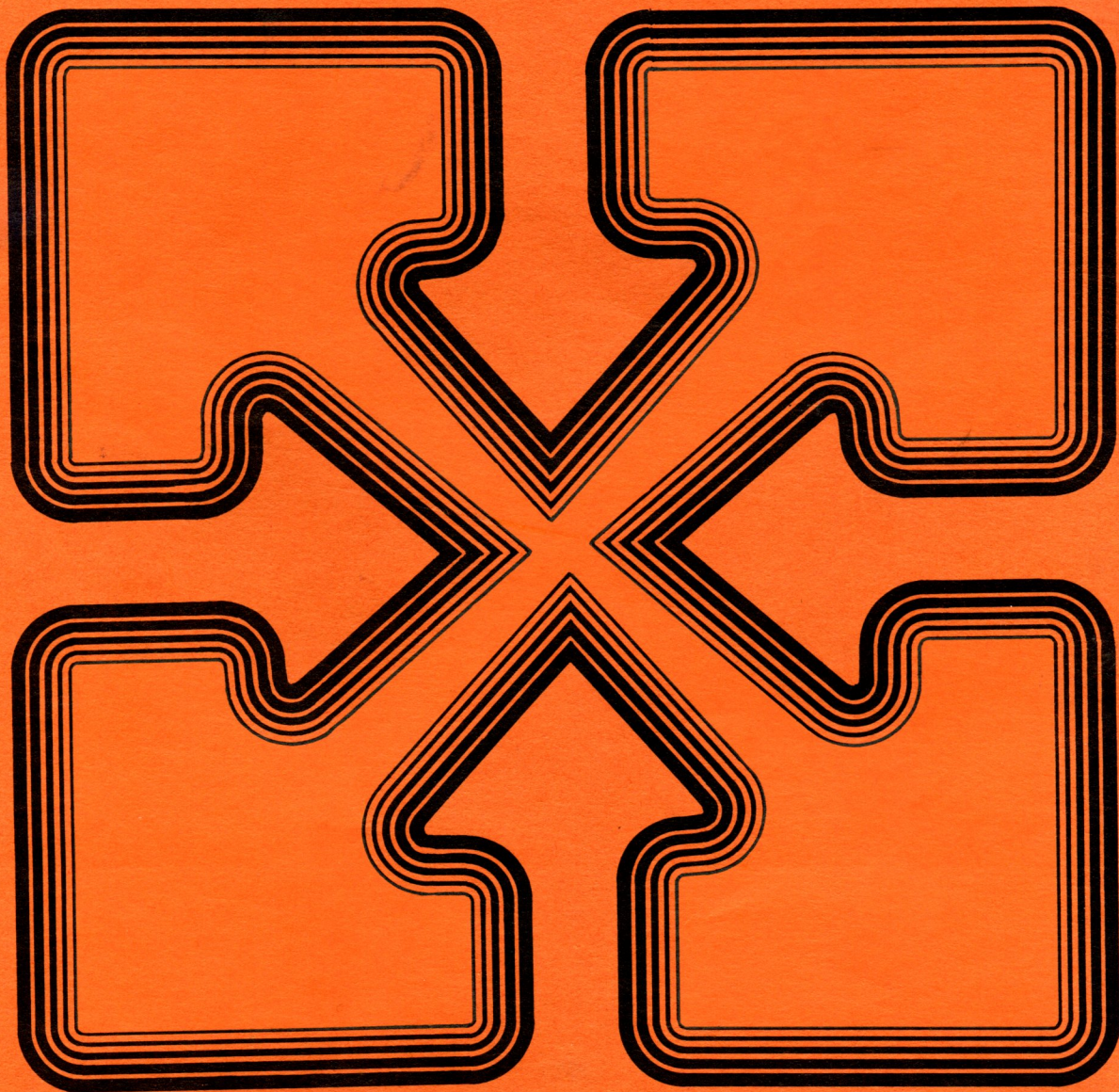


# Synthesis

A Review of Events Reported in the Canadian Press



## HIGHLIGHTS:

More Gas Exports?

Labour Struggles in 1979

Views on Education

Vol. 7, No. 2

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# 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>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

## INDEX

EDITORIAL	2	LABOUR	12-17
CANADA AND THE WORLD	3-4	General	12
Canadian Foreign Policy	3	Workers' Struggles	14
Trade	4	Quebec Labour	15
Foreign Investment	4	CULTURE	18-20
THE ECONOMY	5-11	Education	18
General	5		
Oil and Gas	6		
Forestry	9		

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## HIGHLIGHTS

Bank of Canada President Gerald Bouey, Finance Minister Jean Chretien and Energy Minister Alastair Gilliespie all want Canada to export more natural gas to the United States. The oil companies have been pushing this idea for some time now as well. The corporations say they need the extra money to start building pipelines from the north. The government wants to export the gas to help Canada's balance of payments. This would boost the dollar, a vital political consideration in an election year. However, this move is not the solution to our problems that it appears. Boosting the dollar by selling off natural resources at a faster rate won't cure the long-term weaknesses of the economy that caused the dollar to fall in the first place. It will help the Liberals' chances of being re-elected and it will give more profits to the oil companies so that they can build pipelines to win even higher profits. See page 8.

At a time when labour's income is falling, a large number of contracts in important sectors of the economy are coming up for re-negotiation this year. 1979 could be a record year for labour disputes. Worker militancy is showing in other ways, too. As well as becoming more involved in political action, unions are increasing their organizing drives. At the present time, 39 per cent of workers are organized, and with the end of wage controls, unions are trying to increase their strength before the next round of the fight. See pages 12 and 14.

A recent study by the Ontario Institute for Studies in Education calls into question some of the assumptions the media and governments have made about how the public views education. The study points out that not everyone wants cutbacks as much as the government and the corporate sector. See page 18.

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## It's Tax Time: Who's Paying?

As you are doing your income tax return this year, you may be wondering about where your tax dollars go. It's a question well worth asking these days.

Prime Minister Trudeau has become cautious in spending our tax dollars. Canada's economic recovery hinges on widespread belt-tightening and lowered expectations, he says. Government spending must be cut and wage increases must be held below the rate of inflation if the economy is to pick up, we're told.

But whose belts are being tightened? While Ottawa cut off 250,000 people from unemployment insurance and slashed everyone else's unemployment benefits by 10 per cent, it managed to scrape up \$40 million to give the Ford Motor Co. for a new plant in Windsor. It cut \$240 million from its 1979 spending on family allowances, yet plans to give the forest products industry \$235 million. It wants to spend \$2.4 billion on fighter aircraft, a sum just under the total amount of money cut from 1979 spending plans for social service programs.

What is the reasoning behind this kind of economic strategy? Does the forest products industry, for example, need grants because it's on the verge of bankruptcy? Far from it. The top six forestry companies made profits of \$160 million in 1977. Profits for the six soared to \$379 million in 1978, an increase of 150 per cent (see page 9).

Provincial governments have been following Ottawa's lead. In Ontario, for instance, the government is giving \$28 million of the taxpayers' money to Ford as its share of the bribe for the Windsor plant. The province has offered the pulp and paper industry a cool \$100 million.

Our governments are giving the big corporations subsidies, while tightening the screws on spending for education, hospitals and other social services. It isn't merely a question of the corporations being exempt from the economic restraint hitting the rest of us. Cutbacks in public spending--the social wage of health care, education and social services which we deserve as taxpayers--are being made so that more money can go to companies, allegedly for job-producing investment.

But there's no guarantee at all that the transfer of more money from workers to the corporations will mean more investment and jobs in Canada. As Synthesis readers know, some large companies are using their abundance of cash to become even larger by buying out other firms. Other corporations are transferring more and more of their capital to the U.S. and to under-developed countries where they can take advantage of lower wages, anti-union laws, and lax safety and pollution requirements.

In the face of a corporate scramble for higher profits, how fair is it to ask working people to lower their expectations and accept an inequitable restraint program? Does it make sense to keep following this strategy for economic recovery, a strategy which has not been working?

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# CANADA AND THE WORLD

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## CANADIAN FOREIGN POLICY

### U OF W ASKED TO DROP NORANDA HOLDINGS

Students at the University of Winnipeg, calling themselves the University Research Group, have called on the U. of W. to drop its \$50,000 holding of bonds issued by Noranda Mines Ltd. The students are protesting the company's involvement with the military regime in Chile. The Chilean government relies on copper for 80 per cent of foreign exchange earnings and 70 per cent of government revenues. In 1976, Noranda and the government formed a partnership to exploit Chile's Anacolla copper deposits.

The Task Force on Churches and Corporate Responsibility says the Chilean government has been condemned on three occasions for its human rights violations, and "is known internationally for its practice of torture." The University Research Group says, "Noranda's involvement with Chile facilitates and maintains a repressive government and its apparatus." The U. of W. has a policy of divesting itself of any stock deemed to be socially injurious. Since the University does not hold voting stocks, it cannot go to the company's general meeting to protest Noranda's actions. Thus, the group says, there is no effective protest short of withdrawing funds."

Varsity, Toronto, 12/2/79, (CUP).

### MORE CANDUS FOR ARGENTINA?

Canada, which has already sold one Candu to Argentina, is presently trying to sell a reactor for the second power station, already under construction.

Now Argentina is planning to buy four more nuclear reactors, at a cost of \$4.5-billion. Canada has the inside track on winning the contract because Argentina wants to have reactors that will use heavy water and natural uranium. The Canadian-designed Candu reactor is the only existing reactor using this technology.

A major stumbling-block to further sales has been Argentina's refusal to sign the Nuclear Non-Proliferation Treaty. GM 14/2/79 p. B3.

### ARGENTINA TO INCREASE PLUTONIUM PRODUCTION

Argentina is going to increase its production of plutonium, a vital ingredient for nuclear weapons. The country now receives some plutonium as a by-product from its Candu nuclear reactor, but is building a special plant at Ezeiza, near Buenos Aires, to produce larger quantities of plutonium.

GM 14/2/79 p. B3.

CNSP NOTE: *On February 14, the Group for*

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# CANADA AND THE WORLD

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*the Defence of Civil Rights in Argentina went to Ottawa to protest the government's Candu sales as long as the military government of Argentina refuses to sign the Non-Proliferation Treaty and continues its policy of domestic repression. The Canadian Labour Congress supports the Group's position.*

## TRADE

### EXPERTS TO REVIEW EXPORTS

The federal government has established the Export Promotion Review Committee to examine Canadian trade competitiveness in the 1980s, and the forms of federal assistance exporters will need.

The committee, comprised of businessmen, labour leaders and academics, will examine the programmes of the Export Development Corporation, the Canada Commercial Corp. and the Canadian International Development Agency (CIDA). It is expected to report in December, 1979.  
GM 15/2/79 p. B1.

### TRADE MISSIONS

Two Canadian trade missions were abroad in February. Senator Peter Bosa led a 19-member business mission to Italy to examine export opportunities. Meanwhile, the Automotive Parts Manufacturers' Association led 12 leading parts makers on a trade mission to Japan to press Japanese auto makers to manufacture more of their parts in Canada for Canadian-assembled Japanese autos.

GM 7/2/79 pp. B2 & B5.

### UNHEALTHY TRENDS IN FOOD TRADE

Canada is becoming an underdeveloped country with regard to its agricultural trade, according to a study by GATT-Fly, an ecumenical church project concerned with issues of global economic justice. The study, "Canada's Food Trade—By Bread Alone?" says agricultural and trade policies are stressing the export of wheat, grains and oilseeds while production of other food products, and farming and processing jobs associated with those products, are threatened by imports from abroad. GATT-Fly calls for "self-reliant" food policies.

Catholic New Times 17/12/78,  
GATT-Fly, 11 Madison Ave., Toronto.

## FOREIGN INVESTMENT

### CANADIAN INVESTMENT IN FLORIDA GROWING

Existing Canadian investment in Florida stands at \$450 million (U.S.), and is expected to grow to \$1.3 billion over the next 15 years.

A study by Florida International University last year showed 45 Canadian-controlled land development firms active in Florida, as well as 17 in which Canadians are partners. The largest housing development in the state is by Markborough Properties Ltd. of Toronto. It will house 40,000 people on 13,500 acres of land near Miami.

Developers say Canadian regulations delay development, tying up capital. According to Jack Solomon of Cuttyco of Toronto, "What you don't worry about nearly so much in Florida are developmental rules and regulations, and zoning by-laws...."

FP 10/2/79 p. 1

# THE ECONOMY

## GENERAL

	Spring budget strategy				After six months			
	1978-1979 spending (\$million)	Increase (%)	Surplus (deficit) — (\$million)	Cash needs	1978-1979 spending (\$million)	Increase (%)	Surplus (deficit) — (\$million)	Cash needs
Nova Scotia	1,619	15.1	( 110)	206	1,674 <sup>3</sup>	19.0	( 165) <sup>3</sup>	261 <sup>3</sup>
Quebec	13,335	10.5	(1,035)	1,250	13,335	10.5	(1,385)	1,500
Ontario <sup>1</sup>	14,482	6.9	(1,519)	1,199	14,482	6.9	(1,832)	1,496
Manitoba	1,651	3.0	( 114)	407 <sup>2</sup>	1,656	3.3	( 131)	413
B.C.	4,280	11.7	—	—	4,357	13.8	( 76.1)	—
Canada	49,775	9.9	(9,250)	11,500	49,725	9.8	(10,530)	12,100

**Notes:**

1. Reflects post-budgetary revisions to medicare premium and corporate tax schedules.
2. Includes major utilities borrowings.
3. Includes Nova Scotia's assumptions for non-capital expenditures only

### GOVERNMENT DEBTS STILL RISING

Despite being generally successful at holding down the rate of spending growth, governments in Canada are still going deeper into debt. The federal government and the five provinces that tabled estimates before the end of 1978 say their spending is within 0.1 per cent of the goals set last spring. However, they will still need \$1.2 billion, or 8.3 per cent, more than they had planned.  
FTC 11/12/78 p. 12.

**CNSP NOTE:** *This situation has arisen because the tax base has shrunk. Continuing high unemployment has meant governments have not been able to raise as much in taxes as they had planned. Their policies are continuing to backfire. Led by the federal government, the Lyon regime in Manitoba and the VanderZalm approach in B.C., governments are trying to bring their spending into line by slashing social programmes.*

*However, cost-cutting slows economic growth even further, especially at a time when the private sector is not investing. The hardship being forced on people by the cutbacks is to no avail. The economy is being kept in the doldrums to inflation's threat to profits can be beaten, a perverse strategy when*

*examined in human terms, but a logical result of our dependence on capitalism for our economic direction.*

### DREE CREATES 130,000 JOBS IN 10 YEARS

The Department of Regional Economic Expansion says it has helped create 130,000 jobs since it was begun in 1969. Capital investment associated with this job creation was \$3.2 billion. Out of DREE's 1978 budget of \$524.7 million, Quebec received \$164 million and the Atlantic Provinces \$191.1 million.  
GM 9/2/79 p. 9

### DREE'S POLICIES OUTDATED: STUDY

A study by the public works department urged that the federal government concentrate its construction spending in the Atlantic Provinces and Quebec, and postpone most of its planned construction in Ontario and Alberta.

Benjamin Higgins of the University of Ottawa, the study's author, said such a policy would cut unemployment by between a third and a half. He claims the present federal policy on public works has "systematically contributed to the economic instability of every region in the

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# THE ECONOMY

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country." The study concludes most of the country's inflation is generated in Ontario, Alberta and British Columbia, while unemployment is higher in Quebec and the Atlantic Provinces.

Higgins said the policy now followed by the Department of Regional Economic Expansion was rejected by economists 15 years ago. "The idea that you can pick one city like Halifax or Moncton as a development pole for the Atlantic region, pour in incentives and sit back waiting

for the benefits to seep down to the entire region has almost never worked."

He recommends instead that economists be sent to smaller communities to work directly with the population to design specially-adapted local development programmes. Higgins said designing specific plans to meet local needs would more effectively fight inflation and unemployment than would broad fiscal and monetary policies involving tax cuts, interest rates, etc.

GM 8/12/78 p. 8

## OIL AND GAS

*INTRODUCTION: The halting of oil deliveries from Iran triggered a high-profile battle between Exxon and the federal government. When the smoke cleared Exxon had stepped back a few paces and Energy Minister Gillespie has introduced an emergency energy supply and allocation bill in the House. Corporate and government spokesmen continued to set the scene for increased gas exports to the U.S., even before the release of the NEB's gas supply report. Meanwhile, the Alcan gas pipeline (price-tag: over \$14 billion) will be further delayed as investors refuse to commit themselves until rates of return they like are fixed. And although the Conservatives talk about dismantling Petro Canada, indications are that the Crown-owned company is performing a valuable service for private energy corporations.*

### EXXON SQUEEZES CANADA

On the pretext that all its customers must share equally the shortages of petroleum caused by the disruption of production in Iran, Exxon, the largest integrated oil company in the world, tried to reduce its sales of foreign crude oil to its Canadian subsidiary, Imperial Oil of Toronto. The planned reduction was 25,000 barrels a day, a 25 per cent cut.

However, Imperial imports its crude from Venezuela, not Iran. The resultant loss would have increased Canadian shortages from the Iranian cutoff from 40,000 barrels a day to 65,000. Exxon said it was acting accord-

ing to allocation rules established by the International Energy Agency. But present global shortages are four per cent, not the seven per cent trigger level which the IEA stipulates.

Energy Minister Alastair Gillespie joined both opposition parties in attacking Exxon. "Imperial gets all its oil from Venezuela, which hasn't cut back at all. Why should Imperial suffer--why should Canada suffer shortfalls--when there's been no restriction from Venezuela?"

Imperial, under strong pressure from the federal government, reduced the original cutback from 25,000 to 8-9,000 barrels per day. Gillespie also wants Imperial to deal



# THE ECONOMY

directly with Venezuela, not through Exxon. Imperial President, Jack Armstrong says he will negotiate with Exxon to buy some, but not all its oil directly from Venezuela. GM 16/2/79 pp. 1 & 6; GM 21/2/79 p. B1; WFP 16/2/79 p. 21; FP 24/2/79 p. 4.

CNSP NOTE: *The Globe and Mail* editorial writers and NDP leader Ed Broadbent somehow found themselves in the same camp over the Exxon incident. Broadbent stated that Exxon's move was not surprising since a multinational's first goal is to make money, not serve the Canadian public. The *Globe* intoned that "a giant multinational like Exxon will do what profits it, not what serves a small country like Canada."

## OTTAWA INTRODUCES ENERGY SUPPLY BILL

The government has introduced the Energy Supplies Emergency Act to deal with a possible crisis in oil supply from the Middle East. Energy Minister Gillespie says the bill is a precautionary measure in case of emergency during the coming election. The bill would give the government complete control over energy distribution and use, including rationing. The new ESEA Board will override the National Energy Board in the event of conflict. GM 20/2/79 p. B2; WFP 17/2/79 p. 1.

## MEXICAN OIL DEAL UPDATE

Federal government officials have begun negotiations to link Canada's 100,000-barrel-a-day purchase of Mexican oil with a large package of exports. The main items being pushed are coking coal and Candu nuclear technology. By the time the first oil arrives in 1980, Mexico will be producing 2.25 million barrels per day, with about one million for export. Canada has contracted to buy about one tenth of that. GM 7/2/79 p. B1; FP 24/2/79 p. 9.

## MEXICAN GAS MAY OFFSET CANADIAN EXPORTS

Mexico is trying to sell gas to the U.S. on a take-or-pay basis. Under such an arrangement, the U.S. must pay for the contracted amount, whether it needs the

total volume or not. According to the U.S. Energy Department, Mexican exports would thus reduce production of American gas, and push some Canadian production out of the U.S. market. Mexico wants the price of its gas tied to the price of distillate oil landed in New York. The price would thus be \$3.40 per million cubic feet.

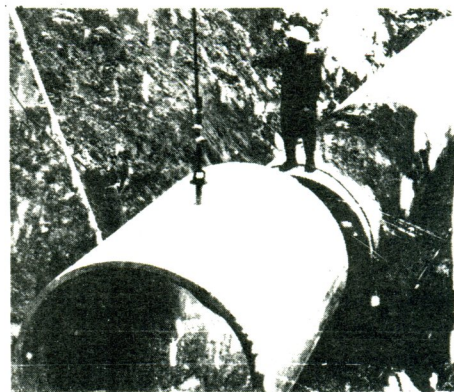
Other U.S. experts feel the current surplus is short-term, and the underlying trend is still towards a reduction of reserves. In that case, the U.S. is going to need all the gas it can get from all sources, including Canada, Mexico and Alaska.

FP 24/2/79 p. 4

## ALCAN PIPELINE SETBACK

The Alcan pipeline will likely be further delayed, until late 1984, with the price tag reaching \$14 billion, according to the U.S. sponsor of the line, the Northwest Alaskan Pipeline Co. The company says that unless the U.S. Federal Energy Regulatory Commission sets "adequate" rates of return on investment by May 15, private financing will take even longer to obtain.

WFP 13/2/79 p. 4.



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# THE ECONOMY

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## BOUEY BACKS GAS EXPORTS

Bank of Canada governor Gerald Bouey says gas exports to the U.S. will help prop up the Canadian dollar, helping "a great deal" to reduce the trade deficit.

GM 7/2/79 p. 1.

*CNSP NOTE: Bouey was not the only federal spokesman endorsing gas exports prior to the NEB gas supply report. Speaking to the Council on Foreign Relations, an influential U.S. lobby, Finance Minister Jean Chretien said increased natural gas sales will have a big effect on Canada's trade balance. Energy Minister Gillespie said if the National Energy Board decides Canada has surplus gas, then we'll export. "We can't let the U.S. freeze in the dark", he stated.*

*Ottawa apparently favours more gas exports via the "prebuild" scheme of the Alcan line which will ensure that Alaskan gas reserves are connected to markets and the line is completed.*

*The Globe and Mail, in a surprisingly acute editorial, said that both the prebuilt section and the completed Alcan pipeline will put American needs ahead of Canadian ones; "to provide natural gas the U.S. has not been pleading for and do it on the cheap, just to bring the Liberals safely home to Ottawa."*

GM 14/2/79 p.6.

## MARITIME ENERGY COALITION FORMED

Ottawa and the premiers of Nova Scotia, New Brunswick and Prince Edward Island have agreed to establish a Maritime Energy Coalition to market energy and construct major energy projects.

Besides the Point Lepreau nuclear reactor which the MEC will buy from the New Brunswick Electric Commission, the coalition will also be responsible for the development of tidal power in the Bay of Fundy. By sharing nuclear power and by using more Cape Breton coal to produce electricity, the Maritimes hope to reduce their

heavy dependency on imported oil.  
WFP 17/2/79 p.1; GM 19/2/79 p.9;  
GM 21/2/79 p.B4.



## PETROCAN COUNTERS TORY THREAT

In the wake of Conservative leader Joe Clark's threat to sell the state-owned oil company, Petro Canada, the firm continues to do frontier exploration and to reply to Clark's attack.

PetroCan vice-president Joel Bell says the company's major purpose is to develop long-term energy resources in high-risk frontier areas, "a purpose not compatible with having shareholders in the private sector." PetroCan is considering joining the \$4.7 billion oil sands project in Cold Lake, Alberta, with Imperial Oil of Toronto.

GM 22/2/79 p.B4.

# THE ECONOMY

CNSP NOTE: As a public relations move to attract right-wing support, Clark's policy makes sense. But the major petroleum corporations may not agree with Clark. Joel Bell's comment makes clear what has been assumed about the role of PetroCan and its relationship to the private sector. It sees itself as a cutting edge, developing sophisticated technologies and exploring in risky areas where the private companies fear to tread without guarantees of profit. PetroCan will clear the path and the private multinationals will follow, perhaps in partnership, perhaps not.

PetroCan president William Hopper leaves no doubt as to his allegiances. With the proper tax and royalty rules, private capital would flow into oil sands plants and Canada would be self-sufficient in oil by 1985, Hopper argues. He also thinks that gas exports to the U.S. would be "good for the country and good for the industry."

The oil companies apparently realize that Hopper is one of their own, even if Joe Clark doesn't. After all, says Hopper, part of the role of PetroCan is to help the federal government understand the "special problems of the oil industry." A glance at the estimated \$20 billion worth of new energy projects that may come on stream by 1985 shows that PetroCan has an interest in virtually all of them with corporate partners. They include:

- A liquified natural gas scheme from the high Arctic with Alberta Gas Trunk Lines.
- An interest in the Alcan pipeline through PetroCan's recent purchase of Pacific Petroleums.
- A stake in the proposed Polar Gas pipeline with Panarctic Oils.
- A partnership with AGTL to build the Q and M pipeline to transport Alberta gas to Quebec and the Maritimes.

## EMR STUDY BLASTS ENERGY COMPLACENCY

Failure to think beyond 1985 and the current improved short-term supply of oil and gas is blinding Canadians to the reality of energy shortages, according to a study by the Department of Energy, Mines and Resources. The world energy situation will deteriorate rapidly after 1990 and

will become so critical that "world order itself might be threatened."

By 2010 world oil production will be about 60 million barrels a day, when 150 million barrels a day will be needed. Recommending the standard solutions to shortages--more nuclear power and oil sands plants--the report says such a national energy program for 1975-1990 will probably require more than the \$180 billion estimated in 1975.

GM 12/2/79 p.B2.

## FORESTRY

### MORE AID TO FORESTRY SUGGESTED BY REPORT

The report of a special taskforce on the forestry industry calls for increased incentives and tax reductions to stimulate forestry and make it internationally competitive in the future.

The taskforce, made up of business, labour, academic and government members, is one of 23 groups set up by the federal-provincial conference of February, 1978, to study Canada's industrial sectors. The recommendations of the forestry taskforce did not receive the support of its labour member, L.H. Lorrain, president of the Canadian Paperworkers' Union.

The report calls for a reduction of income taxation on forestry by six percentage points, bringing it in line with the tax rate on manufacturing and processing industries. It also urges an indefinite extension of the two-year write-off for pollution control expenses, higher investment tax credit rates and government funding of research programs.

HCH 13/9/78 p.1; GM 12/9/78 p.B11

FTC 18/9/78 p.18.

### FORESTRY FIRMS GET SUBSIDIES

The federal government has announced a program to give \$235 million to forestry firms to help them upgrade production facilities in the next five to seven years.

# THE ECONOMY

Robert Andras, president of the new Board of Economic Development Ministers, says Ottawa will give one dollar for every three spent by companies on new pulp and paper machinery to help prepare the industry for future international competition. The forestry industry contributes about \$15 billion annually to the economy and earned \$8 billion in exports last year, says Andras.

NDP leader Ed Broadbent called the subsidy program a multi-million dollar handout to already profitable companies. He said, "The big six companies which control most of the industry made profits in 1977 of \$160 million and have just announced a 150 per cent increase in those profits for 1978 up to \$379 million." The handouts come at a time when the federal government is cutting down on health services to Canadians, he added. Andras replied that such subsidies were recommended by the recent taskforce report on the industry.

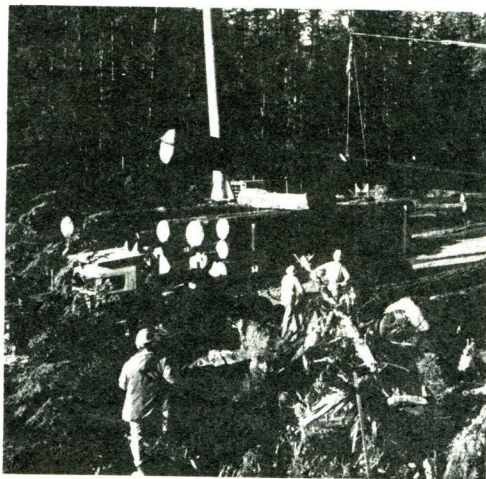
The Department of Economic Expansion has already pumped \$179 million into forest industries and last July a \$143 million program of renewable energy for the forestry industry was unveiled. In addition, the November budget announced increased tax credit measures and extension of the fast write-off for anti-pollution equipment.

The government of Ontario announced in January a \$100 million program similar to the federal one to modernize plants and alleviate pollution. Premier Bennett of B.C. has also promised a multi-million dollar program for the industry. In all, the industry has been promised well over \$500 million in subsidies for the coming years.

Industry spokesman E.F. Walsh, chairman of the Canadian Pulp and Paper Association, is encouraged by the government aid but fears that it may encroach on the independence of the private sector. In Ontario the provincial NDP has called for government equity participation in companies that receive government subsidies. Instead of government partnership, Walsh would prefer a package of industry incentives: lower tax rates, more generous stumpage fees charged by provincial governments, lower energy costs (especially electricity) and lower transportation costs (set

by government).

TS 2/2/79 p.B8; GM 2/2/79 p.B2;  
FP 10/2/79 p.2; WFP 7/2/79 p.69 ed;  
GM 6/2/79; FP 27/1/79 p.5; FP 13/1/79 p.3  
FTC 11/12/78 p.19; WFP 11/1/79 p.40.



## REED THREATENS TO CLOSE PLANT

The Ontario government has given Reed Ltd. four more years to clean up pollution from its Dryden pulp and paper mill, but the company wants seven. Until 1975 the mill had leaked mercury into the English-Wabigoon river systems, destroying the livelihood of local native people and much of the area's tourist industry. The company was given until 1978 to clean up other pollutants, a deadline it failed to meet.

The Ontario government has now given Reed until 1982 to finish the job. Reed president Donald MacIver, however, told the Ontario legislature Feb. 8 that his company needs \$36 million from the taxpayers to meet the new deadline or seven years to do the job. MacIver suggested that if the company didn't get what it wants it might close the mill, which is Dryden's sole industry, employing 1,700.

Meanwhile the company's parent, Reed International of Britain, has suspended attempts to sell the subsidiary. The Dryden plant has been losing money in recent years, but in 1978 registered a profit of \$4.5 million.

GM 9/2/79 p.5; GM 10/2/79 p.6;  
GM 17/2/79 p.B6.

# THE ECONOMY

## The major publicly owned companies

FP 20/1/79 p. 3.

	12 months ended Sept. 30:		Estimated annual capacity		
	Sales	Net income	Net per share	Pulp	Paper, etc.
	\$ million	\$		'000 tons	
MacMillan Bloedel Ltd. ....	1,954	96	4.26	2,600	1,900
Abitibi Paper Co. ....	1,243	71	3.58	3,170	2,700
Domtar Inc. ....	1,181	50	3.39	1,500	1,440
Consolidated-Bathurst Inc. ....	1,028	47	6.18	1,830	1,440
B.C. Forest Products Ltd. ....	664	58	3.85	890	560
Crown Zellerbach Canada Ltd. ....	476	31	3.76	590	330
Reed Paper Ltd. ....	354	def 14	def	700	450
Great Lakes Paper Co. ....	261	17	4.58	900	410
Fraser Cos. Ltd. ....	251	22	9.56	400	420
Canadian Cellulose Co. ....	171	3	0.24	640	...
Rolland Paper Co. ....	124	4	2.17	...	127
Scott Paper Ltd. ....	110	4	5.03	...	120
Donohue Inc. ....	103	10	5.29	310	260
Maclaren Power & Paper Co. ....	102	18	9.10	280	150
Crestbrook Forest Industries Ltd. ....	82	4	1.75	140	—

— None . . . Not available.  
Earnings are before extraordinary expenses.  
Reed Paper loss equal to 85¢ per share.  
Capacity estimates based on a production year of 345 days.

Sources:  
Financial Post Computer Services  
Financial Post Corporation Service.  
Pulp & Paper, San Francisco.  
Pulp & Paper Canada Business Directory.

### ABITIBI BUYS LABRADOR LINERBOARD MILL

Abitibi Paper Co. has bought the idle Labrador Linerboard mill at Stephenville, Nfld. and plans to transform it into a pulp and paper plant.

Labrador Linerboard Ltd., one of fugitive industrialist John C. Doyle's projects, was expropriated by the province of Newfoundland in 1972 to try to put it on a sound footing. The mill was the only industry in the west coast-St. George Bay region and employed 1,100. Under government ownership the mill still lost \$40

million annually and was finally shut down in August, 1977 after the government spent an estimated \$200 million on it.

Abitibi is paying \$43.5 million for the mill and will spend another \$60 million to convert it to newsprint production. The total cost to Abitibi of about \$100 million is only a fraction of the cost of starting a mill from scratch. The firm will also benefit from the recent federal budget's much-increased investment tax credit, an incentive worth \$6 million to Abitibi in this case.

GM 2/12/78 p.8; FP 2/12/78 p.4.



# LABOUR

## GENERAL

### WAGE GAINS DECLINE

Collective bargaining settlements in 1978 resulted in the lowest wage gains for Canadian workers since the federal Department of Labour began gathering statistics twelve years ago. With inflation at 8.4 per cent, settlements averaged wage increases of 6.9 per cent for major collective bargaining units (500 or more employees). In 1977, the average settlement allowed for a 7.8 per cent increase.

The average wage increase for fourth quarter 1978 settlements was 7.7 per cent (not including special cost-of-living agreements). The increases in the first three quarters were 6.6, 6.4 and 6.8 per cent, respectively.

The Department of Labour also said that in 1978 there were more settlements of multi-year contracts. In 1977, 69 per cent of the 572 agreements were for one year, 24 per cent were for two years, and seven per cent were for three or more years. In 1978, 53, 39 and nine were the respective percentages of a total of 656 agreements.

FTC 19/2/79 p. 4; FTC 19/2/79 p. 5;  
GM 16/2/79 p. B1; WFP 16/2/79 p. 13.

### Pay gains over 5 years

Canada	Year	U.S.
6.9%	1978	6.5%
7.7%	1977	7.8%
10.2%	1976	8.4%
17.0%	1975	10.2%
16.8%	1974	9.8%

Source: Federal department of labor, U.S. bureau of labor statistics.

Note: Canadian and U.S. wage settlement data are not wholly comparable. The U.S. computes average gains in a bargaining unit. Canada makes its calculations on the base rate (the lowest paid for straight time work in a group of workers). Government settlements, but not those in construction, are built into the Canadian data. U.S. practice is the opposite.

**CNSP NOTE:** David Orkilow (MP for Winnipeg North) pointed out (*Commons' Debate* 12/2/79) that the government attitude of "restraint" towards workers' wages is not applied to increasing profits and prices. While Prime Minister Trudeau and Finance Minister Chretien continually warn workers and employers against wage increases above those set by the Anti-Inflation Board as harmful to the economy, they have not responded with concern to figures of huge profits or price increases in products such as food. They content themselves with promises to "study the situation."

### UNIONS STEP UP ORGANIZING DRIVE

Unionization drives are beginning to swing into full gear after a two-year lull during AIB controls. A *Financial Post* survey of Canada's major unions shows optimism at the prospect of renewed membership growth. The survey indicates that growth this year will likely exceed five per cent, compared to 3.8 per cent in 1977-78. This is still below the 6.4 per cent annual growth rate between 1971 and 1976. It means an estim-

## How the unions rank

### Top 10 organizers 1975-1979

Union	Increase in members	Percentage Increases
Canadian Union of Public Employees	28 000	13%
United Autoworkers	18 000	15
Public Service Alliance of Canada	17 000	12
United Steelworkers	16 000	9
Federation des Affaires Sociales	12,700	26
Teamsters	11,500*	15
B.C. Government Employees Union	11,300	35
Retail Clerks International Union	10,000	23
Ontario Public Service Employees Union	10,000	18
Alberta Union of Provincial Employees	6,000	21

\*Does not include 5,000-6,000 members of the Canadian section of the International Chemical Workers Union that voted recently to merge with the Teamsters.

### The 10 largest unions in 1979

Canadian Union of Public Employees	245 000
United Steelworkers of America	199 000
Public Service Alliance of Canada	160 000
United Autoworkers	135 000
National Union of Provincial Government Employees	132 000
United Brotherhood of Carpenters and Joiners	89 000
Teamsters	88 000
Centrale de l'enseignement (Quebec teachers)	80 000
Federation des affaires sociales	72 000
Ontario Public Service Employees Union	66 000

# LABOUR

ated 175,000 may join unions this year.

There are signs that union growth has peaked in such areas as the federal public service, but membership growth will continue at a strong pace at provincial and municipal levels. The financial sector is another area of potentially high growth. Less than two per cent of this work force is unionized, and a number of unions are mounting major campaigns.

In the industrial sector, where union growth has been relatively slow in recent years, the ending of wage controls means unions can devote more resources to the recruitment of new members.

In all but one of the past ten years, union membership growth has outpaced the growth of the labour force. Organized labour now consists of 3.3 million members. This is 39 per cent of non-agricultural paid workers, compared with 32.5 per cent in 1969.

FP 3/2/79 p. 1, J. Bagnall.



Union members fear the investigation is being used to break the UFAWU. Peaceful protest demonstrations have been held outside the hearings.

GM 1/2/79 p. 10.

## "FISHY" USE OF COMBINES ACT IN B.C.

The federal Restrictive Trade Practices Commission has opened an inquiry into activities of the United Fishermen and Allied Workers' Union. Hearings of the Commission, an arm of the Combines Investigation Branch set up under the Combines Investigation Act, are being held in private. The nature of the allegations against the union have not been revealed. Two years ago, the Commission attempted to stage a similar investigation, but postponed it when members protested the closed-door meetings.

The UFAWU says it is mystified at the investigation, since Section Four of the Combines Investigation Act specifically excludes unions and fish price agreements from provisions of the Act. Questions so far have been directed at the edict issued by the union during a strike in 1975. The edict prompted voluntary refusal by shore workers to handle fish caught by non-union fishermen. The investigation was initially launched after the strike with the raiding of the union's headquarters in Vancouver and seizure of documents relating to the strike.

## LABOUR SEEKS PROTECTION FROM RCMP

The Saskatchewan Federation of Labour says that routine surveillance of labour organizations by the RCMP has led it to the conclusion that the force's function is not to protect the security of the state, but rather to protect the security of the status quo. In a brief given to the royal commission inquiring into RCMP wrongdoing, the federation calls for "explicit protection" against the spying on the labour movement now taking place.

GM 30/1/79 p. 10

## LABOUR TO PRESSURE CHILE AND NICARAGUA

The International Confederation of Free Trade Unions' committee for the defence of human and trade union rights in Latin America has called for the immediate application of pressure tactics (including boycotts) to bring down the governments in Nicaragua and Chile. The committee condemned the repression of individual and collective rights in these countries.

# LABOUR

The Canadian Labour Congress is a member of the ICFTU, which represents 56 million workers in 90 countries.

It is hoped that although the American Federation of Labour-Congress of Industrial Organizations is no longer a member

of the ICFTU, individual unions in the U.S. will act against Chile and Nicaragua when they see the response of unions elsewhere.

GM 3/2/79 p. 5.

## WORKERS' STRUGGLES

### Major contract negotiations in 1979

Contracts expire(d) in:	Industry	Workers involved:
1978	Railways	95,000
1978	Air (traffic controllers)	2,500
1978	Postal (inside workers)	22,000
1978	B.C. ports (grain handlers)	1,500
1978	B.C. trucking	5,000
1978	St. Lawrence Seaway	5,000
January	Grain terminals (Lakehead)	1,500
January	Ontario civil service	52,000
January	Federal civil service	36,000
February	Nickel mining	2,665
March	Manitoba civil service	13,000
March	B.C. food retailing	7,500
April-December	B.C. coal mining	6,500
May-Sept.-Dec.	Aluminum	9,500
May	Great Lakes shipping	2,110
June	Quebec schools, hospitals	187,000
June-August	B.C. logging, newsprint	53,000
July	Montreal transit	6,200
July	B.C. civil service	32,000
September	Montreal food retailing	9,220
Sept.-Nov.	Automobile assembly	55,320
September	Saskatchewan civil service	12,500
September	B.C. shipping	1,750
September	Ontario trucking	6,500
December	N.B. civil service	7,010
December	St. Lawrence ports	750
December	Montreal (police, outside workers)	13,140
December	Electrical manufacturing	5,500
December	B.C. hospitals	11,500
December	Postal (letter carriers)	18,000
December	Postal (inside workers)*	22,000
December	Railways*	95,000
December	Air (traffic controllers)*	2,500

\* Probable.

\*\* Possible.

Source: Federal department of labor.

FT 11/79 p 12



# LABOUR

## LABOUR STRUGGLES INCREASE

Time lost due to strikes and lockouts in 1978 was dramatically up from 1977, according to federal Department of Labour figures. For the first 11 months of 1978 there was a loss of 7,007,870 work-days compared with a loss of 2,954,750 work-days in the first 11 months of 1977. The total for 1978 is expected to be about 7.5 million. Canada's highest year was 1976, with 11.7 million work-days lost.

It is expected that 1979 will come close to the 1976 record since 500,000 workers are due to negotiate with the corporations and 700,000 public service workers with their government employers. Labour is determined to make up wage losses suffered over the last year. On the other hand, the bosses, especially governments, have committed themselves to holding wage increases down. The chart shows the major areas of conflict for 1979.

FTC 29/1/79 p. 7; WFP 14/2/79 p. 12.

## VICTORY FOR TEXTILE WORKERS

The 12-week strike against Puretex Knitting Co. Ltd. in Toronto ended early in February with a victory for the workers, members of the Canadian Textile and Chemical Union (CTCU). The key issue of the strike concerned T.V. cameras used to monitor workers. The company agreed to remove a surveillance camera beamed at the washroom door, and an arbitrator will decide eight other cameras will be removed. Other cameras include one in the parking lot, three on the production floor and four in the shipping and stock-room area.

The terms of the two-year agreement include a general wage increase of 35 cents an hour in the first year and 30 cents in the second, as well as improvements in seniority provisions and in the paid vacation plan. The wage increases are 15 to 17 cents more than the company's final pre-strike offer.

Madelaine Parent, local secretary-treasurer of the CTCU, says the union intends to pursue the matter of the use of

cameras in plants among members of the Legislature.

The bargaining unit consists of 220 employees, 200 of whom are women, mostly immigrants from Italy.

GM 7/2/79 p. 11.

## QUEBEC LABOUR

### MONTREAL STAR STRIKE SETTLED

After seven months on strike, employees of the Montreal Star returned to work on February 7. The strike, the longest in the paper's history, ended when the Star and the third union involved, the Montreal Journalists' Guild, came to terms. Over 90 per cent of the guild ratified the collective agreement and the return-to-work protocol. The union finally withdrew its grievance against management to contest dismissals, accepting instead an extra week's salary. Had the grievance been accepted by arbitration, the dismissed workers technically would have been entitled to full salary for the duration of the conflict.

LD 7/2/79 p. 7.

### VOYAGEUR SUES UNION FOR \$1 MILLION

While the Teamsters threaten to continue the strike till June, Voyageur management has sued the union for \$1 million in damages and interest. Drivers were given notice to pay \$800,000 by February 23 for losses sustained by the company between December 20 and 27, when the drivers were striking illegally.

The company also claims the union owes it \$200,000 for damages sustained on Feb-

# LABOUR

ruary 11 and 12 when 27 vehicles were blocked in Quebec City, forcing passengers headed for Ontario to spend the night in Quebec and use other means of transportation to return home.

A legal precedent was set when a Supreme Court judge forced the CNTU to pay Reynolds Aluminium \$10 million in damages and interest for an illegal strike.

LD 22/2/79 p. 7, Louis Gilles Francoeur.

## HATCHET BURIED AT COMMONWEALTH PLYWOOD?

Commonwealth Plywood has refused to comply with the orders of Provincial Court judge Germain Jutras to rehire 32 employees on strike since September 1977.

According to the arbitrated settlement, the company had to give its available jobs to the 32 according to a seniority list prepared by the judge. But the company only rehired eight of the 32, and laid off 18 workers who had not struck. The layoff notice suggested the fired workers call Judge Jutras if they had any complaints, and even supplied his phone number.

Finding that the company had refused to rehire the 32 within the specified time limit, the judge ordered the company to reimburse the workers for their lost salary, but the company also refused to obey this order.

LD 21/2/79 p. 3, Louis-Gilles Francoeur.

## AGREEMENT AT DOMTAR

The first three-year contract in the history of Domtar's East Angus plant has been approved by 70 per cent of the unionists working there. The contract included annual raises of six, six and four per cent. It also called for an "attempt" in the third year to put into effect a profit-sharing plan. Workers have obtained a \$600 bonus, while the company had offered \$300. Negotiations lasted from September 30, 1978, without any expressions of violence.

LD 23/2/79 p. 21 (CP).

## MLW-BOMBARDIER RETREATS

Yielding to an order by Judge Anatole Lesyk, MLW-Bombardier agreed to take back the 22 trade union leaders it had suspended indefinitely for an alleged attempt at sabotage.

The company also promised to return to the Metal Workers' Union the documents it had seized when it evicted the union from a site it had made available previously. Finally, it will give the union officers the key to a new site.

Ld 16/2/79 p. 3, Guy Bourdon.



## CNTU ORDERED TO PAY \$6 MILLION DAMAGES

One of the largest sums ever awarded in damages by a Canadian court has been won by Canadian Reynolds Metals Co. The company was awarded \$6 million for losses resulting from a two-day wildcat strike at its Comeau Bay refinery.

A Supreme Court judge fined the National Union of Bay Comeau Aluminium Employees, the Democratic Federation of Metals, Mining and Chemical Products, now affiliated to the Democratic Trade Union Central, the Confederation of National Trade Unions, and 26 individuals, including the local union president, Gilbert Raymond.

Canadian British Aluminium, then owner of the aluminium works later sold to Reynolds, claimed \$1.5 million for damages to its equipment; \$4.4 million for loss of revenue; and \$263,000 for revenue lost on investments. About 1,100 workers had just obtained an 18-month collective agreement.

LD 6/2/79 p. 1, (CP).

## CNTU WILL APPEAL

In a move called "justified" by a Le Devoir editorial, the CNTU will appeal the decision fining the central \$6 million--\$10 million including interest. Le Devoir said that aside from the fact that the payment would almost bankrupt the central; that the magistrate could justly be accused of hostility and class bias; that he did not take into account the history of conflict between management and union; the essential wrong committed by the judge was having laid all the blame on the union and assigning none of the responsibility to the company.

LD 9/2/79 p. 4, ed.-Jean Claude Leclerc.

## FIRST COLLECTIVE AGREEMENT AT RED CROSS

The 74 employees of the Red Cross in Montreal, locked out since last November, have signed their first collective agree-

ment, which will expire in June, 1980.

The Red Cross and local members of the Canadian Public Service Union agreed on all items except job security. In an unusual move, this item alone was sent to arbitration, and as a result, two employees whose jobs had been abolished will be given other jobs without loss of pay.

LD 17/2/79 p. 3.

## A NEW UNION CENTRAL

The formation of Quebec's fifth trade union central has just been officially announced. The new central, called the Confederation des Syndicats Quebecois--CSQ (Federation of Quebec Trade Unions) has about a thousand members in six autonomous trade unions, and is based in Sept-Iles.

The other four centrals are the Confederation of National Trade Unions, the Quebec Federation of Labour, the Quebec Teachers' Central and the Democratic Trade Union Central.

LD 22/2/79 p. 19, (CP).

## CONSTRUCTION BILL BEING PUSHED THROUGH

Despite the unanimous opposition of the CNTU, the QFL and the Association of Building Contractors, Bill 110 has received second reading in the Legislature. While Labour Minister Pierre-Marc Johnson claims the bill will liberalize only the house-building and renovations sector, to the advantage of craftsmen, CNTU-Construction President Michel Bourdon claims the bill will create a group of non-unionized workers called "craftsmen" who will work for less pay and thereby undermine the Construction Bureau, which has exclusive authority over salaries and builders.

LD 13/2/79 p. 7.

# CULTURE

## EDUCATION

### VIEWS OF EDUCATION IN ONTARIO

A new survey done by the Ontario Institute for Studies in Education, OISE, reveals striking differences in the way in which corporate executives and the majority of the people in Ontario view major issues in Education. These differences are most evident in issues like cutbacks, tax policy, the role of the teacher, and emphasis in the curriculum, or what should be taught. The survey shows quite a different picture of public opinion on educational policy from the one which the press has presented in the last two or three years.

### CUTBACKS

Nearly 40 per cent of those surveyed object to any education cutbacks at all. Of those prepared to make cutbacks, the majority would cut at the post-secondary level. Corporate executives are more in favour of cutbacks than any other group. They are also more willing than any other occupational group to cut teachers.

### TAX POLICY

Over 40 per cent preferred either income or corporate taxes or their combination. More dominant classes preferred to retain property taxes as the major source, and virtually ignored corporate taxes.

### THE ROLE OF THE TEACHER

Eighty per cent of corporate executives would prefer teachers to have a great deal of authority. Only a minority of wage workers do, contrary to a common stereotype of them as authoritarian. Corporate executives and small employers are less in favour than other groups of teacher participation in education policy.

### WHAT SHOULD BE TAUGHT

A greater majority in the more highly-educated groups feel strongly about the



'I suppose we could afford it if we took out a second mortgage on the house.'



importance of basic skills. A somewhat lower proportion of the corporate executives, upper managers and other professional groups think job training and career preparation are important. Most of those surveyed agreed with the following basic hierarchy of emphases. Greatest emphasis on basic skills, moral education, occupational preparation and information for coping with everyday life. Second order of priorities were critical thinking skills, Canadian history and geography, creativity and imagination. Lower down still were science knowledge, French instruction and political education.

CNSP NOTE: *The explanation did not in this case give a complete occupational breakdown of preferences or ranking.*

## CONCLUSIONS OF THE REPORT

There is very considerable public resistance to cutbacks, especially on those factors that are most closely identified with the quality of education, such as the student/teacher ratio and programmes for disadvantaged learners. There is a

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# CULTURE

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surprisingly high degree of satisfaction with school services in general, even though there are complaints over issues like student discipline and taxes. (Complaints are most often from those who have no direct contact with schools.) The majority of the survey, especially older people and corporate executives, oppose teachers having the right to strike. Only in northern Ontario did there emerge a majority which supported teachers' right

to strike.

**CNSP NOTE:** *This is a summary of Public Attitudes Toward Education in Ontario, 1978, by D.W. Livingstone. The report is available for \$2.00 from OISE, 252 Bloor St. W., Toronto, Ont. The report contains a number of charts of interest to educators, and an explanation of the sample surveyed.*



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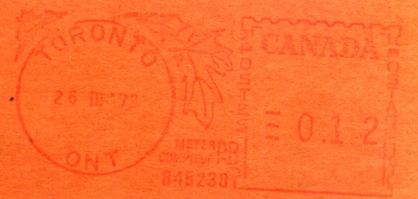
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