

# canadian news

# synthesis project



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# **canadian newssynthesis project**

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

Each issue presents current news coverage, and is organized to show the major trends in Canada and Latin America.

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## MAY 1976 HIGHLIGHTS

For an analysis of UNCTAD and Canada's position at this conference, we direct you to Gatt-fly's reports which can be obtained from GATTFly, 600 Jarvis St. Toronto, Ontario.

The Mackenzie Valley Pipeline debate received much press coverage this month (see Resources, pp 5-7) and a look at industry, labour, government, native peoples and church and environmental positions in briefs presented to Judge Thomas Berger as his commission held hearings in major Canadian cities in May (see Native Peoples pp 22-24)

Canada's industrial sector, particularly auto parts and textiles received attention this month in Secondary Manufacturing, pp 7-9)

The debate over which transportation mode should receive government help is covered in Transportation, with information on rail, air and interesting evidence on the powerful Seaway shipping lobby. pp 11-12

The MacDonald Budget is analyzed, particularly in its effects on corporations, small industries, professional and middle class people, and the working class. Also covered are responses to the budget from political and labour spokesmen. see pp. 26-28

There was major coverage of responses to changes in the Unemployment Insurance Act, and we look also at the CLC convention in Quebec city which gave the leadership a mandate to call a general strike to protest the Trudeau measures. Hospital workers in B.C., Saskatchewan, Ontario, Nova Scotia, and Quebec were in the forefront of labour struggles this month. see pp 14-22.

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# CANADA/ INTERNATIONAL RELATIONS

## FOREIGN INVESTMENT

Introduction: *The federal government seems to be in quick retreat on its foreign investment control legislation although public opinion still runs high against U.S. investment in Canada. During May the Foreign Investment Review Agency (FIRA) rejected five takeovers, allowed six and permitted two new foreign firms (Italian and Japanese) to set up factories in Canada. Meanwhile, in an apparent reference to the Saskatchewan potash nationalization, Industry Minister Jamieson told a Texas audience that U.S. companies being bought out in Canada "will be treated fairly". Given the makeup of his audience, the text of the speech urging more U.S. investment in Canada, and recent threats by David Rockefeller, one might assume that this "fair treatment" doesn't apply to Canada.*

### NEGATIVE VIEW OF U.S. FOREIGN INVESTMENT

A recent survey on national public attitudes conducted by Elliott Research Corp. and analyzed by the International Business Studies Research Unit at the University of Windsor stress two major observations: That there has been a significant growth in Canadian nationalism since the mid-1960's, and, 10 years later, this growth seems to be levelling off.

Over a 7-year period, the proportion of people sampled who expressed a negative view to U.S. investment in the Canadian economy has risen from 36% in 1969-70 to a high of 55% in 1973-74. While it has levelled off to 51% in 1974-75 and 52% in the most recent survey, a majority of Canadians continue to express concern over the implications of such investment.

(GM, 26/5/76, pB1 c2-5; L.Leduc and J.Alex Murray)

### GOVERNMENT LOWERS CANADIAN OWNERSHIP GOAL FOR RESOURCE PROJECTS

The federal government's revised oil and gas rules propose a much weaker Canadian content in Northern and offshore petroleum operations than that promised in the 1974 election campaign by the Liberal Party.

Energy Minister Alastair Gillespie stated that the regulations would give him discretion to order 25% Canadian-ownership of new petroleum-producing properties. But should he decide that a minimum 25% is not feasible, the foreign-controlled oil or gas company would be allowed to proceed anyway. (The election promise was for 50%-60% Canadian ownership of new resource projects).

Of the petroleum exploration permits held in frontier regions now, only about one-third can show a Canadian-ownership position of 25% or more. The venture with the largest Canadian participation is Panarctic Oils Limited, 95.5% domestically owned. The federal government holds a 45% share of Panarctic, and plans to turn this interest over to the new state-owned oil company, Petro-Canada.

At present, the petroleum industry in Canada is more than 90% foreign-owned.

(EJ, 20/5/76, p1 c1-8; Don Sellars)

### JAMIESON COURTS U.S. INVESTMENT

Industry Minister Don Jamieson made a strong appeal to U.S. investors not to cut their investments in Canada because of growing involvement of the government in economic affairs.

Up to \$800 billion is needed in Canada through 1985 to develop manufacturing industries, reduce regional disparities and achieve energy production goals, Jamieson told the third international trade conference of the southwest in Dallas, Texas. In a reference to foreign investment, Mr. Jamieson said that "in the comparatively few cases where U.S. interests are bought out, we want you to recognize that the companies involved will be treated fairly....." (OC, 20/5/76,p9 c1-3; WFP,20/5/76 p9 c5-8)

#### U.S. INVESTORS LOSING INTEREST

David Rockefeller, chairman of the Chase Manhattan Bank of New York, told Canadians in a television interview that U.S. investors are losing interest in Canada because of federal and provincial measures to control foreign investment. He said Canadians must choose between greater economic independence or increased prosperity. Rockefeller is in Ottawa for a meeting of the Trilateral Commission, a group of big business lobbyists from North America, Western Europe and Japan.

However, External Affairs Minister Allan MacEachen indicated that Ottawa had no intention of changing its foreign investment review legislation.

(MS,12/5/76, pE3 c5-6; TS, 11/5/76 pA1)

#### WESTINGHOUSE WILL NOT SELL TO GSW (see CNSP,Vol.IV,No 2)

Westinghouse Canada Ltd. has rejected a \$30 million bid by Toronto-based General Steel Wares(GSW) to buy its Canadian appliance division. Canadian-owned GSW has been trying to acquire the 2,500-worker Westinghouse division and its famous appliance trademark since last year, after the Westinghouse Pittsburgh-based parent decided to get out of the appliance business and sell its U.S. appliance division to White Consolidated Industries(WCI) of Cleveland.

WCI still lays claim to the trademark as a result of the transaction between its parent, White, and the Westinghouse parent.

(GM,28/5/76,pB1 c2-7; MS, 28/5/76 pC8 c5-6)

#### LACK OF CONTROLS ON TRADEMARKS COST JOBS, MP SAYS

Canada's inability to control foreign trademarks has resulted in production cutbacks and lost jobs at a Whitby tire plant, NDP MP Max Saltsman charged.

Saltsman told the House of Commons that when Firestone Tire and Rubber Co. of Canada Ltd. bought the former Dunlop plant, the company gained exclusive rights to the Dunlop and Remington trademarks for Canadian sales only until March 31,1976. When the deadline arrived, Dunlop formed a Canadian company to import Dunlop tires from the U.S. for Canadian sales in competition with Whitby products. Meanwhile the Whitby plant was forced to change to production under the trade name Dayton Tire. Saltsman maintains that partially because of the change to the Dayton brand, about 120 of the 500 employees at the Whitby plant have been laid off, 70 jobs vacant through attrition have not been filled and production has been cut back.

(TS, 5/5/76, pA2 c1-2; Mary Janigan)

The 24-member countries of the Organization for Economic Cooperation and Development(OECD) have been meeting for over a year to develop a code of good behaviour for multinational corporations. Although the OECD views on such a code of conduct are quite different from those proposed by the Third World nations in their demands for a New International Economic Order, there are also major differences among the OECD countries.

Some, like Canada, are almost exclusively the host countries of the subsidiaries of multinationals. Others, like the United States, are the hosts of the multinational parent companies themselves. Thus, the U.S. has been insisting strongly that the code of conduct include a provision that foreign subsidiaries receive the same "national treatment" as domestic firms. The Foreign Investment Review Act of Canada clearly favours a net benefit to the Canadian economy and is meeting objections from the U.S. For its part, the U.S. is insisting on the "national treatment" position if it is to accept other proposals on disclosure of information, incentives and restrictions of foreign investment, and bribery restraints. However, the recommendations to be agreed upon in the code of conduct by June 21st are wide-ranging and carry no provision for enforcement to sanction companies violating it. (GM, 8/5/76, p9 c1)

## CANADA \ LATIN AMERICA RELATIONS

### MARITIMES PROMOTING TRADE WITH CUBA

A private trade group representing Nova Scotia and New Brunswick forestry companies has returned from Cuba where it explored possible markets for Maritime wood products. Organized by the Maritime Lumber Bureau, the five-member trade mission was optimistic about the possibilities to broaden the Maritime export base. Currently, west coast producers are exporting lumber to Cuba via the Panama Canal. Cuba, with a population of ten million is, with the exception of the United States, the nearest large foreign customer of the Maritimes.

(HCH, 8/5/76, p1 c2-3; HCH, 19/5/76 p6 c1-2, editorial)

Nova Scotia's Development Minister, George Mitchell is leading a 10-member trade tour of provincial manufacturers to Cuba, just as the lumber tour returns, to develop markets for manufactured goods from Nova Scotia.

(HCH, 19/5/76 p8 c7-8)

### BRASCAN REINVESTS IN ITS BRAZILIAN UTILITY

A subsidiary of the Toronto-based Brascan Ltd. - Light S.A. - plans capital expenditures in 1976 of \$350 million, up 50% from last year's investment. The Light S.A. is 83% owned by Brascan. (HCH, 5/5/76, p18 c1-2 )

CNSP NOTE: Also see Latin America and Caribbean Inside Report accompanying this issue of the CNSP for further information on Brascan.

### ALCAN RAISING FUNDS FOR QUEBEC AND BRAZIL PROJECTS

Alcan Aluminum Ltd. has announced plans for sale next month of five million common shares, two million to be sold in Canada and the rest internationally. The new sale of shares will raise \$140 million for the company possibly for the expansion of its Port Alfred, Quebec smelting plant and for its participation in a \$280 million Brazilian bauxite development.

(HCH, 25/5/76, p17 c7-8 CP)

# ECONOMY

## GENERAL

### INDUSTRY MAKES FIRST QUARTERLY GAINS

Industrial output rose 2.5% in the first quarter of the year. This represents a 10% annual growth rate. The increase was the largest quarterly rise since the first quarter of 1973.

Manufacturing rose 2.6%; mining rose 1.9% and utilities 3%.

(EJ 21/5/76 p45, c4-5)

### CORPORATE PROFITS DOWN 13%

First quarter profits of the 130 companies who reported fell by 13% from \$863 million in the first quarter of 1975 to \$749 million in 1976.

Forest product companies had the greatest losses, but expect to recover this year as the U.S. increases its lumber demand for housing construction.

Mining profits of 21 companies fell 53% because of lower prices and lower demand for metals. A world recovery should it take place will increase foreign demand.

Other profit increases were : food processing - 53%; utilities and pipelines - 43%; oil companies' earnings - 5%. (OC 12/5/76 p11 c1-7)

### CNSP ANALYSIS

#### BUSINESS DRIVE TO IMPROVE PUBLIC IMAGE

*Business is worried about its public image and credibility. At the many seminars reported last month the same themes were repeated. Profits are not excessive; profits are needed to increase productivity and employment; investment must be stimulated; and people must be convinced that business is honest.*

*Some examples :*

*E.G. Burton of Simpson Sears and the Board of Trade of Toronto - "Canada needs thousands more capitalists, not just richer ones." He called for labour to join in profit sharing programs. (TS 13/5/76 pC12 c7-9)*

*M. Michener of Winnipeg Chamber of Commerce - "What is needed is a ... business definition of the new society" with an expanding role for business people. (WFP 14/5/76 p19 c1-4)*

*The business campaign to improve its image is said to be "straight talk" in contrast to Trudeau's philosophical musings. Business says it is misunderstood and an unfairly maligned group. It sees itself as the sole guardian of honesty and reliability and as the defender of freedom through its promotion of "free enterprise". Profit is seen as the key to increased productivity and thus to reduced inflation and unemployment. The corporate community sees its interests as being identical with those of society as a whole. But with profit maximization as the primary business goal, aspirations for just social development must fall to the wayside.*

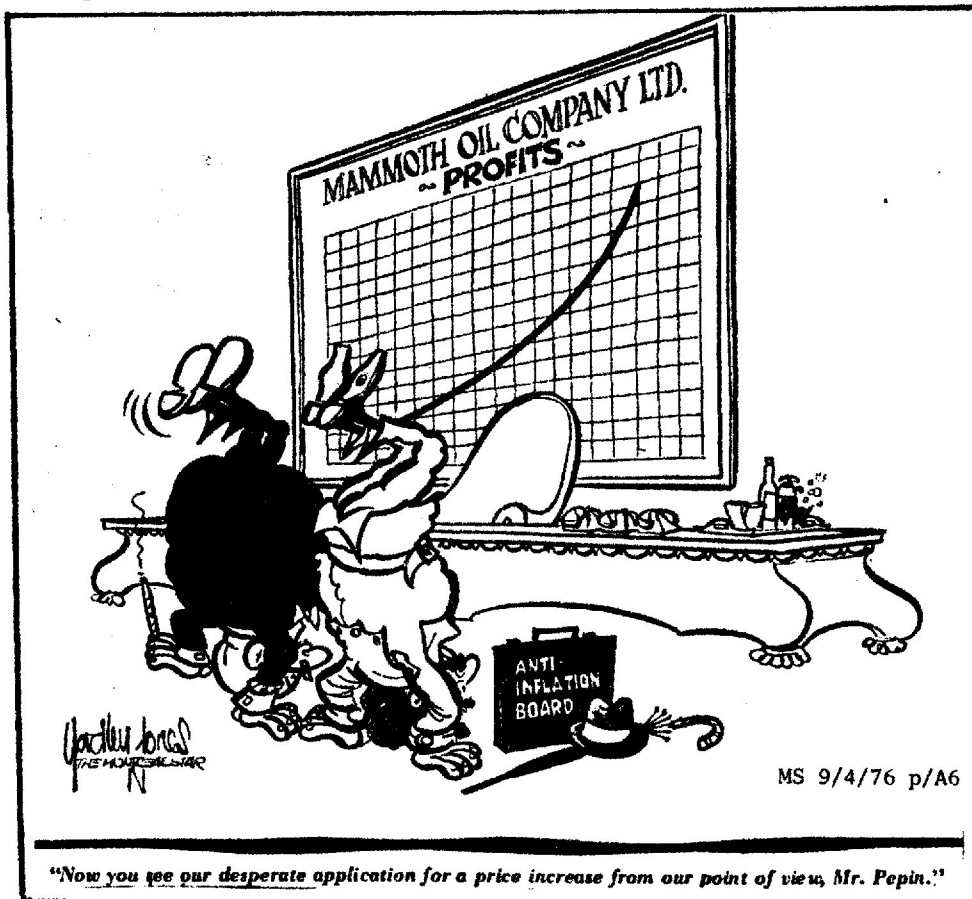
### LIQUIDITY CRISIS ?

Touche Ross and Co. of Toronto released a study claiming that inflation has meant that the rising costs of replacing inventory means that real profits are less than book profits. However governments tax according to book profits leaving the companies with reduced money stocks. This "liquidity crisis", or shortage of funds, will mean that business is no longer in a position to invest enough to keep up with expected expansion of the economy. The study recommends increased depreciation allowances and a revised method of taxable income evaluation.

(G&M 20/5/76 pB2 c1)

(G&M, EJ, MS :19/5/76)

CNSP NOTE: The Touche Ross analysis assumes rising inventory costs must be met by higher profits but ignores the fact that businesses pass on such costs to the consumer by way of higher prices. Business claims that corporate taxes are too high but, in fact, corporate taxes have fallen as a share of all tax income while personal taxes have shouldered a heavier load.



## PRIMARY

### OIL & GAS

#### INTRODUCTION: MACKENZIE PIPELINE DEBATE

A third alternative, "Alcan Pipeline", is about to enter the race before the U.S. Federal Power Commission (FPC). Known as the Northwest Proposal, it brings into focus the ongoing struggle for power within an uneasy coalition of U.S. and Canadian regional and industrial interests. TransCanada Pipelines, Canada's largest purchaser and carrier of gas is controlled by a bloc of eastern manufacturers, financial interests and utilities. Among them are Canadian Pacific (CP) through its holdings in Pan Canadian Petroleum Ltd. and Cominco (which has extensive mining interests north of 60), and Consumers Gas Co. through its holdings in Home Oil. Alberta Gas Trunk Line (A.G.T.L.), Trans Canada's rival, is the sole transporter of gas within Alberta and is closely linked to the Lougheed government and its local business allies.

The Northwest Pipeline Corp. of Salt Lake City, a major importer of gas from British Columbia and Alberta, supplying 7 western states hopes to become the third applicant before the U.S.-F.P.C. to bring frontier oil to the U.S. and Canadian markets. Partners in this "Alcan Pipeline" - Westcoast Transmission Co., A.G.T.L. and Foothills - will file formal application for the scheme with the N.E.B. and the Dept. of Indian Affairs and Northern Development. It will parallel the Alaska Pipeline route and the Alcan highway in the Yukon and northern B.C., thence to join existing pipelines. This pipeline, together with the Maple Leaf Line, claims to be less costly with less environmental costs than the Arctic Gas Pipeline.

(TS 25/5/76 pA8 c1-3 (AP Washington)  
(also WFP, EJ, G&M)

United Association of Journeymen, an international union representing pipeline welders and apprentices of the Plumbing and Pipe Fitting Industry of the U.S. and Canada are split on the pipeline issue. Canadian members support Arctic Gas. U.S. members support El Paso's scheme. At the N.E.B. hearings in Ottawa, Canadian members claimed A.G.T.L. (of the Foothills Line) has the worst image in the eyes of labour of any company in Canada. They claim the pipeline should be built by union workers.

(WFP 8/5/76 p21 c3-4, also T.S.)

#### FEDERAL POLICY ON NORTHERN LAND REGULATIONS AND ROYALTIES

##### INTRODUCTION:

*Under Ottawa's 1961 Oil and Gas Land Regulations companies were able to obtain permits from the Dept. of Indian Affairs and Northern Development with minimal work requirements and at a very low royalty rate. The regulations granted permits for a total of 12 years, after which companies could obtain a 21 year lease renewable for another 21 years from the start of commercial production. Royalty rates were fixed at 5% for the first 3 years, 10% thereafter. By 1972, some 90% of Canada's potentially petroleum producing lands north of 60 were under permit to the foreign oil industry. In 1970 the regulations were suspended.*

*The companies are organized into groups and consortia presenting a common bargaining front - having the option of sitting on their leases until conditions are advantageous for them to begin exploration or development.*

NDP leader, Ed Broadbent, claims that the government has abandoned its policy of retaining half of the land in which oil and gas has been found in favour of leasing to private developers. Energy Minister Gillespie refused to comment.

(TS 13/5/76 pB9 c2-7)

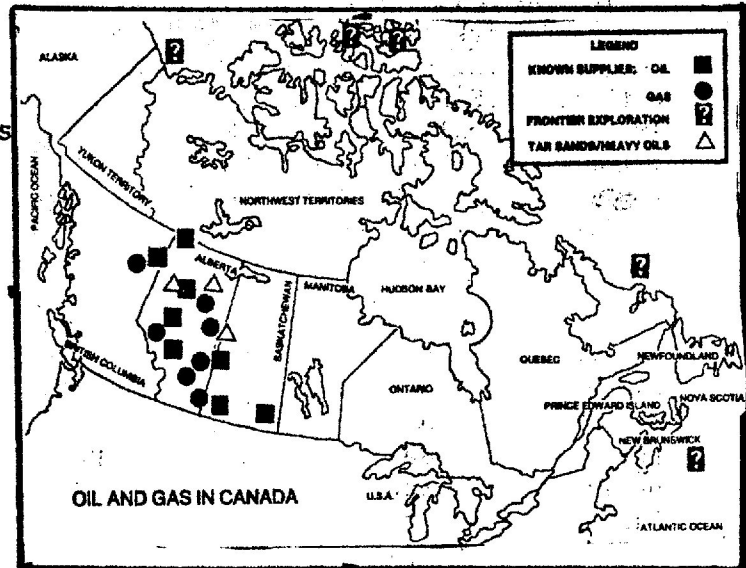
A federal budget provision allows all corporations and private investors to write off 100% of their investments in exploration costs for the next 3 years as an incentive to renewed exploration and drilling projects. No federal tax will be payable on money received under provincial incentives for drilling and exploration.

(HCH 27/5/76 p26 c2-6)

The new fiscal regime of "revenue sharing" will give oil companies : a 10% flat federal royalty, plus a sliding-scale "profits tax" or revenue sharing tax of 30 - 40%, There is little or no tax income on marginal or low

profitability fields whereas high profitability fields are affected more heavily. The government will not collect any profit share until the profit to - investment ratio exceed 25%. (MS 17/5/76 pD8 c1-4)

James Laxer claims the oil and gas industry has deliberately understated proven reserves and held up production and exploration to drive up prices to world levels. He questions Canada altering the oil and gas price structure without serious investigation of what happened to estimates in 1973 and 1976. Imperial Oil's gross production of crude oil and gas rose 1% between 1972 and 1975; whereas their revenue rose 121% and profits after taxes went up 65.5%. Cash flow rose 53.6% but exploration expenditures remained the same. (TS 11,5,76 pB3 c1-9)



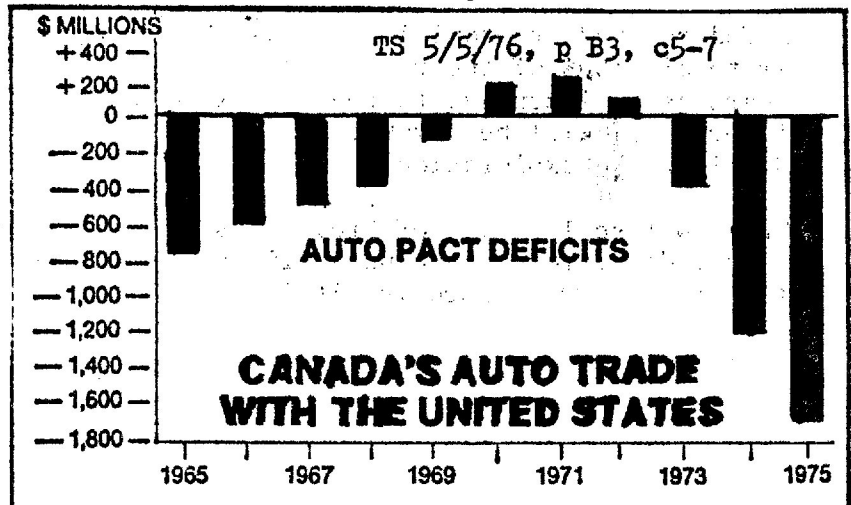
## SECONDARY—MANUFACTURING

### Introduction:

The "hewers of wood and drawers of water" syndrome in the Canadian economy is increasingly evident in the auto industry where Canadians seem to be "assemblers of cars" rather than "makers of parts". While Canadian automotive production under the auto pact in 1975 registered a net surplus in the assembly of vehicles, the Canadian auto parts industry registered a \$2.5 billion deficit bringing the total auto trade deficit to almost \$2 billion. While Canada consumes more than 12% of all parts made in North America, it produces only 6%. The Automotive Parts Manufacturers Association of Canada noted that in recent years, employment in the Canadian auto industry has fallen from 103,000 to about 80,000, with most of the decline in the parts sector. Political scientist James Laxer says that had the trade deficit not existed and had Canadians produced autos and parts equivalent to Canadian purchases of North American cars, there would have been over 30,000 additional jobs in the Canadian auto industry.

### THE AUTO PACT

A group of Republican Congressmen say that the provisions of the Canada-U.S. auto pact should remain intact and that trade and investment relations between the two countries are too vital to be sacrificed to rising forces of nationalism. (MS 1,5,76 pA11)



Speaking in the House of Commons, NDP leader Ed Broadbent said that last year Canada had a \$2 billion deficit in trade with the U.S. under the autopact. In the first quarter of 1976 Canada is running a deficit of about \$600 million in the trade, a rate which could put this year's deficit above that of 1975. It is no wonder, said Broadbent, that a group of U.S. republicans want the autopact continued unchanged.

(MS 1,5,76 pA11 c1-6 CP)

Representatives of the Canadian auto parts industry will speak with the big four auto companies in Detroit to see if the Canadian deficit in auto parts trade with the U.S. can be balanced by encouraging more parts work in Canada. Chairman of the Association, Mr. George Doresco said that the U.S. auto makers are placing more parts work in the U.S. because of the recent downturn in sales. He said that even though U.S. sales and production are recovering, the deficit for Canada still gets bigger. "So it is not just a matter of cyclical downturns in the U.S."

(GM 4,5,76, pB1 c5-7)

*CNSP NOTE: Mr. Doresco's comments omit reference to another actor in the parts deficit problem--his own company. In addition to his duties with the Automotive Parts Manufacturers Association, Mr. Doresco is also president of Hayes-Dana Ltd. of Thorold Ontario. Hayes Dana, an auto parts maker, is Canada's 200th largest non-financial company, and the Canadian subsidiary of Dana Corporation of Toledo, Ohio. Dana is the 188th largest company (by sales) in the U.S. where it employs 23,000 workers (2,400 workers are employed by Hayes Dana in southern Ontario). The company operates subsidiaries in 12 other countries in Europe, Asia and Latin America and is often in a monopoly position as supplier to the big auto makers. It is more than ironic that Doresco should complain that U.S. auto makers are placing more parts work south of the border, since his company has been guilty of the same manoeuvre. During the 1974 strike at the Hayes Dana plant in St. Catharines by UAW workers, the company called in the Ontario Provincial Police riot squad to break the picket lines so the company could remove parts and machinery from the factory. These were transferred to Dana plants in the U.S. so the transnational company would not lose the production and its share of the market. Similarly, a strike by workers at the Dana subsidiary in Mexico, (Spicer S.A.) during the summer and fall of 1975 met the same company tactics. Dana imported parts from its U.S. plants, kept the Mexican workforce out and obtained government intervention to finally end the three month strike in the company's favour.*

U.S. Commerce Secretary Elliot Richardson has rejected Canadian hopes for sweeping changes in or renegotiation of the auto pact. After meeting in Ottawa with Industry, Trade and Commerce Minister Don Jamieson, Richardson said that while he wants to help Canada reduce its trade deficit under the pact, his government feels that there is no need to change the pact. The trade imbalance he believes is due to factors outside the pact itself, such as the U.S. recession, and he suggested that Canada's fortunes would improve as auto sales in the U.S. improve. (WFP 7,5,76 p9 c1-2 CP; EJ same day)

## THE TEXTILE INDUSTRY AND GOVERNMENT POLICY:

*Introduction: The debate about the Canadian textile industry and government import policy continues. (see also CNSP Vol 3, no 12 pp 15-16) Two thirds of the nation's clothing industry is located in Quebec where it is the second largest manufacturing employer. The primary textile and garment makers, organized workers in the industry and the Quebec government have been urging Ottawa to institute a more strict import tariff or quotas to keep the cheaper imports out. Meanwhile, other garment manufacturers have been supporting along with the Consumers Association of Canada and the Importers Association of Canada, the inflow of foreign fabrics and materials at cheaper prices than the domestic products so that their sales could improve. Finally the federal department of Industry, Trade and Commerce is concerned with the job-creating value of an industry in economically depressed regions of a province where the Liberal Party gets its majority in Parliament; with the General Agreement of Trade and Tariffs (GATT) within which Canada must act to change tariff practices; and with the demands from the Third World countries (voiced in the GATT, at UNCTAD and other government departments) developed nations such as Canada provide more access to their markets for manufactured products from the Third World.*

### SENATE BLAMES GOVERNMENT TEXTILE POLICY

A first report tabled by the Senate Committee on banking, trade and commerce accused the federal government of failing to implement its 1970 national textile policy which was supposed to harmonize the interests of both consumers and producers. The committee says that the government has failed to protect the textile industry and as a result, imports have captured a growing share of the Canadian market--accounting for 36% by volume in 1964 and 54% in 1975. As a result, Canadian makers' share has declined. The report says that employment in the industry fell by 25,000 last year and that import penetration in Canada is significantly higher than in the U.S., Europe or Japan. Responding to the report, William Berry of the Canadian Textile Institute says that "Canada is bearing far too much of the burden of helping the textile industries of developing countries to expand their share of world trade." (MG 9,4,76 pl3; (also Macleans, 31,5,76 p48)

### JAMIESON TO SUPPORT INDUSTRY

Appearing before the Senate Committee which is examining the Canadian textile industry, Jamieson said that he would do whatever is possible to protect the textile industry while recognizing Canada's commitment to assist developing countries. Countering some of the industry's statistics and arguments about textile imports from low-wage countries, Jamieson said that 2/3 of all textile imports come from western European countries and the U.S., not from the third world. He quoted statistics on the Canadian share of the domestic market in dollar terms (whereas the industry uses volume figures) to show that the share of the market taken by imports has risen from 9.8% in 1970 to 17.4% in 1975; in the same period primary textiles showed a smaller increase in market share from 22.6% to 26.1%. Referring to the Third World, Jamieson said that "we have to find a way to protect the Canadian industry and at the same time not talk out of both sides of our mouth when it comes to saying we wish to encourage developing countries." (MG 29,4,76 pl7 c4-6)

## TERTIARY FINANCE

### INTEREST RATES TO REMAIN HIGH, SO WILL FOREIGN INVESTMENT

Sun Life Assurance Company predicts that in the long run a slowdown in inflation and an increase in corporate profits will reduce the amount of foreign borrowing. However the present need to fund short term debt and improve liquidity means that corporate borrowing abroad will remain high. (GM 31, 3,76 pB7 c2-6)

*CNSP NOTE: The Bank of Canada is using a high bank rate to curb the growth of the domestic money supply and thus fight inflation. However, this causes high interest rates which encourages foreign investment.*

### BANK OF CANADA DEFENDS HIGH INTEREST

R.W. Lawson of the Bank of Canada claims that if the bank lowered its prime lending rate, then the money supply would grow uncontrollably and wreck the government's anti-inflation program. (TS 1,4,76 pC8 cl-3)

### CNSP ANALYSIS:

*Carl Beigie of the CD Howe Institute has blamed reckless government borrowing for the high rate of inflation in Canada. However, a New York Review of Books article (May 27, 1976 v.23 #9, Emma Rothschild) points out that the world wide trend in borrowing has been away from government activities and towards private lending between large banks and multinational subsidiaries. For example, a company investing in Brazil would expand by borrowing from the Large U.S., Canadian and European banks. Very often, the size of the two enterprises involved has allowed them to circumvent monetary restrictions of the host countries. Thus, given the lack of controls private companies lent and borrowed even more recklessly than Beigie accused Ottawa of having done. The fastest growing area of profit for the five largest U.S. and five largest Canadian banks in the early 1970s was foreign lending.*

*However, now that the earlier boom has turned to recession, creditors are shortening loan periods and increasing interest rates. Borrowing continues mainly to gain new cash needed to pay for earlier loans. The entire world is tied into this system. The hardest hit are the non-oil exporting developing countries many of whom are close to default. No one can afford to let anyone go bankrupt so there is constant relending and rescheduling of debt. The world banking system is getting shakier. Canada is tying itself more closely to this system because of previous debts and its continued search for new foreign investment.*

## COMMERCE

*Introduction: In the commerce sector of the Canadian economy there is a struggle between large retail corporations and small independent operations. In good times, large corporations seek to reduce competition through expansion takeovers and to increase profitability through diversification. During a recession the size and multiplicity of a conglomerate allow it to "ride out the storm" while the smaller businesses go under, leaving the larger operations with even greater control of the market.*

### DEPARTMENT STORES MOVE INTO THE SERVICE AREA

Eatons, Simpsons, Hudson's Bay and Woodward Department stores are all moving into

the service sector with activities like travel bureaus, life insurance, car rentals, auto clubs, office furniture, auto repair, and financial services.  
(FP 10,4,76 p11 cl-3)

#### QUEBEC TO STUDY EFFECTS OF NATIONAL CHAINS

The Quebec government is worried that large retail corporations are harming independent store keepers. The government has formed a group to study the role of independent retailers, the growth of shopping centres, and the buying policies of large retail chains. One area of concern is the interlocking ownership of the large chains and the shopping malls, a combination which reduces competition and squeezes out the smaller retailers.  
(MG 7,4,76 p17 cl-6)

#### TRANSPORTATION

*Introduction: Since Transport Minister Otto Lang's January announcement of a new rail passenger policy (see CNSP Vol 3, no 12 p 19), the Canadian Transport Commission (CTC) has set up and begun nation wide hearings with the conspicuous absence of hearings in any city east of Montreal, to present a preferred plan of implementation by fall and a final plan by the end of 1976. Most submissions to the CTC on passenger policy for Canada's two railways have been critical of government plans to cut back service. Others have pointed out that the one exception to the cutback proposals is the government proposal to increase rail service in the highly-populated Windsor to Quebec city corridor. This illustrates Ottawa's traditional bias in favour of central Canada over western and eastern regions.*

*The regional disparity theme surfaces also in discussions about freight policies for rail and sea transport.*

#### THE CTC HEARINGS ON RAIL PASSENGER SERVICE

A new citizens group, Transport 2000, says in a brief to the CTC, that the government gives too much money to air transport which serves wealthier travellers than rail. The brief says that if the government wants to end subsidizing a small group of people, it should end payments for air and not rail travel.  
(HCH 6,4,76 p10 cl-5 CP)

Government spending on rail passenger service should be increased, not decreased, the CTC has been told by the Canadian Railway Labour Association which represents 17 unions in the field of rail transport with a membership total of 95,000. Of the estimated net subsidies provided by governments for passenger transportation modes in 1974, rail received 14.8%; highways and roads received 62.7% and air transport received 22.5% of a total of almost \$1 billion. (GM 8,4,76 p316 cl-2; TS same day p A18 cl-2 CP)

The four western premiers have accused Ottawa of reneging on its promise made at the 1973 Western Economic Opportunities Conference) to remove discrimination against the West in federal transportation policy. The premiers called for improved passenger service by rail in the west; they also criticized the present freight rate structures whereby higher rates are charged by the companies on processed materials and manufactured goods

than on raw materials. As a result, the rates reinforce a system whereby raw materials are shipped to central Canada for processing and resale to the west. (MS 29,4,76 pA19 c1-7 CP; TS same day)

Addressing the CTC hearings, Leonard Evans, Industry Minister for the province of Manitoba, took exception to the idea that rail passenger service only has a future in the heavily populated regions of Ontario and Quebec. He suggested a new service to link Winnipeg, Regina and Calgary and also recommended that the federal government consider electrification of Canada's two main railways as an energy conservation move. Evans stated that the transportation sector now consumes 25% of Canada's total energy requirements, of which auto and air transport are the least efficient. (GM 4,5,76 pB16 c3-5; WFP 7,5,76 p3 c6-7)

#### BROADBENT CRITICIZES GOVERNMENT GIFT TO CPR

NDP leader Ed Broadbent described a proposed \$30 million federal payment to CPR for improvement of passenger service between Quebec city and Montreal as a public gift to a private corporation. Broadbent said the money should go to the government-owned CNR because the CPR has been dismantling its passenger service for 13 years. The CNR currently runs 85% of all passenger service in Canada and has more frequent Quebec-Montreal service than the CPR, whose route is 11 miles longer. Broadbent suggested that the federal government was beginning its election propaganda with the \$30 million grant. (WFP 22,5,76 p9 c1-2 CP; MS same day)

#### BILINGUAL AIR TRAFFIC POLICY

Despite the threat of a nation wide airport shutdown by air traffic controllers, the federal government says it will not back down on its policy of the use of both French and English for air traffic control. The Air Traffic Control Association, representing the country's 2,200 air controllers, oppose the federal policy of extending use of the French language to all Quebec airports for all air-ground communications. The union's officials say that there have been no safety problems since the bilingual experiment began two years ago. (GM 18,5,76 p9 c7-9 CP)

#### SHIPPING:

Representatives of the Seaway shipping industry are calling for government cancellation of the near \$800 million debt of the Great Lakes Seaway system to put competitive modes of freight transport on an equal footing. Louis Demarais, chairman of Canada Steamship Lines (and brother of Paul Desmarais of Power Corp) and Philip Hurcomb, general counsel for the Dominion Marine Association say that rail transport is heavily subsidized by the federal government while the Seaway shipping industry has to pay all operating and maintenance costs on the St. Lawrence Seaway and Welland Canal and also pay off capital costs and interest. However, independent studies have shown that the shipping industry is operating at an appreciable advantage over other modes due to its lower costs per ton of freight.

(FP 1,5,76 p6; MG 31,3,76 p25)

*CNSP NOTE: A series in the Halifax Chronicle Herald examined the Seaway shipping lobby from the point of view of Maritime shipping interests. Reporter Ian Thompson noted that there is evidence to show that a system of*

*unit trains shipping grain directly from the prairies to eastern Canadian ports is more economical than the present highly subsidized lake-seaway system. Such a train system, which would bring economic benefits to the port of Halifax, is never considered by Ottawa, according to Mr. Thompson, because of the powerful lobby of such well connected people as the Desmarais brothers and Power Corp's connection with the Liberal Party. (HCH 25,5,76 pl c4-8)*

## COMMUNICATIONS

### COMPUTERS:

The use of computers by Canadian businesses is growing with a 27% increase in computer installations in 1975. Almost half of Canada's computers are in Ontario and the leading users are manufacturers who account for 24% of the market. Transnational corporations dominate the field: IBM Canada Ltd controls 56% of computer sales or leasing according to value, followed by Sperry Rand Canada Ltd and Honeywell Controls Ltd. All three are located in Toronto.

(GM 10,3,76 pB5 c1-2)

### BELL CANADA:

#### BELL CANADA'S PROFITS UP

Bell Canada posted a 40% profit gain the first three months of 1976 compared with last year for the same period. Bell's chairman, Robert Scrivener, said the gain was attributable to rate increases approved last year. The company is fighting a decision by the Anti-Inflation Board that prevents it from increasing its quarterly dividend payment, a move which Bell desires to attract more equity capital from investors attracted by the higher dividends payments.

(GM 21,4,76 pB2 c7-9)

# WORKERS, PEOPLE, OPPRESSED

## LABOUR

### GENERAL

#### UNEMPLOYMENT UP

National unemployment jumped sharply in April to 7.1%, making the overall number of people unemployed 769,000. This is up from 6.9% in the previous month. The increase was centered in workers aged 25 years or more.

(OC 11/5/76 p1 c1-2)

(WFP 11/5/76 p1 c1)

Opposition MP'S charged that the Liberal government is responsible for continued high unemployment because it has not devised a coherent development policy for Canadian industry and controls over business decisions. Manpower Minister Robert Andras defended government policies saying that Canada's economy is revovering after suffering the effects of in international recession.

(OC 18/5/76 p15 c1-8)

(G&M 13/5/76 p10 c2-5)

(MS 18/5/76 pC15 c1-8)

#### CHANGES IN THE UNEMPLOYMENT INSURANCE COMMISSION ACT (UIC)

In his budget speech, Finance Minister Donald MacDonald, has outlined changes in the UIC Act which will save the government \$300million through tougher regulations. Proposed changes are : claimants will have to work at least 12 weeks in 52 instead of the present 8 in order to be eligible for benefits; special extended benefits will be tied to regional unemployment rates rather than national rates; the number of weeks which benefits can be collected will be reduced to 50 from 51; maximum time which benefits may be collected will be closely linked to the number of weeks worked.

In addition to tighter regulations, MacDonald announced plans to merge the Unemployment Insurance Commission and the Dept. of Manpower "to promote even greater effectiveness in administration and to enhance the quality of unemployment services to Canadian workers". The money to be saved will be used in job creation programmes.

(HCH 26/5/76 p9 c1-8)

(WFP 26/5/76 p6 c3-6)

(TS 26/5/76 pA1 c7-9)

#### GNSP NOTE:

Manpower and the UIC were separated in 1967 as a step forward in separating job training and seeking from benefit receiving. The remerging indicates a more coercive function of the state in forcing people into the labour market or welfare roles.

The expected saving of \$300 million comprise less than 1% of the budget. The number of people expected to be cut from UIC benefits is 500,000 - this is 6% of the unemployed.

#### REACTIONS TO PROPOSED UIC CHANGES

Manpower Minister Robert Andras says that the tightening of unemployment insurance regulations will provide an incentive for the jobless to find work.

(MS 27/5/76 pA2 c1-3)

Consumer and Corporate Affairs Minister Bryce Mackasey made it clear to his audience at an international conference on industrial and labour relations that he disagreed with the proposed changes in the UIC Act. Without pointing to specific changes, his speech was a humanistic appeal against placing the burdens of the fight against inflation on the weak, the poor and the unemployed in society.

(G2M 28/5/76 p1 c4-5)

A number of Liberal MPs from the Atlantic provinces are unhappy with the proposed changes in the UIC Act which would extend the qualifying period to 12 weeks from the current 8 weeks. David Rooney, MP for Bonavista - Trinity - Conception in Nfld. said that because of the acute unemployment problem in his provinces, a number of people now have difficulty meeting the 8 week requirement.

(MS 28/5/76 pA1 c4-5)

New Democrat, David Orlikow, said that because of the serious objection some MPs have raised, the government should call for a free vote when the legislation comes before Parliament. (MS 29/5/76 pH13 c4-6)

#### CANADIAN LABOUR CONGRESS CONVENTION - MAY 17 - 21, QUEBEC CITY

The national CLC convention opened with an economic policy statement presented to the delegates by the executive council. The document is Labour's Manifesto for Canada and is oriented towards a period when the wage controls will be removed rather than towards the present time. The Manifesto views this "decontrols" period as a time when the basic structures and institutions of this society will be undergoing change. It outlines four directions in which the change could possibly occur :

- Trudeau, having rediscovered his youthful social conscience, could use his position of power to build a more equitable and planned society;
- Decontrols could mean a "liberal corporatism" in which organized labour cooperates with the state and business to establish economic guidelines;
- It could mean a return to "normalacy" (1975?);
- It could mean moving in such a way as to ensure that organized labour is not able to recover the losses incurred in the control period.

The Manifesto opts for the formation of a tripartite arrangement where labour is a full and equal partner with business and government. From this position of national bargaining power it can deal with both incomes policy and investment and pricing policy.

The Manifesto states that labour's cooperation in economic decision-making can only be based on a programme which :

- recognizes the right to employment for a living wage;
- recognizes the need to create jobs as the first economic priority;
- includes a commitment to an equitable redistribution of income;
- recognizes that the power of corporations to set prices must have the same constraints as those imposed on labour;
- recognizes that private investment decisions must serve the interests of ordinary people.

(TS 17/5/76 pA1 c?)

(G2M 18/5/76 p7 c1-8)

(LJ 20/5/76 p9 c1-6)

During the discussion on the Manifesto there was dissent among delegates who felt it was a corporatist document, promoting collaboration between labour and its bosses. It was criticized as well for not

challenging the present economic system. However, the document was passed by an overwhelming majority.

C

#### CLC SUPPORTS GENERAL STRIKE

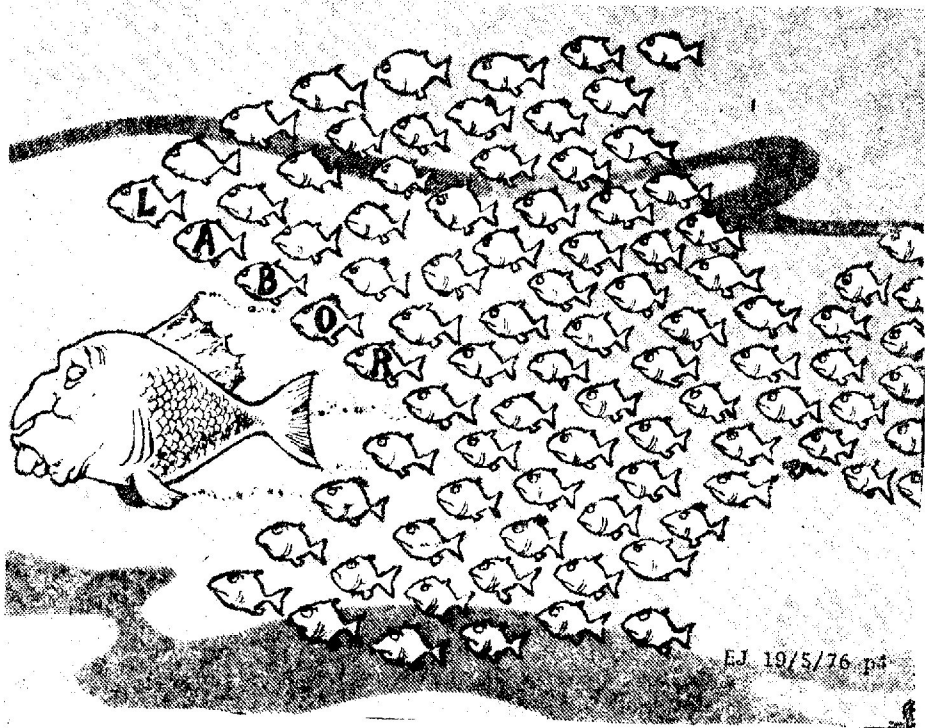
An overwhelming majority of more than 2,400 delegates to the CLC national convention supported a resolution giving the CLC executive authority "to organize and conduct a general work stoppage or stoppages, if and when necessary". This mandate to call a general strike will be used if "there was continuing pressure exerted on the incomes of the workers and the poor people of this country ... if there was a consistent rise in prices and continuing depression of purchasing power."

(EJ 18/5/76 p1 c4-8)

(G&M 18/5/76 p1 c6-9)

Some delegates criticized the resolution because it has an escape hatch - "if and when necessary".

(MS 18/5/76 p1 c6-8)



EJ 19/5/76 p4

#### CONSTITUTIONAL CHANGES REJECTED

Delegates to the CLC convention voted 3 to 1 to reject proposals for changes in the CLC constitution. The changes were concerned with the increasing number of delegates at the convention and called for representation according to the size of affiliated unions rather than individual locals. However it was generally felt that control of the CLC would fall into the hands of the larger unions and smaller unions would lose their say with such changes.

(G&M 19/5/76 p9 c1-6)

#### DELEGATES PROTEST US UNIONIST

About 60 members of the Canadian Paperworkers Union staged a protest walkout at the CLC convention, when Joseph Tonelli, American leader of a rival international paperworkers union, spoke to the delegates on behalf of the American trade union movement. About 1,000 other delegates joined the demonstration. The two unions are locked in a dispute over \$1.8 million, which was to have been returned to the Canadian paperworkers when they broke away from the international organization to form their own union. The money has not yet been turned over.

(EJ 19/5/76 p10 c1-4)

(HCH 19/5/76 p3 c4-7)

#### EDITORIAL RESPONSE TO THE MANIFESTO

The main theme of most of the editorials and opinion columns was to affirm the right of the elected government to superior power over any other social and economic group in society. They maintained that since organized labour comprises only 30% of the total work-force they can not legitimately represent workers in a tripartite arrangement without broadening their base. The withdrawal of the CLC from the Economic Council of Canada and the National Industrial Relations Council and the call for a general strike, were

interpreted as petulant acts, promoting class division and confrontation rather than cooperation. However, the notion of dialogue between government and labour was generally affirmed. (TS 17/5/76 pC4 c1-2)  
(TS 18/5/76 pB4 c1-2) (G&M 18/5/76 p37 c8-9) (G&M 18/5/76 p? c1-3)

CNSP NOTE: As yet, there has been almost no business response)

#### NEW UNION FORMED

May saw the formation of the National Union of Provincial Government Employees (NUPGE). With a membership of about 107,000, this new union is composed of six existing provincial civil service associations and unions including those from British Columbia, Alberta, Saskatchewan, Manitoba, P.E.I. and Newfoundland. A major holdout is the 60,000 member Ont. Public Service Employees Union. Based on a decentralized model, the NUPGE constitution places all collective bargaining responsibilities and the policing of contracts at the local level. One objective as a national union, however, is province-wide parity for bargaining units of the same job classification. Another aim, to produce more political clout is to form a coordinating council with the Canadian Union of Public Employees, Public Service Alliance of Canada and NUPGE.

(FP 22/5/76 p19 c4)

(G&M 17/5/76 p7 c2-9)

#### GOVERNMENT RELATIONS WITH THE PRIVATE SECTOR ARE NO PROBLEM

Speaking to the Manufacturing Opportunities Show 1976 in Toronto, Ont. Minister of Industry and Tourism, Claude Bennett, told his business audience "I'm pretty lucky being Minister of Industry and Tourism. I don't have irate ratepayers picketing my office against expressways, nor landlords or tenants involving me in heated disputes, nor hospital administrators trying to sue me. It is the nature of my ministry that communication with the private sector goes on rather smoothly". (press release, Ministry of Industry and Tourism, May 4, 1976)

#### AIB MANITOBA UNIONISTS PROTEST CONTROLS

About 1,500 Manitoba unionists marched in Winnipeg protesting the federal government's wage and price controls and urging the Man. government to withdraw its support for the controls. The demonstration was sponsored by the Manitoba Federation of Labour, the Winnipeg Labour Council and the Manitoba Building Trades Council.

(WFP 3/5/76 p1 c1)

## STRUGGLES

#### HOSPITAL WORKERS PRESSED FROM COAST TO COAST

The contract negotiation between the BC Hospital Employees Union (HEU) and the Health Labour Relations Association (HLRA) was put before an industrial inquiry commissioner, who recommended a wage settlement of 13 - 15% (including fringe benefits) in a one-year contract. HEU accepted the recommendation, HLRA rejected it. Thus, early in May 2,000 workers struck at Canada's largest hospital - Vancouver General. 100 employees were required to remain on duty. By mid-May, 5 more hospitals had been struck.

It is estimated that the over-time costs of nurses, students, interns etc. will exceed the wages of striking workers. (G&M 5/5/76 p41 c7-9)  
(EJ 18/5/76 p2 ca-8)

CNSP NOTE: In Quebec over half the non-medical hospital workers have been declared essential.

In Saskatchewan, the Union of Nurses (SUN) again (see CNSP, Apr. '76) withdrew its services at all its hospitals (71 in total). Within 3 days a tentative settlement had been reached and the nurses were back at work, pending ratification.

(EJ 4/5/76 p2 c3-6)

(G&M 5/5/76 p12 c1-2)

For the first time in Ontario, CUPE and the hospitals are bargaining on a province-wide basis. Talks with a mediator have broken down. The union is asking for a 99¢ / hour wage increase, bringing the average salary of nurses aides, maintenance staff, cleaners and kitchen staff to \$5.39 / hour. The hospitals have offered 30¢ / hour. Although it is illegal for hospital employees to strike in Ont., 12 locals have already voted in favour of an illegal (but justified) walkout in June.

(G&M 7/5/76 p33 c4-7) (TS 15/5/76 pA6 c1-4)

CUPE workers in 14 Nova Scotian hospitals have rejected the final offer from the Nova Scotia Association of Health Organizations (NSAHO). Most workers are paid below the poverty line, and the NSAHO's last offer would leave them in poverty. CUPE will be in a strike position on May 31.

(HCH 11/5/86 p5 c1-8)

#### BILINGUALISM SPLITS CATCA

Limited introduction of the use of French in 5 Quebec airports, for visual flight rules and the governments' policy of extending to bilingualism to other Quebec airports and to instrument flight rules has dominated the air traffic controllers (CATCA) latest negotiations. CATCA voted to strike over bilingualism and pay. The Quebec section rejected the strike call, saying "this is a strike against Quebec". CATCA and the government, in last minute negotiations reached an accord giving CATCA an 11% wage increase, as demanded, and broadening the scope of an announced commission of inquiry into the safety of bilingualism. As well, bilingualism will not spread to other Quebec airports until the commission's report. The Quebec section of CATCA is considering disaffiliation from CATCA.

(WFP 15/5/76 p1 c3-4)

(HCH 17/5/76 p1 c6-8; WFP 17/5/76 p1 c6-8; G&M 29/5/76 p6; G&M 29/5/76 p1)

#### ANABET BRINGS US NON-COMMERCIAL T.V.

After 9 months without a contract, the CBC and NABET (National Association of Broadcast Employees and Technicians) signed a contract in Feb., providing wage increases of 15% and 10.5%. By early May NABET, tired of waiting for an AIB ruling, threatened action against coverage of Habitat or the Olympics. Members in Montreal took direct action, following notification of a 2% roll-back, and threatened to walk-out on the third game of the Stanley Cup finals unless all advertising was dropped. CBC agreed and Canadians had our first taste of non-commercial T.V. CBC lost about \$250,000.

The T.V. crew did not inform either local or national leaders but Montreal local president denied rumours that the withdrawal of advertising was demanded because the workers believe the big advertisers are allied with the AIB in its fight against unions.

(EJ 4/4/76 p16 c1-2; TS 10/5/76 pD6 c1; TS 12/5/76 p1 c1-9)

CNSP NOTE: Editorial comment in the G&M and WFP denounced union "blackmail" with the WFP reacting particularly hysterically, claiming union selfishness and castigating the CBC for giving in to "blackmail". (G&M 13/5/76 p6 c1-2; WFP 13/5/76 p43 c1)

#### DC WORKERS LOSE AGAIN

The United Transportation Union has instituted a work-to-rule campaign at the BC Railway. The BCR's response has been to lay off all but 300 of its 3,100 employees. Meanwhile the Social Credit (the workman's friend) has introduced legislation banning strikes (and lock-outs) on the BCR for the next four years.

(G&M 6/5/76 pB1 c4-5; EJ 19/5/76 p13 c1)

#### FOLLOW - UP

The last Ontario pulp and paper mills closed by the protracted struggle - Ont.-Minn in Fort Francis and Kenora, have reopened, with workers accepting, by a narrow margin a three year contract with the usual wage increases of 14%, 10% and 8%. (WFP 5/5/76 p97 c7-8)

Moncton police have ratified a two-year contract which brings their wages into line with those of St. John police. (HCH 1/5/76 p13 c1-2)

The strike by the international Brotherhood of Electrical Workers in Churchill Falls ended with the signing of a two-year contract, giving a 29% wage hike in the first year. (EJ 28/4/76 p53)

Workers at the Atlantic Sugar Refinery in St. John (see CNSP Mar.'76) have ~~lost~~ their appeal against the AIB roll-back. (WFP 13/5/76 p7 c1)

After a 30 day strike, secondary school teachers in Windsor were ordered back to work and into compulsory arbitration.

(TS 10/5/76 pA5 c1-2)

The major gain won by the CUPW in their November strike was provisions re: technological change in the post office. The contract call for 120 days notice prior to any technological change, followed by "constructive and meaningful consultation and if no union - management agreement is reached, a special committee of the Public Service Staff Relation Board is to arbitrate. In St. John's, the post office began introducing the new sorting machines without following one step laid out in the contract. CUPW went to court demanding an injunction barring the post office from installing the equipment. The judge ruled that, although "the post office is in technical breach of the contract", there was no evidence that the post office's action would damage the union, therefore the injunction was denied.

(WFP 12/5/76 p6 c1-5)

CNSP NOTE: Management easily and often gets injunctions against striking unions, limiting the number of pickets. Yet, in a case where management is clearly violating its contract and making worthless its technological change clauses, CUPW is denied an injunction. Who says our court system is unbiased?

Dennison workers have received a reprieve from the AIB. Their negotiated wage rate is being rolled-back to 15% from 16.8% rather than the 10.9% first ordered. (see CNSP, Apr. '76) However, Dennison workers have not achieved parity with Sudbur workers nor even with Rio Algom workers in Elliott Lake. (WFP 5/5/76 p4 c6-8)

Steelworkers and supporters staged a large May day march in Thompson to protest the AIB's roll-back of their negotiated wage settlement from 18.5% to 12.9%. Citizens from Thompson made a special plea to the AIB to allow the negotiated settlement stand. Over 200 workers have already left Thompson and its future is bleak should the Aib dig in its heels. By June 1st when the union was in a legal strike position work had not been received from the AIB. (WFP 3/5/76 p3 c6-8)  
(WFP 5/5/76 p9 c6-8; WFP 26/5/76 p1 c1-2)

## QUEBEC LABOUR

### INTRODUCTION :

Sidbec - Disco Ltd. is the Quebec government-owned steel company. The Quebec government has locked out 3,500 workers at various plants around Montreal for alleged harrassment and production slowdowns.

(LJ 18/5/76 p6 c4-6 L. Fournier)

The Steelworkers, representing Sidbec workers, question why the company is refusing to offer parity wages with Steelworkers, something Sidbec - Disco workers had gained before the Quebec government took over the steel complex. The workers also want changes in working conditions. They currently get only 1 weekend off a month.

(LJ 27/5/76 p8 c1-3 L. Fournier)

### HYDRO - QUEBEC

9,500 workers, employees of government - owned Hydro - Quebec, members of CUPE, have been without a contract since Dec. 31, 1975. Workers have participated in one-day walkouts and sporadic work stoppages to back their demands for a two-year contract and a 35% wage increase in the first year. Though wages are important non-monetary clauses are the main stumbling block according to union spokesman Claude Maurisseau - pension fund, contract work and job security. (G&M 27/5/76 p8 c2-4 CP)

### TEXTILE AND CLOTHING

Negotiations began in Montreal last night on a new contract for 2,000 workers affiliated with the International Ladies Garment Workers Union. The contract usually sets the standard for about 5,000 non-unionized workers. The demands include: a 1 year contract; end to management import of textiles; no plant relocation without 6 months notice and union agreement.

The average wage now is \$4.76 / hour but the annual wage is low due to seasonal layoff. (MG 6/5/76 p19 c4-6)



Though the mills of God grind slowly,  
yet they grind exceedingly small

CHH 23/5/76

## COMMON FRONT

## OPERATION DRAGON II

A province-wide police security check on all schools and CEGEPs "to gather evidence for the enforcement of Bill 23" began yesterday by order of Solicitor General Fernand Lalonde, police and government spokesmen confirmed. Policemen were to record if schools were open, if there were any pickets, if teachers reported for work. Principals can refuse to answer questions. (MS 30/4/76 p1 c 6-7 staff)

## MAY DAY PROTEST

119 of 205 public hospitals were affected in a one-day strike in which hospital workers did not maintain "essential services" as defined by the government, for the first time. (MS 1/5/76 p4 c1-3 staff)

## MESSAGE FROM TORONTO TEACHERS

"We, the secondary school teachers of Metro Toronto, declare our solidarity with our Quebec colleagues who are fighting to defend their right to strike. An anti-democratic law like Bill 23 can be defeated only if all teachers, students and working people unite against it." (MG 1/5/76 p9 c6-8)

## BOURASSA VOWS MORE PROSECUTIONS

The Quebec government will continue to prosecute teacher unions staging illegal walkout in defiance of Bill 23, declared Bourassa. (MG 3/5/76 p3 c1-5)

## CONTEMPT OF COURT PROCEEDINGS SUSPENDED

Proceeding against 40 union officers for disobeying anti-strike injunctions at 5 Quebec City hospitals were suspended yesterday. (MG 4/5/76 p4 c1)

## NINTH MAJOR WALKOUT

130,000 Common Front workers staged the ninth major walkout to protest the government's refusal to negotiate. (G&M 6/5/76 p45 c6-7 CP)

## TRUCE OF ONE WEEK CALLED

The Common Front declared a one-week truce to try and force a breakthrough in negotiations. (WFP 8/5/76 p40 c4-6 CP)

## GOVERNMENT LOSES FIRST ATTEMPT TO PROSECUTE UNDER BILL 23

Justice Raymond Beaudet dismissed the charge against the Nordet teachers union, on the grounds that it was too vaguely worded. (WFP 13/5/76 p7 c1-4 CP)

## 90% OF CEQ REJECTS GOVERNMENT OFFER

90% of CEQ membership rejected the government offer and gave their leadership permission to continue negotiations during the summer. It is felt the teachers prefer militant action in the fall school term rather than a general strike now which would coincide with summer holidays. (LJ 21/5/76 p4 c1-6 staff)

## SOCIAL AFFAIRS LEADERS RECOMMEND A GENERAL STRIKE IN THE HOSPITALS

62.6% of hospital workers voted in favour of an unlimited general strike, a figure somewhat lower than the leadership's desire for 2/3s support. (LJ 21/5/76 p4 c1-6; LJ 29/5/76 p4 c 1-6 staff)

# NATIVE PEOPLES

## THE BERGER INQUIRY

*Introduction: After 14 month of northern inquiry into the economic, social and environmental impact of the Mackenzie Valley Pipeline, Judge Thomas Berger and his commission moved to southern Canada for a series of hearings in May. The southern hearings began in Vancouver, then moved to Calgary, Edmonton, Regina, Winnipeg, Toronto, Montreal, Ottawa and Halifax. At all of the southern hearings five major interest groups were represented.*

### INDUSTRY:

In a brief made at the opening session of the Berger inquiry in Toronto, James Cameron, executive vice president of Trans Canada Pipelines Ltd, said that existing levels of natural gas to Canadian markets have to be cut back if frontier sources of gas are not tapped. "Every requirement for energy not met by Canadian sources must be met by imported oil which brings with it the problems relating to balance of payment effects and insecurity of supply." Representatives of industry also say that northerners will benefit from employment opportunities related to the pipeline. In speeches made before Judge Berger in Vancouver and Toronto, Vern Horte, president of the Canadian Arctic Gas Pipeline Ltd, appeared hurt that the pipeline companies have been "branded as profiteers with no conscience." Mr. Horte told the commission in Toronto that Arctic Gas has repeatedly asked for a settlement of native land claims in the north. Yet he said negotiation of a settlement is a matter for the native people and the federal government. Construction of the pipeline should go ahead regardless of whether native landclaims have been settled. "While we are hopeful that their claims will be settled before a pipeline is proceeded with, we believe it is a separate issue." Essentially the same arguments were put forward by companies like Consumers Gas, Union Gas, Inland Cement, Canadian Utilities Ltd and Noranda Mines.

(MS 26,5,76 p A20; OC, WFP, same day)

(TS 27,5,76 pl c3-6; OC 28,5,76 p15)

(OC 13,5,76 p41; EJ 18,5,76 p59 cl-3)

### LABOUR:

At the Toronto hearings, Frank Archibald, administrative assistant to UAW vice president Dennis McDormott, said that the union has not been given sufficient proof that there is a gas shortage in Canada and that an Arctic pipeline is necessary. Even if there is a need, he said, native land cliams should be settled before construction of the pipeline begins. The Ontario Federation of Labour reiterated this position and added that the pipeline would create more problems than it solves. It cited the danger of oil spills as an example. Labour groups have also pointed out that the pipeline project is capital intensive rather than labour intensive and will create few permanent jobs for northerners.

(OC 26,5,76 p19; WFP,MS,GM same day)

(WFP 27,5,76 p11 cl-4)

## GOVERNMENT:

Calgary mayor Rod Sykes received a lot of press coverage for his brief to the inquiry in which he claimed that the commission was a disaster and a waste of money. He cited native land claims as "blistering nonsense." His comments resemble those made two weeks earlier by David Searle, speaker of the House in the North West Territories. Searle claimed that Berger was not liked and not wanted in the north. He said that southerners are "spreading a sluggish sickness among our innocent and idealistic native peoples." He is in favour of drastic cuts in social services in the north. He is the senior partner in the largest law firm in the territories, and spoke to the Berger commission on behalf of the Chamber of Commerce of the

North. Terry Cavanagh, mayor of Edmonton, presented a brief to the Commission on behalf of the city, stating that while the pipeline offers some economic advantages to Edmonton, it also will create "significant economic and social problems due to population growth, labour shortages, inadequate housing, etc. The government of Saskatchewan presented a brief to the inquiry in Regina opposing the construction of a pipeline now and recommending that it be postponed for ten years.



(TS 14,5,76 pA6; GM EJ same day)  
(GM 8,5,76 pl c5-6; )  
(EJ 18,5,76 pl; TS 20,5,76 pA3)  
(MS 31,5,76 pA9 c5-6)

## NATIVE PEOPLE:

At the Edmonton Berger hearings, Stoney Chief John Snow described the one hundred year history of Alberta's native people since the signing of Treaty 7 as one that clearly shows the destruction that development brings to native society. "Our people have lost thousands of acres of land, many lakes, rivers and streams and we have lost many of our hunting rights. All of these acts are in direct contradiction to what was promised us 100 years ago." The suicide of Nelson Small Legs, the southern leader of AIM, and the remarks of Calgary mayor Rod Sykes, caused Ed Burnstick, Canadian director of AIM, to criticize the mayor's "red-neck" attitude. He gave his support of northern land claims and said that "if these people are forced to take violent steps, then AIM will back them to the fullest possible extent." In Vancouver, George Watt presented a brief on behalf of the Sheshaht Band near Port Alberni in which he said that his people have benefitted little from the riches brought to his area by the logging industry. He said the same would hold true for northern native people. Mr. Watt recommended postponement of the pipeline. Wally Firth, MP for the Northwest Territories, said that native people are not necessarily anti development. They simply want to control development in the north. The Council of Yukon Indians has proposed that there be a native controlled corporation set up to direct the construction of the pipeline. This proposal was made in Yellowknife by Council Chairman Smith. (EJ 6,5,76 p24 cl-4)  
(GM 13,5,76 pl0; OC 15,5,76 pl; TS same day; GM22,5,76 p8; WFP 17,5,76; EJ 28,4,76 p5)

## SUPPORT GROUPS:

In all of the southern hearings, church and environmental groups joined with native groups to oppose the pipeline. Church groups urged postponement of construction until there is a just settlement of native land claims. Environmental groups like Enrgy Probe called for more research into alternate forms of energy, like poaar heating and wind power. Others said that southerners present consumption should be reduced. Gerry Paschen, head of Canadians for Responsible Northern Development, urged that we phase out present exports of natural gas to the U.S. before we construct a new pipeline. (EJ 13,5,76 p7; EJ 19,5,76 p31)  
(TS 26,5,76 pA3; MS 28,5,76 pC8 c3-6)

## IMMIGRATION

Seasonal farm workers from the Caribbean isleands will be admitted to Canada to assist with growing, harvesting and processing of this year's fruit, tobacco and vegetable crops, Manpower Minister Robert Andras announced. The program this year has been extended to include agreements with the governments of Grenada, the five West Indies Associated States of Antigua, Dominica, St. Christopher-Nrves, St. Lucia and St. Vincent and the government of Montserrat. Prior to this year, the program was conducted in cooperation with the governments of Barbados, Jamaica, and Trinidad and Tobago. Mr Andras said 5,586 Caribbean farm workers were temporarily employed last year in Canada. These workers are paid either at a rate equal to the minimum provincial wage or the prevailing wage rate, whichever is higher. (WFP 1,4,76 p4 c1; MS 1,4,76 pC16 c1-3)

About 20 members and supporters of the Manitoba Farm Workers Association picketed the Canada Manpower Office in Winnipeg to protest against importing Mexican workers into the province. The group, composed of 450 farm workers in the Portage La Prairie area, say there is no need for foreign workers and claim that they are being brought in to displace local labour. Association members have voted not to work this season until a contract is signed with the growers. The group is seeking job classifications, a wage scale starting at \$3.35 an hour and improved working conditions in the fields. (WFP 15,5,76 p3 c2-4)

The immigration department has deported a Dominican Republic citizen without notifying the man's lawyer and before an appeal of the deportation order could be completed, says the Quebec Jurists Association. Ignacio Polanco's lawyer said he was informed that Mr. Polanco has been turned over to Dominican police and CIA agents on arrival in the Dominican Republic and is now in prison. The lawyer said that after failing to get the inquiry reopened on the grounds Polanco was a political refugee facing torture if he returned to Santo Domingo, he unsuccessfully tried to appeal the deportation order in federal court. George Lebel, chairman for the jurists association said the group decided to get involved in the case "to draw attention to the growing repression against foreigners in Canada under the guise of the Olympics."

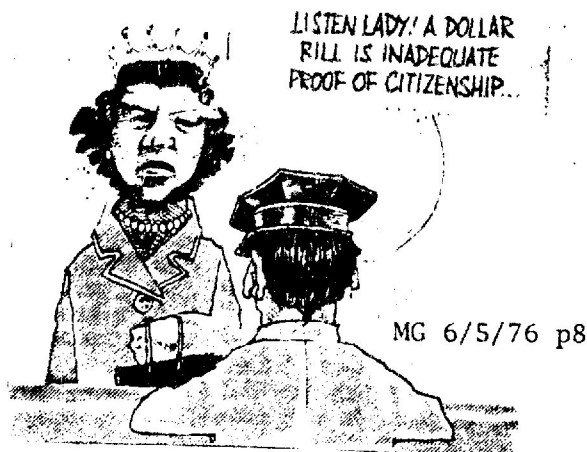
(WFP 1,4,76 p32 c6-8 CP)

Canada will not give special refugee status to people from Angola and Mozambique now living in Portugal on the grounds that they are economically destitute, Immigration Minister Robert Andras stated. The government has indicated that it will give particular consideration to applicants with relatives in Canada but will not consider this a refugee or minority movement.

(WFP 3,4,76 p9 cl-2 CP)

#### BORDER SECURITY TIGHTER

Canadian immigration officials are subjecting travellers from the U.S. to tighter security measures in connection with the Olympics this summer. Bruce Mahaffy, manager for operational services for Canada Customs in Windsor said that security is being tightened all along the border. He added that customs officers have been given a series of lectures and are receiving special training on border security for the Olympics. (OC 22,4,76 p37; GM 21,4,76 p43)



# GOVERNMENT

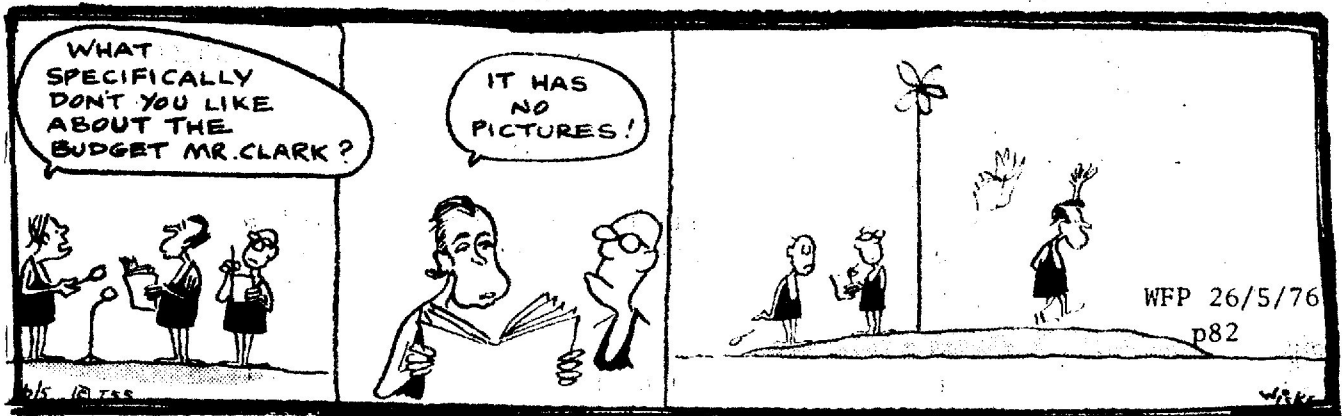
## FEDERAL

### INTRODUCTION:

The major story from parliament hill this month is MacDonald's first budget. MacDonald said his budget was unexciting, preferring to be cautious rather than foolhardy. Most commentators followed his lead, criticizing the budget on its lack of imagination rather than analyzing its actual content. Certainly, the budget made few major changes in the fiscal policy of the Liberal government. The two major items in the budget; changes in the qualification period for the pokey and changes in the AIB profit control are quite typical of this government's policy of soaking the poor to feed the rich. The AIB change, ordering companies to not exceed 85% of their profit levels of the past year or averaged over the last 5 years, whichever is the greatest, is likely to be a loosening of the already non-existent profit controls. Wage controls were brought in partially because of falling profit margins. Controlling profit margins to 95% of 1974-75 levels when they were beginning to fall caused consternation and unfairness(!) in the business community. The AIB, responding to the complaints now will allow profit margins to almost equal those in the salad days of soaring profits.

The lengthening of the pokey qualification period to 12 weeks is a very real stab at persons most marginal ( and therefore underpaid) to the economy. For unskilled workers to be able to find only short-term jobs is quite common - now they are being declared unprotected.

Pierre Trudeau and his Cabinet continue their attack on the poorest segment of Canadian society and their open-handed policy toward the powerful.



### MACDONALD BRINGS DOWN HIS FIRST BUDGET

MacDonald's budget was, by his own admission, "unimaginative". It is oriented toward "fine-tuning" the economy rather than toward introducing any major political or economic reorientation (this having been done by Trudeau in the Oct. wage crisis). The budget has three major thrusts: to cut government spending; to spur private investment; and to encourage energy conservation.

### BUDGET STATISTICS

Total 1976-77 budget (est.) - \$47 billion

Total 1967-77 budget deficit (est.) - \$5 billion

Revenue increase, 1975-76 to 1976-77  
 from personal income tax - 26%  
 from corporate tax - 2%

#### BUDGET MEASURE AS THEY AFFECT:

##### THE POOR

gains - increase in child-care allowances to \$30/month  
 losses - increase in qualifying period for unemployment insurance to 12 weeks;

##### THE NOT - SO - POOR

losses - \$100 tax on car air conditioners  
 - excise tax on big cars  
 - private foundations (charities and public foundations included) must now devote 80% of their income or 5% of their assets toward a charitable purpose

*CNAP NOTE: This may indeed be a loss for the very rich who hide in private, non-taxable foundations.*

gains - corporate dividends can increase by 8% after Oct. 15  
 --increase in maximum, non-taxable contributions to private pension plans to \$3,500  
 - freedom to move registered home-ownership plans between companies

##### THE CORPORATE WORLD

losses - reduction in capital equipment tax write-offs for aircraft, radio, T.V., radar, electrical generating and earth moving equipment  
 gains - limit on profits to 85% of 1975's profit margin or the average profit over the past 5 years, whichever is the greater

*CNSP NOTE: Given the phenomenal increase in profits over the past 5 years, this, in effect, means no controls on profits.*

- increase in tax write-offs on computers, computer programs, energy saving equipment, off-shore drilling platforms
- small businesses are allowed a low tax rate on income up to \$150,000 from \$100,000
- no tax on provincial incentives to resource industries
- non-resource industries will be allowed to claim 100% of resource exploration costs against taxes
- tariffs on some foods and drugs will be reduced and "hopefully whatever saving there is will be passed on to the consumer".

(HCH 26/5/76 p1 c1-8; HCH 26/5/76 p8 c1-8; WFP 26/5/76 p1 c7-8; HCH 26/5/76)

#### RESPONSE TO THE BUDGET

Joe Clark, P.C. leader, stated the budget "does not give economic leadership" but suggested the UIC changes "have some value. (WFP 26/5/76 p1 c3)

Ed Broadbent, NDP leader, called the budget "smug, uncaring and totally indifferent to real problems". He called for job creation through tax cuts.

(HCH 26/5/76 p34 c6-7)

Premier Moors of Nfld. suggested the budget "does very little ... to correct the tremendous problems" and that the "unemployment insurance qualifications will have a traumatic affect on Nfld. and the Eastern provinces.

(HCH 26/5/76 p34 c5-7)

Generally labour reaction was scathingly critical of the budget's lack of programs for the unemployed. It was claimed that "it's a punitive budget against the unemployed and the poor".

(HCH 26/5/76 p1 c5-7)

(WFP 26/5/76 p4 c3-4)

The business community was, naturally opposed to the AIB profit control(?) changes and was critical of the budget because it does little to encourage private investment. Some business economists suggested that what is required is a looser monetary policy (easier borrowing for them) and a tighter fiscal policy (less government spending on social programs).

(TS 26/5/76 pA2 c5-6; G&M 29/5/76 pB1 c3-4)

Prior to the budget some papers called for a tax cut to stimulate the economy. However, they contented themselves with criticizing the budget as a "do-nothing" document and in likening it to Turner's budgets.

(WFP 6/5/76 p? c?; TS 25/5/76 pB4 c1-2; HCH 26/5/76 p? c1-2; WFP 26/5/76 p45 c3-6)

*CNSP NOTE: There was a dearth of coverage of the budget, a change from previous budgets, reflecting the fact that the real economic policy makers in the country now are not the Finance Dept but the AIB.*

#### TRUDEAUMANIA OVER AT PRESENT

A recent Gallup poll shows Trudeau's popularity is on the wane with 49% of those polled disapproving of his performance. Fortunes of the Liberal party are equally dismal, with another poll indicating 43% of those polled preferring the PCs and only 34% the Liberals. Trudeau, however, has hired a new press advisor, Richard O'Hagan, given an impromptu (and rare) press conference and rumours of a Cabinet shuffle abound.

(EJ 12/5/76 p1 c2-8)

(EJ 12/5/76 p3 c7-8)



## FEDERAL—PROVINCIAL RELATIONS

### INTRODUCTION:

May seems to be the month for the federal and provincial governments to perform their stylized energy price dance. Ontario leads the opposition, Alberta the aggression with the federal government pirouetting inbetween. The audience, us, pays for the rather boring spectacle of our duely elected officials with higher energy prices. Although the argument goes that higher energy prices are needed for more exploration, this seems unreasonable on two grounds: higher prices haven't led to more exploration; and the increased revenue flows primarily into government coffers.

### THE ANNUAL ENERGY PRICE DANCE

Setting the stage for the annual federal-provincial debate on energy (oil and gas) prices, the federal government released a long-awaited energy policy paper. The major items of this paper were:

- oil and gas prices must rise to reach world prices in order to stimulate exploration
- Canada must work toward self-reliance defined as reducing dependence on foreign sources. This is a change from the 1973 policy of working toward self-sufficiency
- a new geologic survey has drastically cut estimates of oil and gas reserves (EJ 28/4/76 p1 c4-7)

*CNSP NOTE: James Laxer, chief Canadian energy critic, denied that increased gas and oil prices lead to increased exploration. He pointed out that Imperial Oil, which has substantial profit increases, spent no more on exploration in 1975 than in 1972. (WFP 10/5/76 p14 c7-8)*

The provinces took up their customary positions, with the producing provinces demanding a \$2 / barrel increase; with Ontario leading the opposition to price hikes; and Nova Scotia pleading for money to stabilize the price of electricity (all fuel generated). Ontario proposed a "blended" oil price which would average out the cost of new oil (which would rise to world prices), the cost of "old" oil (held at \$8 / barrel) and the cost of imported oil. Pragmatically, Ontario's proposal would mean an oil price increase of 20¢ / barrel or ½¢ / gallon at the gas station. (G&M 4/5/76 p5 c1-4; MS 5/5/76 pE1 c2-8)

The federal-provincial meeting, came to no agreement on oil and gas prices. However, the PCs in Alberta and Ontario apparently "squared off" with Alberta threatening to "shut off the tap" and Ontario suggesting oil be taken over by the federal government for "the national good". (TS 7/5/76 pA1 c7-9; TS 14/5/76 pA1 c7-9; EJ 19/5/76 p1 c4-8)

The federal government with the agreement of the producing provinces set the new gas price at \$1.75 / barrel more by March 1977. The price will be \$9.05 / barrel on July 1 and \$9.75 / barrel on January 1 but both price increases will not come into effect for 60 days. Natural gas prices will rise by 15.5¢ / 1,000cu. ft. July 1 and by 10¢ to \$1.50 / cu. ft. January 1.

Of the oil price increase of \$1.75 / barrel, the producing provinces will receive \$1.00, Ottawa - 50¢ and the oil companies - 25¢.

(EJ 19/5/76 p16 c1-8; G&M 19/5/76 pB4 c1-2)

### QUEBEC AND NEWFOUNDLAND - UNEASY NEIGHBOURS

Premier Moores of Nfld. has given an ultimatum to Quebec : give Nfld. an additional 800 megawatts of Churchill Falls power or face litigation. In the 1960's, Nfld. signed an agreement turning most of the Churchill Falls output over to Quebec at very low prices. (Quebec, in turn, sells this power to the U.S. at a windfall profit) Nfld. now wants more of its own power. Quebec offered to return the power in exchange for control of the headwaters of 5 rivers in Labrador. (MS 21/5/76 pA1 c5-6)

## MEDICINE HAT MANIFESTO

The 4 western premiers issued a manifesto declaring their intention to co-operate closely in industrial development, in developing strategies for revamping federal-provincial fiscal arrangements (such as health insurance cost-sharing) and in condemning the federal government's lack of improvement in transportation policy. (HCH 30/4/76 p1 c6-8)

## CAPITAL PUNISHMENT

*Introduction: Parliament entered its fourth debate in ten years on capital punishment, May 3rd. Solicitor General Warren Allmand is calling for abolition with a minimum prison term of 25 years as a deterrent. The capital punishment debate, in an effort to decide what to do with convicted murderers, again reveals the preoccupation with treatment of a symptom rather than a cure.*

### DEATH PENALTY DISCRIMINATES AGAINST THE POOR

P.C. Howard Johnston stated that juries seldom convict women, young people and others for whom there is some sympathy. NDP member Stuart Leggatt also said that it is the poor and not the rich, who can afford excellent legal services, who are punished by death for murder. (OC 27,5,76 p17 c1-4)

### JOE CLARK ON CAPITAL PUNISHMENT

PC leader Joe Clark personally supports abolition of capital punishment but said he would enforce the death penalty for murderers if it is law, when he is Prime Minister. (GM 5,5,76 p9 c3-5)

## POLICE

### REVAMPED CODE OF POLICE ETHICS SOUGHT BY THE MONTREAL URBAN COMMUNITY

The Montreal Urban Community council voted to seek an amendment to its charter allowing for a new police ethics and discipline code. The motion, introduced by the Montreal Citizens Movement would allow for the establishment of a civilian review board to handle complaints against police. During the debate on the proposed charter amendments, the MCM repeated its warning that tighter security during the Olympics could lead police to overstep their authority because the force is governed only by loose internal guidelines. "The code is so obsolete it allows an officer to be shot by his superior if he disobeys an order while on active duty." MCM councillor Bennett said. (MG 22,4,76 p3 c6-8)

The proposed discipline code intends to give policemen more rights and to offer citizens a better mechanism to have their complain investigated. Bennett also said that incidents like the fracas between striking teachers and the riot squad earlier in April, underlined the need for more internal control. (MG 15,4,76 p6 c1-4)



## PRISONS

Prisoners at a Montreal penitentiary where a 14 hour hostage took place earlier the same week, have agreed to end their four month strike. Warden Jean Paul Le brun of Archambault Institute would not elaborate on why the prisoners had ended their strike and said there was no possibility of talking to prisoner William McAllister, the chief strike spokesman. In addition to contact visits, the 330 prisoners had demanded better training programs and a mediator. There are approximately 350 inmates at the prison.

(TS 7,5,76 pA11 c1-2)

In a letter smuggled out, McAllister accused the administration of using about 20 prisoners not involved in the strike to "provoke" the others.

(MG 23,4,76 p4 c1-3)

## GUARDS SAY JOB CONDITIONS CAUSE PRISON VIOLENCE

Union leaders representing Quebec's 1,381 prison guards in the Public Works Peace Officers, warned of possible violence within the prison system unless working conditions are improved. The guards are demanding action to increase prison security staff and reduce inmate population at Quebec's 28 prisons.

(MG 10,4,76 p3 c4-8)

## MILITARY

The government plans to purchase 18 Orion LRPA amounting to \$1 billion. The Loughheed deal collapsed when the company could not convince Canadian banks to lend it the necessary \$300 million to start production.

(EJ 19,5,76 p76 c1-3 CP)

## SOCIAL WELFARE

## WELFARE RECIPIENTS LOSE BASIC RIGHTS

The Canadian Civil Liberties Association released a three year report which states that Canadians who accept welfare are forced by government agencies to "surrender basic democratic freedoms". Homes of welfare recipients have been searched without notice, choices of food have been specified and deserted wives have been pressured to sue husbands for support. Recipients are seldom informed of their rights. (TS 5,5,76 pA3; GM 4,5,76 p1)

## JOB REFUSAL WILL CUT BENEFITS

Regulations set by the Ontario Ministry of Community and Social services will cut welfare benefits from any recipient refusing to take a job. Persons on welfare will be required to take any part time, casual, or seasonal work that the welfare administrator deems appropriate, even if untrained for the job. (TS 1,4,76 pA1 c1-3)

## PENSIONS

Pensions for all Canadians were raised to \$135.43 a month for those 65 years of age and older. If the pensioner is married and his or her spouse is past 60 but not 65, that spouse is entitled to the \$135.43. But, single

persons, widows, separated or divorced spouses or couple who are past 60 but not yet 65 receive nothing. (GM 5,4,76 p6 c1-2)

## HOUSING

In Ontario, public housing is no longer covered under the 8% rent control increase program. The NDP argue that the "geared to income" formula for public housing tenants forces them to pay high rents. Rent control was their only protection. (TS 5,5,76 pA16 c1-9)

## HEALTH

The Canadian Medical Association says that the proposed federal bill to limit medical care spending will lead to a rationing of medical service and a deterioration in quality. The proposed bill would limit the increase in federal contributions to medicare costs to 13% in 1976-7 and to 10.5% in 1977-8. (HCH 26,5,76 pl c6-8)

## EDUCATION

### *Introduction:*

*Large amounts of press space have been devoted to public criticism of educational standards and performance at all levels, this year. See CNSP March issue). Now the talk is of tighter purse strings for Canadian universities along with defining goals for education that fit the national interest.*

### THE EDUCATION DRIFT IN CANADA

Ottawa wants to cut back its spending in higher education along with defining goals for education that "fit a vision of the national interest". Trudeau and Secretary of State Hugh Faulkner think that federal funds should be used to lead universities into expanding their course offerings in minority languages and in Canadian studies. The proposal will be aired at the next first ministers conference in June.

Canadian spending on education is easily the highest in the world, yet its educational system is "one of the least politicized in the world." Changes such as the erosion of the authority of local school boards, the lowered standards for university entrance, the growth in elective courses, and the plunge into union militancy by teaching professionals, have all occurred without public awareness until after the fact.

(MS 13,5,76 pA10 c1-4)