO BE LAID OFF

Cadbury-Schweppes has closed its factory in Rosemont, Quebec, and laid off 500 workers, members of the Confederation of National Trade Unions. The company's president, Mr. K. Powell, has:

- refused to furnish detailed figures to allow the union to analyse the situation in depth and to make proposals,
- informed the CNTU that the plan to close had been in the works for 12 months, but was not mentioned during the last negotiations.

The company will be moving to Whitby, Ontario.

LD 8/9/78 p. 3, L-G. Francoeur.

Quebec's Minister of Industry and Commerce, Rodrigue Tremblay, called Cadbury-Schweppes' behaviour "obstinate" in its "irrevocable" decision to move its production from Montreal to Whitby. He said the company's director had made "grave mistakes in planning. In 1973 it decided to increase production at the very moment when the chocolate bar market was falling due to the rise in the price of cocoa and sugar."

The CNTU estimates the loss of jobs will cost about \$15 million.

LD 9/9/78 p. 7, L-G. Francoeur.

LABOUR

The CNTU has launched a national campaign to boycott Cadbury candy bars and Schweppes soft drinks. Supporters of the campaign include Camille Laurin, Minister of State for Cultural Development, Gerald Godin, Gilbert Paquette and Guy Bisailon of the Parti Quebécois, Rodrigue Biron, leader of the Union Nationale party, André Payette of the Conservative Party, and Serge Joyal, federal Liberal MP. Also supporting the boycott are the CEQ, the Montreal Labour Council, the St. Jean Baptiste Society and Montreal Centre PQ.
LD 14/9/78 p. 3.

COMMONWEALTH PLYWOOD: IGNOBLE PRECEDENT

A strike that began September 19, 1977 at Commonwealth Plywood is raising important questions of labour legislation in Quebec. The strike was launched when the company announced it would lay off 115 workers without giving the notice required by law. Three weeks later, the CNTU won accreditation as the official bargaining union for the Ste-Thérèse branch of Commonwealth.

A faction of workers, led by Donat Thériault of the International Woodworkers of America, stayed in the shop and signed a year's contract with the company. To do so, Thériault supervised the falsification of CNTU union cards so that the contract was ostensibly signed with the certified union, the CNTU.

For a year, the official CNTU local struck the plant, but Commonwealth continued to operate. In June, violence broke out on the picket line, giving rise to the use of tear gas and riot sticks by the police and the arrest of 10 demonstrators. This led to an inquiry by the Quebec Police Commission on the attitude of the police. The 1,500 delegates to the 49th Congress of

the CNTU consolidated their support behind the strikers.

Also in June, a mediation council recommended that the workers be recalled in order of seniority and that an extraordinary Council of Arbitration be set up to define working conditions. The mediation council, which was formed in April by Labour Minister Pierre-Marc Johnson, set aside the legal aspects and appealed to the good faith and good will of the parties involved. The report of the mediators, supported by Mr. Johnson, stated that the problem at Commonwealth Plywood could not be solved as long as the courts have not determined whether the contract signed on October 14, 1977 is valid or not. If it is not, the strike is legal; the raids planned by Thériault's group when the contract expires would be impossible and the Minister can think of applying Law 45 and its anti-scab provisions.

The problem is further complicated if, as Liberal government members maintain, the original layoffs of 115 were legal. If so, the workers who claim to be on strike cannot negotiate under the labour code since they are no longer employees. Beginning September 26, the Parliamentary Committee on Labour and Manpower also studied the matter. It took an aura of an investigation as it called on witnesses rather than for briefs.

Commonwealth Plywood has asked the Minister to determine by means of a vote which union it should negotiate with for the renewal of the labour contract. The question of the validity of the contract would have been resolved long ago if so many court actions had not been undertaken by the company.
LD 8/6/78 p. 3; 9/6/78 p. 3; 27/6/78 p. 3; 1/9/78 p. 3; 27/9/78 p. 3; 3/10/78 p. 8; 5/10/78 p. 3.



POLITICAL

FEDERAL GOVERNMENT

INTRODUCTION: *The Speech from the Throne indicates that Prime Minister Pierre Trudeau will run out the final months of his five-year mandate with a government program that is neither inspired nor inspiring. Also, the October 16 by-election results show Canadians' dissatisfaction with Trudeau and the Liberals.*

THRONE SPEECH: AN EPITAPH

Prime Minister Trudeau set the stage for the fourth and final session of the 30th Parliament with a pledge to "strengthen Canada through unity, to unify Canada through economic strength." The throne speech, read on October 11th by Governor General and Mrs. Leger, focused mainly on constitutional and economic reforms that Trudeau claims are essential if Canada is to remain united. The government promised to follow up late summer pledges to cut spending by \$2.5 billion by April, 1980, to help private business stimulate economic growth and to shift public funds from "lower priority" programs to industrial expansion and job creation.

On the constitutional front, Trudeau reaffirmed his promise to introduce a modified constitutional reform bill to replace beleaguered legislation that would transform the Senate, modify the Supreme Court and alter the formal role of the monarchy.

The speech reiterated a number of government plans:

- Re-introduction of legislation to tie maximum public service wage increases to average boosts in the private sector, a move hotly denounced by civil servants
- Introduction of legislation to make the post office a crown corporation, a suggestion supported by unions and first announced by Trudeau in August as a sop to Canadians "fed up" with labour-management disputes
- Paring the unemployment insurance program by \$580 million and redir-

ecting the money into job creation and training

- Proposals that would allow MPs to scrutinize program evaluations prepared by government civil servants and the controller-general
- Appointment of an ombudsman to help citizens trapped by government bureaucracy, a move promised in the last throne speech a year ago
- Introduction of a bill to smooth public access to government information

The throne speech was denounced by the Opposition MPs and the press as devoid of substance and specifics. Joe Clark, leader of the Opposition, said there was nothing in the speech to justify a new session of Parliament or to forestall a general election. Ed Broadbent, leader of the N.D.P., claimed the Liberals were implementing policies that look Tory.



POLITICAL

An Ottawa Citizen editorial said that the throne speech was not a blueprint for government action, but a virtual document of surrender. Because the speech lacked confidence and inspiration, it may prove to be the epitaph of a tired administration. WFP 12/10/78 p. 1; OC 12/10/78 p. 1; OC 12/10/78 p. 4; GM 12/10/78 p. 8.

THE MONDAY NIGHT MASSACRE

Voters of English Canada dealt the Liberal Government of Prime Minister Pierre Trudeau a stinging electoral defeat on October 16th, wiping out the Liberals in all 12 English Canadian by-elections.

Only in Quebec did the Liberals fare well, holding the Montreal riding of Westmount and taking St. Hyacinthe from the Conservatives. The Social Credit Party held the rural Quebec seat of Lotbiniere. But across English Canada the Liberals were crushed. The Conservatives took five Liberal seats in Ontario including four in Metropolitan Toronto, and defeated the Liberals for only the second time in more than 50 years in the Winnipeg riding of St. Boniface.

The New Democratic Party held its Toronto seat of Broadview and won the Conservative seat of Humber-St. George-St. Barbe in Newfoundland.

In all, the Liberals suffered a net loss of five seats, the Conservatives gained four and the N.D.P. one. In

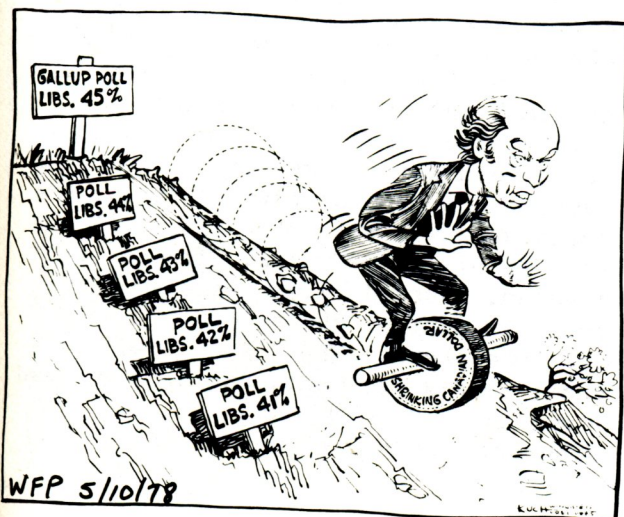
the 15 by-elections, the Conservatives won ten seats, the Liberals and the N.D.P. two each and the Social Credit one. The Liberals, however, retain their over-all majority in the House of Commons.

The Liberals dropped eight percentage points in the popular vote, to 33 per cent from 41.3 per cent the party won in the 1974 election in the 15 ridings. The Conservatives gained five points to 45 per cent, the N.D.P. rose three points to 16.6 per cent.

Many English-language newspapers across the country called for Prime Minister Trudeau's resignation after the by-elections. The editorials harshly criticized Trudeau and were pessimistic about the Liberals' chances in the next general election.

The results of the by-elections are rather ambiguous because of the variety of interpretations placed upon them. They have been seen as a protest vote against the government, which is typical of by-elections. They have also been seen as an indicator of the rising tide of Conservative strength across the country.

More significantly, the results also raise the fear of a polarization in the House of Commons, in the form of a Tory government elected by English Canada sitting opposite a Liberal opposition almost exclusively Quebecois. Both the Toronto Star and the Globe and Mail addressed this fear. The Toronto Star claimed the results boded ill for national unity because it sets up a Canada-Quebec adversary situation in the forthcoming federal election campaign. The Globe and Mail, on the other hand, argued that the rejection of Trudeau and the Liberal Government does not spring from reasons on which the two founding peoples are divided. Both English-speaking and French-speaking Canadians feel that the Trudeau government is responsible for much of the country's economic disarray, for inflation that has taken on new life, for the long period of unduly high unemployment, for the collapse of the dollar. The Globe and Mail pointed out that the country, in fact, is not as divided as election night figures might indicate. The three Quebec rid-



POLITICAL

ings did not line up solidly behind the Liberals. Lotbinere stayed with the Creditistes, in spite of the fading of that party. St. Hyacinthe went from Conservative to Liberal, but under the special circumstances of the Liberals having sent former-Liberal-converted-to-Conservative member of Parliament Claude Wagner to the Senate, in a plain effort to clear the way for their own candidate. Westmount stayed with the Liberals, but giving the Liberal a smaller plurality over the Conservative than in 1974. The Globe argued that this is not a sketch of a province solidly behind the Liberals against the Conservatives. TS 18/10/78 p. A10, A12; GM 18/10/78 p. 6; GM 19/10/78 p. 11; TS 21/10/78 p. A10.

CNSP NOTE: *The widespread judgement that the Conservatives are on a rising tide seems weak. For one thing, it does not properly account for the increased strength of the N.D.P. both in Toronto and in Newfoundland, and it does not account for the solid thumping of the Conservatives provincially in Saskatchewan (see Provincial Government section of this issue). Similarly, it seems to contradict another widespread judgement that this was a vote against Trudeau, not a vote for Clark. The Conservative Party would be ill-advised to let these results lull them into thinking that victory in the next general election is assured. Pierre Elliot Trudeau is a masterful campaigner and it's unlikely that we've seen the bottom of his "bag of tricks".*

PROVINCIAL GOVERNMENT

THE SASKATCHEWAN ELECTION, OCT. 18

Entering the campaign, the NDP had 39 seats and the Conservatives and Liberals 11 each. The NDP placed heavy emphasis on economic and resource development. New points included a lowering of personal income taxes, the easing of property taxes for the elderly, a denture service for seniors and a reduction in the cost of nursing home care. Premier Blakeney promised expansion of resource industries, oil, steel, and the processing of farm products, resulting in more jobs.

The NDP swept back into office with 44 seats and 47.5 per cent of the vote, while the PCs won 17 seats and 37.6 per cent of the vote. The Liberals, with 14.9 per cent, failed to elect a single member. Blakeney says the victory has given him a mandate to negotiate a restructuring of resource taxation policy with the federal government. (See also Federal-Provincial Relations.) EJ 28/9/78 p. A6; GM 20/10/78 p. 12; EJ 7/10/78 p. 1, CP

THE NEW BRUNSWICK ELECTION

New Brunswick, 37 per cent French-speaking, is the only province in Canada where the tensions of the country as a whole exist magnified at the provincial level. The Liberal Party is traditionally a coalition of French Canadians in the north and north-east, and of big-city Irish Catholics in the south. The Conservative Party is ancestrally the party of the Anglo-Protestants. Richard Hatfield is the leader of the PCs; Joseph Daigle, an Acadian, is the Liberal leader.

The Tories took 30 of the 58 seats, while both parties gained 44.5 per cent of the popular vote. Five of the seats were won with pluralities of between 57 and 92 votes. The Parti Acadian, founded seven years ago, won four per cent of the vote, tripling its 1974 share. The NDP doubled its share to six per cent. Neither elected a member. GM 21/10/78 p. 12, W. Johnson; GM 24/10/78 p. 1, CP.

FEDERAL-PROVINCIAL RELATIONS

WHO HAS JURISDICTION OVER RESOURCES?

Saskatchewan Premier Allan Blakeney said Prime Minister Trudeau's government was making "a determined effort to wrest control" of natural resources away from the provinces through the Supreme Court. On October 3, 1978 the Supreme Court decided that Saskatchewan did not have the right to set production quotas and minimum prices for a resource exported to markets outside the province in a suit brought by Central Canada Potash Ltd. Alberta, Manitoba, Quebec, Newfoundland and New Brunswick supported Saskatchewan's action. The court rejected the company's claim for \$1.5 million in damages saying that officials enforcing the law did so in the belief that it was constitutional.

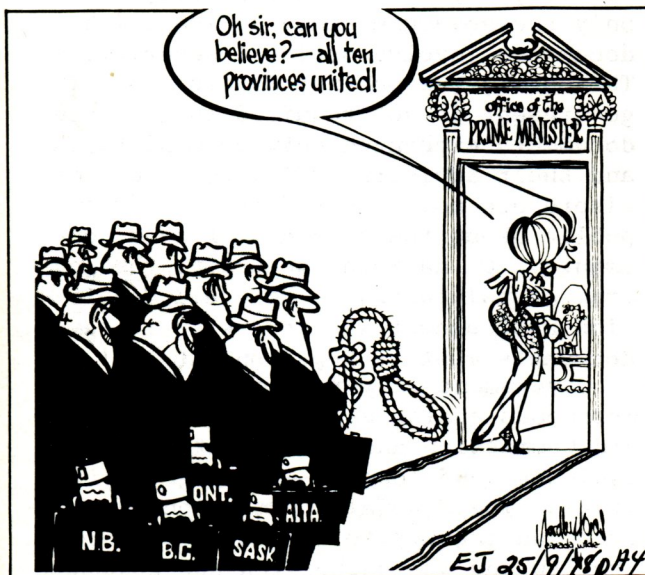
The Supreme Court argued that since most of the potash leaves Saskatchewan the province was actually regulating exports and fixing prices, an infringement of Ottawa's exclusive jurisdiction to legislate in matters of interprovincial trade.

In a related case the Supreme Court ruled that Saskatchewan must pay interest on taxes it collected from oil companies under a law ruled unconstitutional last November. HCH 5/10/78 p. 27, CP; EJ 6/10/78 edit.

CNSP NOTE: *Central Canada Potash Ltd. is a Noranda company.*

BRITISH COLUMBIA PROPOSALS FOR CONSTITUTIONAL REFORM

Proposals sharply at odds with the federal Government's plans for reform of the Canadian Senate have been drawn up by B.C.. The ten provinces grouped in five regions would be responsible for appointing senators and would have broad powers of veto over House of Commons decisions. Through this reformed Senate, appointments to the Supreme Court, to Crown agencies and commissions would be made. The Senate would be responsible for future constitutional amendments. "Although B.C. is committed to the federal form of government it is dissatisfied with the importance given to B.C. within our present federal system. Sad to say, B.C. is afforded little more weight, relatively speaking, than it was given in 1871 (when it entered Confederation). That situation must change." GM 18/10/78 p. 8, R. Williamson



POLICE

CHIEFS OF POLICE WANT MORE POLICE POWER

Eighty policemen attended the 73rd annual convention of the Canadian Association of Police Chiefs. The police chiefs oppose the freedom of information legislation. They say it threatens their effectiveness in fighting organized crime and terrorism. Top police also want the government to form a referendum to reinstate capital punishment for first degree murder. EJ 2/9/78 p. A6; HCH 2/9/78 p. 1.

POLITICAL

S.I.N. AND THE RCMP

Bud Cullen, Employment Minister, wants renewed access for RCMP officers to Unemployment Insurance (U.I.C.) files, which are identified through Social Insurance Numbers (S.I.N.s).

NDP MP Stanley Knowles says S.I.N.s were originally designed for social welfare purposes, not to help the RCMP gather information about Canadians. Conservative critics warned of "police state" conditions if S.I.N.s were used as registration numbers.

WFP 6/9/78 p. 17.



Jean-Jacques Blais
Wants control



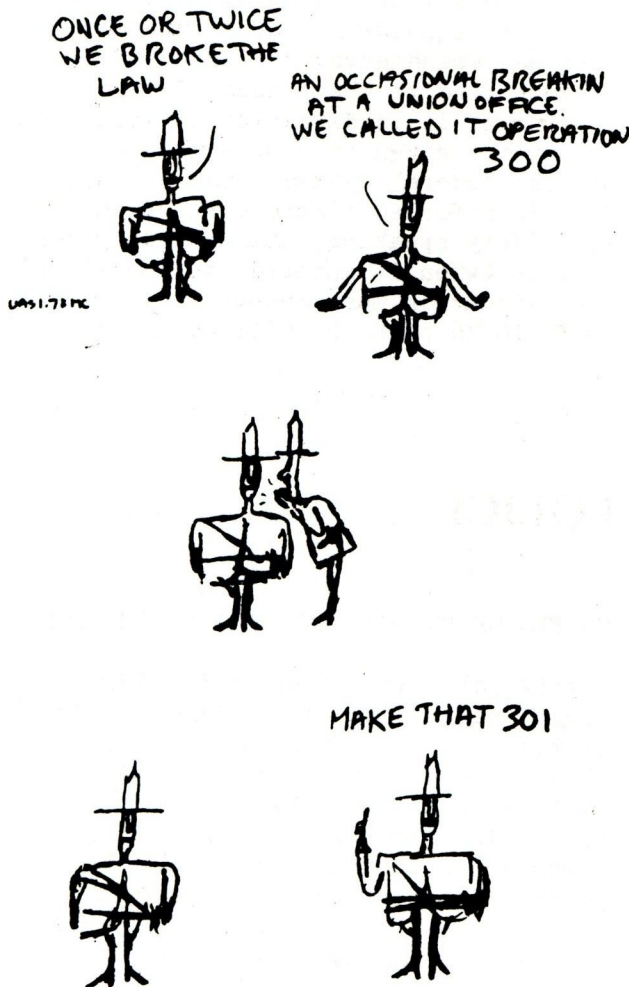
Justice David McDonald
Taken aback

MCDONALD FIGHTS OTTAWA'S CLAMPS

Over a year ago, the federal government quashed the Keable Inquiry into RCMP lawbreaking in Quebec. Ottawa objected

to a provincial government investigating the federal police. The McDonald Commission was set up instead. Former Solicitor-General Francis Fox and Prime Minister Trudeau assured the public that the McDonald Commission would uncover all the facts. After a slow and shaky start, the Royal Commission is becoming more thorough in its investigations. The Commission has taken testimonies from RCMP officers for a year and is ready to hear senior civil servants and ministers about their knowledge of RCMP "irregularities". On October 5, government lawyers proclaimed two new principles to impede investigations. The first was national security. The government said matters concerning national security may not be made public, and only the government may decide which documents involve national security. The second was Cabinet discretion. The government is not required to disclose documents exchanged between Ministers and their advisors. Ministers and advisors are not required to testify in public about the contents of such documents. On national security, the government maintains the McDonald Commission must accept its word when it says documents must be kept confidential.

Government lawyers consistently drew erroneous analogies between the McDonald Commission and investigations into espionage and counter-espionage activities. The McDonald Commission is, however, an inquiry to determine who broke the law and who authorized and condoned



this. NDP leader Ed Broadbent accused the government of a "Nixonian" doctrine because "it is going to be the final arbiter in a case involving itself."

Later in the month, Pierre Lamontagne, a lawyer for the RCMP, attempted to enter as exhibits classified documents that support a former RCMP commissioner's claims that former Solicitors-General knew of RCMP wrongdoing. Thirteen documents were entered for identification only, but were not made public. Four other documents, which government lawyers said shouldn't be seen by the Commission, were handed over the following day.

In the Commons, Conservatives and New Democrats argued that the government must open Cabinet files to the Commission. Trudeau stated the Commission could have any document it asked for. Stuart Leggat (NDP, New Westminster) said commissioners couldn't possibly know what they wanted unless they saw all the documents first.

GM 17/10/78 p. 6, Geoffrey Stevens;
GM 17/10/78 p. 1; GM 27/10/78 p. 1;
GM 28/10/78 p. 1.

Minister Barney Danson said this political factor will be important if the Tornado fits the government's military and economic demands. Military sources question the suitability of the Tornado for long-range air defence, so the EEC entry is regarded as an unlikely choice. The Panavia consortium guarantees \$4 billion in business to Canadian industry. The Cabinet will decide on the contract in early November.

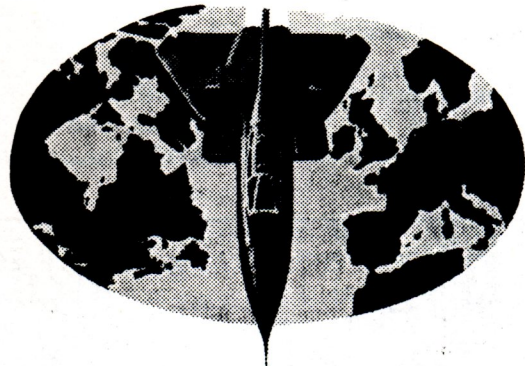
J.J. Shepherd, executive director of the Science Council of Canada, questions any possible economic benefits from military aircraft expenditure. Airframe manufacturers are in a strong growth period, and a new military fighter program is not needed right now to boost the industry. Shepherd says it may even be disruptive. The firms competing for the fighter contract are foreign-owned consortia. This would mean an initial low-cost venture, but a long-term loss of jobs and control over technology for Canada. Since technological development by aircraft corporations is financed by their governments, embargoes could be placed on the transfer of know-how, resulting in the Canadian loss of commercial opportunities.

HCH 30/9/78 p. 3F; EJ 30/9/78 p. A8;
OC 4/10/78 p. 1; WFP, CP;
GM 2/10/78 p. 7.

MILITARY

ECC CAMPAIGNS FOR TORNADO FIGHTER

Panavia Aircraft GMBH, Munich, offered Canada \$6 billion in industrial off-sets by 1991 to obtain a \$2.3 billion contract for the Canadian Armed Forces. The company--a consortium of West German, British and Italian interests--is one of five competing for the contract. The European Economic Community (EEC) and Panavia officials have campaigned heavily for the Tornado, the only non-U.S. entry, playing up the importance of increased links between Canada and Europe. An EEC official said a Canadian purchase of the Tornado could demonstrate that Canada was serious about increasing trade with Europe. Defence



TORNADO

POLITICAL

HEALTH \ WELFARE

BUSINESS PRESSES FOR SPENDING CUTS

Health and Welfare Minister Monique Begin said in July that "the income tax system should be changed to provide the poor with fixed refunds even if they are too poor to pay income tax."

In September, Begin said she was very worried that the voices of the poor, elderly and families with young children are not being heard. Rather, small and big businesses are exerting strong influences on the government to reduce spending on social programs. She suggested people organize and speak out.

In August, Finance Minister Chretien announced cutbacks in health services and social welfare (including a reduction of family allowances from \$25.68 per child per month to \$20.00).

In October, 80 mothers, representing La Ligue des Femmes du Quebec (Montreal) and the Congress of Canadian Women (Toronto), marched on Parliament Hill protesting proposed changes of family allowances. They condemned the proposals as "part of a heartless war against social service programs which were won by years of hard fighting to meet human needs."

HCH 19/7/78 p. 5, CP; GM 1/9/78 p. 1; HCH 15/9/78 p. 3, CP; OC 11/10/78 p. 8.

THE OHIP PREMIUMS DEBATE

A Select Committee of the Ontario Legislature has been studying the province's health costs with the view

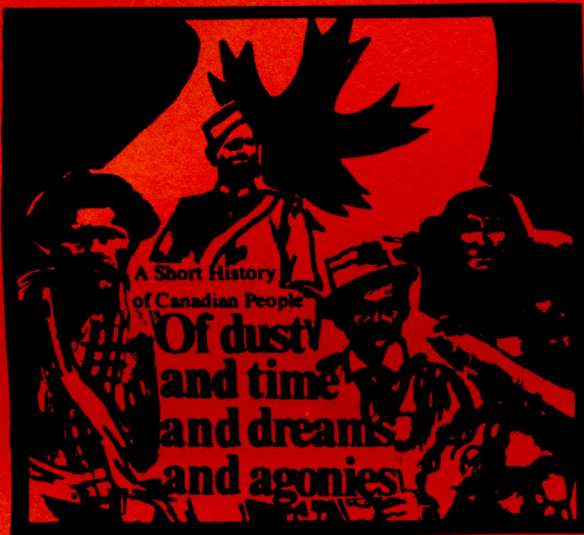
of scrapping the present premium system and using the taxation system as it takes into account people's ability to pay.

Neither the Tories nor the Liberals are willing to move from the premium system. The NDP wants to scrap the premiums.

There is general agreement that the Premium Assistance Program has not been widely used as a result of lack of publicity. There is \$150 million budgeted to help people with low incomes pay their health insurance premiums, but only \$50 million is being claimed. Individuals must sniff out the informations since the government certainly has not publicized the program. This embarrassing situation is causing the government to consider scrapping premium assistance and replacing it with a system of tax credits that would be more effective in helping the poor meet their health costs. GM 8/9/78 p. 1; GM 15/9/78 p. 3; HCH 9/9/78 p. 63, CP.

CNSP NOTE: In 1880, German Chancellor Bismark introduced health insurance to counter socialist movements. In 1919, the Liberal Party of Canada stood for health insurance, but delivered it only in 1966. In 1945, it was feared the CCF would become the national government, so the Liberals included health insurance in their platform at that time. One wonders: do governments introduce health insurance to combat sickness or socialism?





THIS BOOK IS NOT:

- a scholarly treatise
- a lament for a nation
- a satire
- a textbook

THIS BOOK IS:

- a short economic and social history of Canada
- an attempt to describe the experience of the ordinary and not-so-famous people who have made Canadian history: the native peoples, French, Acadian, British, Irish, Scots, Chinese, Metis, Americans, Ukranians, Polish, Finns, Italians, Portuguese and many others who worked and struggled in this country.

By Pat Bird
Illustrated by Yvonne Slipka
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