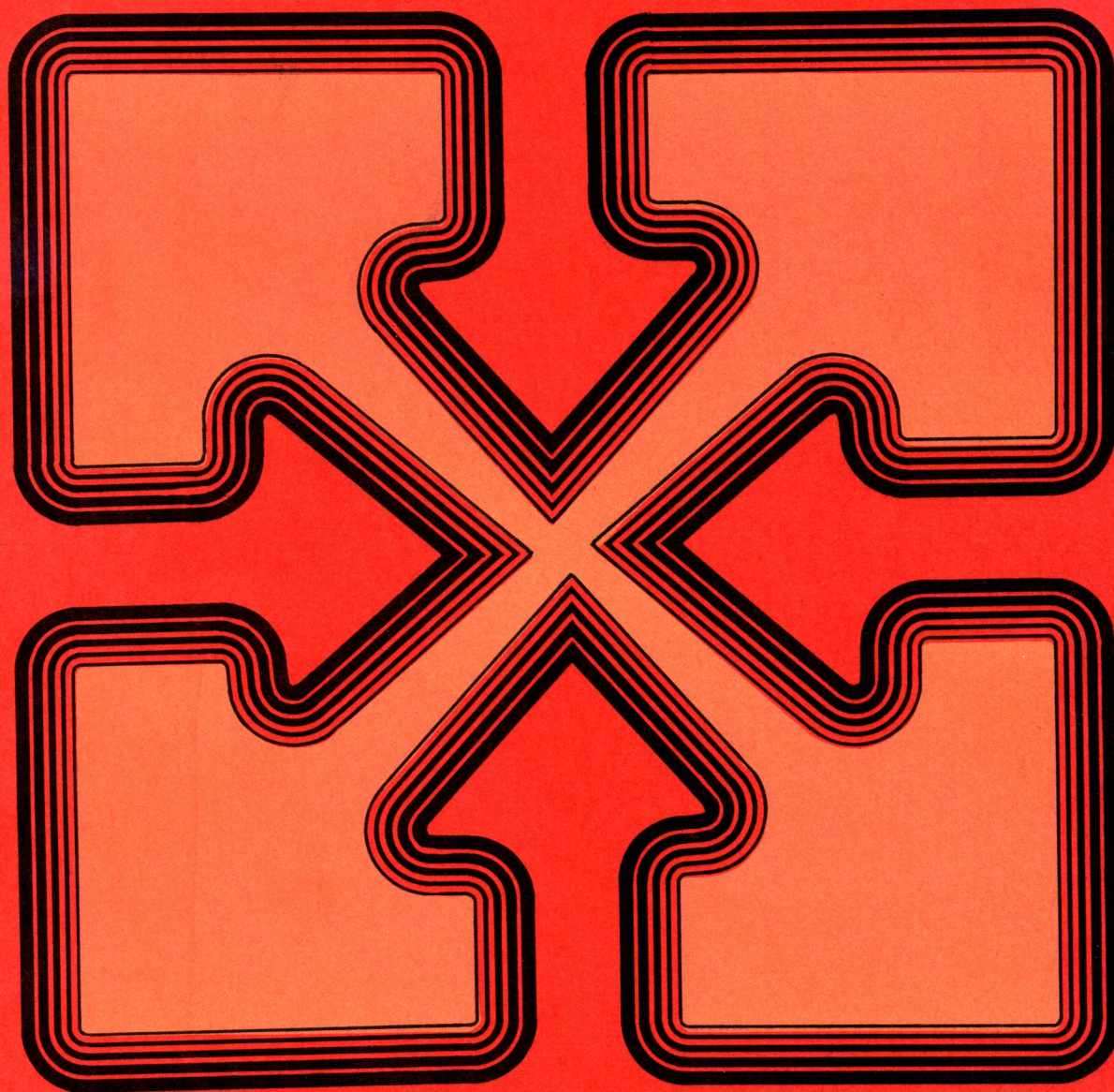


Synthesis

A Review of Events Reported in the Canadian Press



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<i>Financial Post</i>	FP
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HIGHLIGHTS

The western nations, members of the General Agreement on Trade and Tariffs (GATT), began their latest round of talks on January 15. The goal of these talks is to prevent a general collapse of world trade. Most capitalist nations, faced with rising domestic unemployment, are being tempted to raise tariffs to protect their industries from foreign competition. This protectionism would drastically cut trade, a major engine of economic growth of the western economies. The U.S. is thus twisting arms at these talks to encourage GATT members to cut tariffs. Canada was allowed special exemptions the last time GATT pushed for tariff cuts, but this time our partners won't be so understanding. See page 3.

Unemployment, as well as being a tragedy for those unable to find work, threatens to hurt the rest of the Canadian working class. This year, contract negotiations will centre on job security as more and more companies threaten to close down. Labour will thus be on the defensive, fighting layoffs instead of trying to win back wages lost during controls. With inflation on the rise, labour's being forced to concentrate on jobs this year means workers will lose even more ground to inflation. See page 12.

Industrial pollution is an ever-growing hazard all over Canada. This month, we take a look at some of the major dangers and the difficulty workers are having trying to have acceptable safety standards introduced. The task force on arsenic pollution of the Yellowknife environment made its report in January, and we also look at this. See pages 17 and 25.

Canada is quickly becoming one of the more popular members of the NATO club. The government has just ordered \$200 million worth of tanks from Germany and is now taking orders for 150 jet fighters at a total cost of over \$2 billion. Now Defence Minister Barney Danson wants to spend \$20 billion over the next ten year on a new fleet of destroyers. Given the Liberals' complaints they can't do anything to fight unemployment and their unwillingness to spend more money on UIC and social welfare, these macabre plans should be halted. See page 24.

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CANADA AND THE WORLD



THE SPECIFIC AREAS

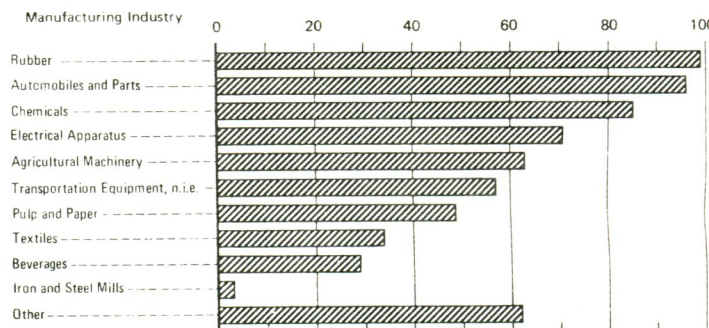
Investment

CANADA VIABLE WITHOUT FOREIGN CAPITAL

Thomas Powrie, University of Alberta economist says Canadians could ditch foreign owners and be just as well off. "Net new foreign investment in Canada since 1950 has put our national income, at most, six months ahead of where it would have been anyway," he says in a 93-page study called The Contribution of Foreign Capital to Canadian Economic Growth. Foreign investment and loans contribute little to the economy because investors must make a return, which amounted in 1976 to an outflow of \$3.3-billion in dividends, profits and interest. Because foreign capital is available, Canadians do not develop less capital-intensive and more labor-intensive ways of producing. If capital had been less available, Powrie says, we would have more labor-intensive manufacturing industries and fewer capital-intensive resource industries. He estimates that, by saving an extra 2.5 per cent of their incomes, Canadians could replace all the foreign capital foregone, and be better off. Powrie favours "a Japanese alternative", that now-unknown Canadian firms could develop the technology we get with American investment money. The first step is to get Canadians to save more, even with lower interest rates. Secondly, government must push private sector expansion through encouragement of mergers and help with new technology. He is not optimistic about the Federal government picking up his ideas. He says most politicians and senior civil servants think jobs can only be created with vast amounts of capital. Edmonton publisher Mel Hurtig, sponsor of the study, states

"We have been selling off our country to non-Canadians for little or no benefit...the Powrie study strongly suggests that enormous foreign ownership in Canada is hurting our standard of living, not helping--causing unemployment instead of creating jobs, fuelling inflation... and badly damaging the country's economy." Since Mr. Trudeau took office, foreign ownership in Canada has grown by a greater amount than during the first 100 years of Confederation. EJ 18/1/78, p. B3; TS 18/1/78, p. A1 - Roger Croft; TS 18/1/78, p. A10 - David Crane; GM 19/1/78, p. B3

Foreign-Controlled Share of Capital Employed in Selected Canadian Manufacturing Industries, 1974



CANADA AND THE WORLD

PRESS COMMENT

FP 21/1/78, p. 11 - Michael Fox

In a lead editorial, the Toronto Star (18/1/78, p. A8) said Prof. Powrie's study shows "Canadians do have a choice." It recommended that the Prime Minister and the provincial premiers set up an economic strategy for Canada including:

- much stricter screening of foreign takeovers and new investments by FIRA
- the development of internationally-competitive, technologically-advanced, Canadian-controlled enterprises.

- a plan to have the 25 largest, foreign-controlled enterprises sell the majority of their shares to Canadians over the next decade.

- the use, where needed, of government-controlled entities such as the Canada Development Corporation and Petro Canada to engage in joint ventures or buy back foreign enterprises.

THE TAKE-OVER CONTINUES

The number of foreign applications to take over Canadian businesses increased by 56 per cent during 1977. Foreign direct investment in Canada increased by a record \$3.7 billion in 1975, according to Statistics Canada. Two-thirds of the investment was from earnings in Canada by industries already under foreign control. Eighty-one per cent of total foreign ownership is American, and it grew by 11 per cent in 1975, primarily in petroleum, natural gas, iron, chemicals, and financial institutions. TS 11/1/78 P. B7; MS 11/1/78 P. D1; GM 27/1/78 P. B6; GM 11/1/78 P. B2

While FIRA announced 33 more foreign investment projects and take-overs, the Committee for an Independent Canada called Canadians to face the foreign investment issue. CIC director, Jim Conrad, a chemical engineer with 24 years of experience in the oil industry, criticized economists for faulty approaches to measuring Canadian productivity. He said Canadian-owned firms would be more likely to refine raw goods in Canada. MS 19/1/78 P. A10; TS 24/12/77 P. B8; TS 16/1/78 P. B9

FALCONBRIDGE CUTS

Falconbridge Nickel Mines Ltd. of Toronto said its subsidiary, Dominicana C por A, will reduce ferronickel production immediately, resulting in the layoff of about 550 employees in the Dominican Republic. GM 13/1/78, p. B3

OTTAWA HESITATES OVER SECOND REACTOR TO ARGENTINA

Argentina wants to buy a second CANDU nuclear reactor from AECL, but AECL is not responding. This results from Argentina's refusal to sign non-proliferation treaties. Argentina has accused Canada of holding back because of opposition political attacks on the scandals and the loss on the sale of the first nuclear reactor.

Trade

GATT GETS GOING

On January 15, representatives of the GATT signatory countries begin playing their cards in Geneva, at the so-called Tokyo round. The aces, says columnist Bruce Hutchison, are held by the U.S., the core of the world economy, not by Canada. President Carter has yielded ground to protectionist lobbies in the U.S. For example, he has a new plan to fix arbitrary minimum prices for steel and to levy prohibitive dumping duties on imports priced below that level. This is his reaction to the layoff of 60,000 workers from the obsolete plants in the U.S. steel industry in the past year. Canada has some of the most stringent restrictions in the world in such areas as textiles. Facing unemployment, the Canadian government is unlikely to move to increased imports. Canada's economy is in need of structural revision but that will be very slow. Meanwhile, tariffs, the import quotas and the dollar devaluation have sheltered the home market, protected it from foreign competition, and penalized Canadian consumers. MS 1/12/77, p. A9

In a series of articles, Montreal Star's Ottawa editor W.A. Wilson examined the prospects for GATT. Unemployment is the spectre which is encouraging a "disturbing rise in protectionist sentiment." Many industrialized countries are moving to selective trade barriers. The main targets of these measures are Japan, South Korea, Taiwan and India. Steel has joined textiles as the subject of many restrictions. Canada's steel industry is more modern and more productive than that in the U.S., which is facing competition from new mills in Korea, Brazil and India. Wilson sees U.S. attitudes toward Canada as encouraging. He re-examines Thomas Enders' much discussed speeches of September 20 and October 21, and finds an offer to give Canadian processed raw materials extensive tariff breaks in entering the U.S. market. He finds a willingness to seek mutually agreeable accommodations on access to the United States for Canadian petrochemicals and beef. Wilson also points to Vice-President Mondale's visit to Canada and his assurance of U.S. concessions of particular and long-standing interest to Canada. Canada will, he said, have to participate in general tariff reductions being sought at Geneva and "go for a big package result from the negotiations."

At the time of the Kennedy Round in the early 1960s, the average reduction in tariffs was calculated at 35 per cent. Canada successfully argued that it faced special difficulties and its reductions averaged 25 per cent. In the Tokyo Round, it has been clear that Canada would not get a second easy round. Proposals at Geneva, being pressed upon Canada by President Carter, call for an average tariff reduction of about 44 per cent. Industry

CANADA AND THE WORLD

Minister Jack Horner's main objective will be the right to impose selective, rather than global, non-discriminatory trade quotas and restrictions. MS 28/11/77, p. A9; MS 16/12/77, p. A7; MS 23/12/77, p. A7; MS 13/1/78, p. A7; MS 18/1/78, p. A9; MS 20/1/78, p. A7

GATT WARM-UP

As negotiators gathered in Geneva in mid-January, the EEC announced it would offer the so-called Swiss formula tariff cuts on industrial and manufactured products. This formula, already accepted by the U.S. and Japan, envisages harmonized tariff cuts averaging 40 per cent, over an eight year period beginning in 1980.

In a column in the Montreal Star (19/1/78, p. D8) R.G. Gibbens examined the implications of the Swiss formula for Canada's textile industry. It means existing high tariffs will be cut more deeply than lower-scale tariffs. Canadian textile producers fear a 68 per cent cut in their 30 per cent tariff. The industry has strong union support in its brief to Ottawa. Productivity in Canada's textile industry has been sharply up, but wages have risen ahead of the U.S. and selling prices are up only 3.8 per cent annually since 1967 as against seven per cent for manufactured goods in general. The new investment in plant and repairs has declined from \$197-million in 1974 to \$98-million in 1977. Canada's tariff level on textiles is lower than the U.S. The Canadian industry's share of the domestic market has dropped from 59 per cent in 1966 to 40 per cent in 1976. in 1976.

Meanwhile U.N. officials announced that major world exporters and importers of textiles had agreed on a new four-year pact regulating textile trade, estimated at \$40-billion per year. So far the EEC and Hong Kong are among the nine countries to have ratified the agreement or promised to do so. EJ 5/1/78, p. 15; GM 18/1/78, p. B2.

Canadian coordinator at the GATT negotiations, Jake Warren, says he can't guarantee the next tariff agreement will protect Canadian goods from competition at home. He hopes it will open up opportunities abroad for export of upgraded fish, lumber, food and petro-chemicals. There will be adjustment assistance programmes to help some of the "softer" industries, he notes. MS 9/1/78, p. A4

PRESS COMMENT

A Montreal Star editorial notes that Ambassador Warren will have a rough time in Geneva, given the need to protect such regional interests as Alberta's strong urge for petrochemical export opportunities. In the past Canada has done well; "while taking a high moral line we have managed, generally, to get more than we gave". MS 12/1/78, p. A8

The Canadian Importers Association and the

Canadian Exporters Association have welcomed the general approach taken by Canada at the GATT negotiations. But the Canadian Manufacturers' Association expressed concern that manufacturing receives little mention in the statements table at Geneva. Canada has agreed to negotiate along the Swiss formula, but linked this willingness to specific progress in negotiations aimed at lowering the barriers to Canada's export of certain key resources, particularly non-ferrous metals and forest products. The linking of the two ideas becomes a tough fallback position for Canada. Laurent Thibault, director of economics for the CMA, fears manufacturers will bear the brunt of any concessions in Geneva. He was disappointed that the Government's statements did not indicate that the manufacturer's concerns were high in the negotiating position.

GM 26/1/78, p. B10 - James Rusk

JAPAN, U.S. COZY UP

The U.S. and Japan, in danger of major friction as 1977 closed, have agreed on a major package of bilateral economic measures. Japan will liberalize quotas on some agricultural imports, reduce tariffs on 300 items, and stimulate the domestic economy to a seven per cent growth rate in 1978. The country will also liberalize its foreign exchange controls. Japan has come under very strong international pressure for its protectionist policies. A government-industry buying mission will visit the U.S. shortly. Import quotas on oranges and beef were announced. Forestry and nuclear power plant machinery import increases are to be studied. The agreement commits two of the world's three largest economic powers to cooperation in economic expansion, stimulating business in many lands. GM 14/1/78, p. B3

The U.S., the EEC and Japan committed themselves to defend free trade against protectionism. All three stressed that the 97-country GATT negotiations should be completed by July. MS 24/1/78, p. C1

MASSEY-FERGUSON GREASES PALMS

Massey-Ferguson, one of Canada's largest multinational corporations, has admitted giving over \$30-million in kickbacks to local distributors in developing countries. The information was disclosed in a brief to the U.S. Security and Exchange Commission. Massey spokesmen said the practice--called "overbilling"--is a common one but promised to end their part in it. The payments were made, according to the information submitted to Washington, "in order to avoid obstruction or unreasonable delay" in business. The company says there is no evidence that any of the money was paid to government officials or that it was used to make illegal payments. TS 4/2/78, p. B9; WFP 31/12/78, p. 13

CANADA AND THE WORLD

CANADIAN FOREIGN POLICY

MONDALE IN OTTAWA

United States Vice-President Walter Mondale's visit to Canada this month can be viewed as an indication of the importance President Carter assigns to Mexico and Canada. Mondale is considered a political liberal, although he supported the Vietnam War until 1969, and was a protégé of the late Senator Hubert Humphrey. Since inauguration, he has shared in U.S. foreign policy activities, including a world tour. Prime Minister Trudeau's foreign affairs adviser, Ivan Head, said Canada was very pleased with the Carter approach to Canadian-American relations. Mondale's visit came on the eve of the GATT talks in Geneva, where Canada is under pressure to line up beside the U.S. over free trade. Observers expected Mondale to be faced with an agenda of small grievances, but no large problems.

EJ 16/1/78 P. B1; EJ 14/1/78 P. B6

PRESS COMMENT

Richard Gwyn commented in the Montreal Star and the Toronto Star that Canadians were "fawning" on the U.S. He said Mondale was treated like royalty. Canadians are simply deferential, like Alan MacEachen at Mondale's press conference, "silent and attentive, looking like a distinguished and over-age press officer." Mondale offered a change in U.S. law regarding conventions in Canada, a "swap" of Canadian and U.S. natural gas, possible storage of reserve U.S. oil in Nova Scotia, and helpful tariff reduction proposals. Gwyn pointed out that no Canadian cabinet member cared to quiz Mondale about the \$1 billion imbalance in our Auto Pact trade with the U.S., about foreign ownership or other irritants.

TS 19/1/78 P. A10; MS 23/1/78 P. A7

The Edmonton Journal editorially regretted the news that American Ambassador Thomas Enders will be leaving us in the summer for West Germany. It appreciated his "honesty and frankness," which clarified the differences which exist between the U.S. and Canada. EJ 5/1/78 P. A4

PINOCHET'S PLOY

Following the announcement of a plebiscite of support for the Pinochet regime, Chileans demonstrated in Santiago shouting for "peace, justice, and freedom." Letters and statements leaked to the press indicated that the Catholic bishops of Chile asked the junta to cancel the referendum, and that the Chilean navy and air force had opposed the vote. The plebiscite asked voters to vote yes to Pinochet's defence of Chile against the U.N. and other critics, or to vote no. Yes votes were on ballots with Chilean flags. No votes were bordered in black. The results of the plebiscite gave Pinochet about 75 per cent of the vote. Afterwards, he announced, "There will be no more elections or voting for 10 years." Pinochet said Chile would pursue a more aggressive foreign

policy in future.

MS 3/1/78 P. A11; WFP 3/1/78 P. 4; WFP 5/1/78 P. 7; TS 4/1/78 P. A4; TS 5/1/78 P. A12; GM 5/1/78; EJ 5/1/78 P. A9

Chileans living in Canada told reporters that they regarded the vote as rigged. They called for a referendum supervised by the United Nations.

EJ 5/1/78 P. A9

The International Commission of Jurists reported the "whole structure of repression and the suspension of basic rights and fundamental freedoms remain unchanged in Chile." The international independent body of lawyers campaigning for the rule of law stated that last year's "supposed dissolution" of the DINA security service was little more than a name change.

EJ 5/1/78 P. A9; MS 5/1/78 P. A11

PRESS COMMENT

Both the Montreal Star (7/1/78 P. C6) and the Toronto Globe and Mail (4/1/78 P. 6) attacked the referendum and reminded Canadians of Chile's "horror." The Star cited the words of Chilean refugees in Canada, the statements of Amnesty International and the International Commission of Jurists. The Globe said the junta deserves special condemnation because, in earlier years, Chile was a "rare patch of light and hope in the map of a dark continent." The Allende government "was committed to an effort to narrow the gap between privilege and poverty."

CNSP NOTE: *The news of the referendum was greeted with skepticism not only in Canada but in Latin America and around the world. Mexican daily papers laughed at Pinochet's pretensions, while demonstrations were held in many world centres. The German Social Democratic and Christian Democratic parties condemned the charade. Chilean expatriates believe the U.S. State Department's position criticized the referendum and supported Church and Christian Democratic opposition in Chile. The referendum was interpreted as a power-play by Pinochet in response to rivalry within the junta. Hardly was the vote over when hostile demonstrations were organized in front of the Cardinal's residence and the homes of Christian Democrat leaders. Several of the latter were expelled from Chile.*

CANADIAN INVESTMENT QUESTIONED

The senate of Queen's University, responding to an overwhelming vote of a student referendum, urged the university's trustees to oppose "on moral grounds" the use of university investment funds by Noranda Mines Ltd. to develop a copper mine in Chile. Queen's is a shareholder in Noranda. The motion was carried 25 to 15. Speakers against the motion feared that Queen's would have trouble with current fund-raising efforts in the capitalist society if it took such moral stands. GM 28/1/78 P. 11

THE ECONOMY

GENERAL

MONTHLY STATISTICS

CAPITAL

	Dec.	Nov.	Change from Year ago (%)
Consumer Price Index (1971 = 100)	167.2	166.1	9.5
Merchandise Trade Surplus (\$ million)*	420.0	180.0	
Consumer Credit Outstanding (\$ million)		24,124	12.0
Farm Cash Receipts - 1st. 11 mos. '77	- \$9,221.5 m.		
- 1st. 11 mos. '76	- \$9,204.7 m.		

LABOUR

Employed (millions)	9.73	9.83	2.7
Unemployed	882,000	840,000	17.0
Unemployment Rate*	8.5	8.4	

*Seasonally adjusted.

INFLATION UP AGAIN

Consumer prices rose by 9.5 per cent in 1977. The Consumer Price Index, an important gauge of the inflation rate, rose from 152.7 in December, 1976 to 167.2 in December, 1977. (1971 prices are 100. This means it cost \$1.67 in December, 1977 to buy what a dollar could in 1971.)

The government introduced wage and price controls in October, 1975, when the inflation rate was 10.8 per cent. Its original goal was to bring the rate down to six per cent by October, 1977 and to four per cent by October, 1978. The 1977 target was not met, and the 1978 target was raised to six per cent. Few observers believe inflation will fall even to the new target.

In 1976, food prices declined, and inflation fell to 7.5 per cent. But food prices rose throughout 1977, boosting inflation. Over the last three months of 1977, prices rose at an annual rate of 11.2 per cent. Despite signs that inflation is worsening, the government says prices will decline in 1978. GM 18/1/78 P. B7 (CP); GM 24/1/78 P. 6; TS 17/1/78 P. A1 John Honderich.

CNSP NOTE: The year-end statistics expose the fraudulence of the federal Anti-Inflation Program. In October, 1975, the government announced "everyone is being too greedy," and imposed controls. The government really meant workers were being too greedy. The AIB has succeeded in controlling wages, but not prices

or profits. In 1976, the inflation rate dropped only because farmers' incomes fell. Prices and profits in other sectors were not restrained by the AIB. In 1977, food prices rose again. Inflation is now returning to pre-controls levels, and 1977 profits are still high. The real cause of the present "stagflation" is the high degree of control exercised by large corporations who can manipulate prices and output to preserve their profits. (See *Synthesis*, Vol 5 #10. P. 16.)

TURNING BACK THE CLOCK

Allen Lambert, chairman of the Royal Commission on government spending, has called Canada's unemployment insurance scheme a "welfare system." After the Commission tabled its interim report to Parliament, Lambert made additional remarks to the press. Lambert is Chairman and President of the Toronto-Dominion Bank. He wants:

- a reduction in the number of government employees.
 - Ottawa to return some powers to the provinces.
- He identified the federal role in housing as undesirable.
- cutbacks in health care and unemployment insurance,
- "perhaps by introducing means tests and making the user pay some of the costs."

Lambert says if Ottawa does not cut back, "the value of the currency falls in relation to spending." He asserts, "If costs continue to rise as they are over the next five or 10 years, it will be an intolerable burden." MS 17/12/77 P. A5

CNSP NOTE: By appointing a bank president chairman of the Commission, the government knew what kind of report to expect. Lambert's statements, stripped of economics jargon and catch-phrases, are an ideological attack on the working class. Lambert's message is not subtle, and its meaning is clear. Government spending threatens monetary stability, and this endangers profits. Spending must be cut, especially in areas that can't "measure performance from an efficiency point of view," Lambert says.

Naturally enough, Lambert attacked social welfare programmes. He did not mention military spending, which creates fewer jobs per dollar than all other types of government capital spending. Nor did he say that revenue from personal income tax is rising while revenue from corporate taxes is falling. Lambert refuses to acknowledge that programmes which increase the social wage are paid for by personal taxes, and are not "welfare programmes" we can no longer afford. The policy of giving tax breaks to corporations to stimulate growth has been a dismal failure. At a time when the economy is stagnating, with thousands desperately in need of work, this country can no longer afford Allen Lambert and his class.

FISHING

PROCESSERS SHOULDN'T CONTROL FLEETS: LEBLANC

Federal Fisheries Minister Romeo LeBlanc has proposed that the big fish processing companies should be discouraged from owning or partly owning fishing vessels. This would probably be done through taxation. LeBlanc wants to see more working capital made available to individual fishermen for purchasing their own boats.

All large offshore trawlers sailing from Newfoundland and Nova Scotia are now owned by fishing companies. Most boats cost between \$3.5 million and \$4 million each.

LeBlanc argued that the large processors now pay artificially low prices for fish from their own boats, thus driving down the price paid to independent fishermen. This practice also ensures that the companies lose money on their fishing operations. The losses are then written off for tax purposes against their processing profits.

The large companies reject the idea. It is likely to lead to a major confrontation with Ottawa this spring.

Those with the most to lose from the scheme include Fishery Products Ltd. of Newfoundland, H.B. Nickerson and Sons Ltd. of North Sydney, N.S., and National Sea Products Ltd. of Halifax, Canada's largest fish company. Each owns about 40 ships.

GM 7/12/77 P. B2; GM 12/1/78 P. B1; HCH 5/12/77 P. 3
HCH 3/12/77 P. 29; EJ 1/12/77 P. A11; MS 30/11/77 P. F7
MS 5/12/77 P. A4

SEAL HARVEST...STUDY

A federal study of the value of the controversial seal hunt to Atlantic Canada and parts of Quebec shows that the hunt in the spring of 1976 was worth \$5.9 million to the region, and brought employment to 4,200 people.

"Earnings from the hunt benefitted over 19,000 people comprising the households of the seal hunters, and are an important supplement to annual income which, for the most part, is gained through employment in other fishing activities during the summer months."

Of the 6,000 licensed hunters in 1976 in the Atlantic region, 86 per cent were based in Newfoundland and Labrador, with the rest coming from the Magdalen Islands, Cape Breton and the north shore area of Quebec.

The study also reveals that 65 per cent of the hunters had less than a Grade 9 education, had lived most of their lives in the community in which they now resided, and earned a gross annual income of approximately \$7,500 to support an average of 3.5 dependents. WFP 16/1/78 P. 27; EJ 13/1/78 P. G14

...AND DEFENSE

Newfoundland Premier Frank Moores opened an international campaign in January to counter criticism of the annual seal pup hunt. The campaign will cost the Newfoundland government between \$100,000 and \$160,000. WFP 10/1/78 P. 9



INLAND FISHERMEN ANGRY AT FFMC

The Freshwater Fish Marketing Corporation (FFMC) was established by the federal government in 1969 to help fishermen in northwestern Ontario, the Prairies and the Northwest Territories market their fish. Fishermen have been unhappy with the corporation for some time. The disenchantment has resurfaced with the announcement in December that fishermen will not receive a final payment for their fish in 1977. The money is needed to carry a 14-million-pound inventory of unsold fish. The fishermen won't be paid until sufficient income is generated from the sale of the inventory.

Fishermen suspect the FFMC spends too much time on processing and not enough on aggressive sales development. They feel this is the reason behind the large stockpile.

Federal Fisheries Minister LeBlanc has given his approval to Manitoba government representatives looking into the FFMC and making suggestions for an improved marketing strategy.

LeBlanc has been threatened with legal action by the Saskatchewan Inland Commercial Fishermen's Association unless the more than \$2 million owed as final payment is paid soon.

WFP 16/12/77 P. 13; WFP 12/1/78 P. 5; WFP 9/1/78 P. 5;
WFP 14/1/78 P. 6; EJ 19/1/78 P. A8

THE ECONOMY

MINING

INTRODUCTION: *Ontario Hydro's uranium deal is under consideration by a provincial Legislative Committee. (See also Provincial Government in this issue.) Former Energy Minister James Taylor said it would be against the government's political philosophy to consider buying the uranium mines. Saskatchewan has announced the purchase of more potash firms. The government now controls 40 per cent of Saskatchewan's potash. The Mining Association of Canada's 1977 fact manual presents some figures on the state of the industry across the country.*

ONTARIO URANIUM DEAL

The Ontario Legislative Committee which is investigating Ontario Hydro's proposed uranium contracts has only until February 28th. to make its recommendations. The contract with Denison Mines Ltd. is for 63,000 tons of uranium between 1980 and 2011. It would mean an expansion of Denison's Elliot Lake plant and a doubling of the present workforce of 1,500 over a few years. The contract with Preston Mines Ltd., an affiliate of Rio Algom Ltd., is for 36,000 tons of uranium oxide between 1984 and 2020. The price would vary according to a formula involving the cost production, and agreed profit margin, and half the difference between that total and the existing world price. Part of the contract involves interest-free loans by Hydro to the companies. Hydro, already one of the biggest borrowers in Canada, will have to borrow a further \$350 million to make these loans. It will lend \$151 million to Denison and \$188 million to Preston. Under an Atomic Energy Control Board regulation, Hydro must have a 15-year supply under contract for each reactor planned or in service.

The big question is why the province chose to enter into long-term purchase agreements rather than acquiring control. The only explanation given by former Energy Minister Taylor was that buying shares was against the Conservative government's political philosophy. The idea of buying Denison does seem to have been favoured by Hydro in 1976, but the plan was dropped. J.Y. Matthew, Hydro's negotiator, said the federal government's uranium guidelines offer no protection against having to pay the higher world prices for domestically mined uranium. He said this left Hydro with no alternative but to sign long-term supply contracts at the best price it could get. Opposition Leader Stuart Smith said the two companies stand to make more than \$2 billion profits on a \$6.5 billion deal. He called this excessively lucrative. Smith said the people of Ontario should not have to pay windfall profits on uranium sitting right in the province.

Michael Cassidy, newly elected leader of the Ontario NDP, called the proposal a sell-out. He said the Ontario government should nationalize both Denison and Rio Algom. The Toronto Star attacked the fact that the Committee was given such a short time to examine the deal. The Globe and Mail asked, "How much of a profit should the people of Ontario pay to those who extract the public's resources and sell them to one of the public's own utilities?"

J.F. Hogerton, a U.S. uranium expert studying the agreements at the request of Ontario's Energy Minis-

try, told the Committee the pricing arrangements are highly favourable to Hydro and its consumers when compared with recent utility contracts made in the U.S. The Financial Post also defended the deals, saying the prices will be well below world markets. It rejected nationalization, questioning whether a provincially-owned utility should buy into a high-risk, boom-or-bust industry like uranium mining. GM 26/1/78 P. 2; FP 21/1/78 P1; TS 13/1/78 P. A8 ed; GM 17/1/78 P. 6 ed; GM 20/1/78 P. 5; GM 13/1/78 P.1; MS 20/12/77 P. A7; GM 17/1/78 P. 8; TS 12/1/78 P. All

CNSP NOTE: *With the Ontario Conservatives involved, mining doesn't seem like such a high risk, since the companies are guaranteed profits of \$2 billion.*

POTASH NATIONALIZATION

The Potash Corporation of Saskatchewan has announced the purchase of two more potash mines, bringing 40 per cent of the province's production under government control. Saskatchewan will pay \$85 million for the Amax Inc. interests at Esterhazy and a further \$85 million to acquire 60 per cent of the Allan Potash Mine. The Allan Mine is one of the largest in Saskatchewan, employing 475 people. PCS is buying the shares held by U.S. Borax and Chemical Corp. and Swift Canadian Co. The third owner, Texasgulf Potash Co., apparently is reluctant to sell its 40 per cent interest in the mine. GM 11/1/78 P. B1

THE STATE OF CANADIAN MINING

The Mining Association of Canada's 1977 fact manual says the industry directly employes 140,000 Canadians. The "multiplier effect" means mining creates jobs for about nine per cent of the Canadian workforce.

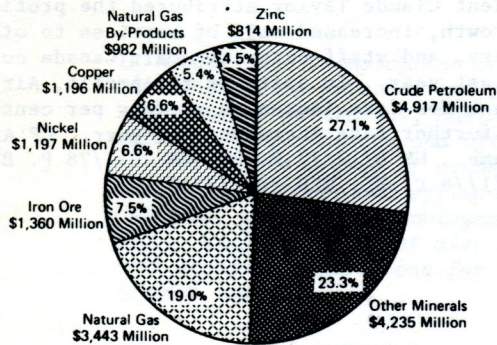
EMPLOYMENT BY SECTOR

Metal Mines.....	65,200
Coal.....	8,500
Non-metal Mining.....	15,500
Quarries & Sandpits.....	3,600
Non-ferrous Smelting & Refining.....	29,900
Oil & Gas.....	18,100

The metals section is suffering the most. World inventories of copper and nickel remain high. Only uranium is much in demand. Fossil fuel mining, including coal, is the strongest sector within the industry. EJ 5/12/77 P. C9

Canada's Mineral Production, 1977

\$18,144,213,000



Source: Canada's Mineral Production, Preliminary Estimate 1977 (26-202)

MINERAL EXPLORATION

At a federal-provincial Mines Ministers' conference, the federal Minister Alastair Gillespie said Canada's mining industry is in rough shape. He noted a lack of exploration activity. Saskatchewan's Mines Minister, John Messer, urged the federal government to take a realistic stand on revenue taxation. Frank Miller, Ontario's Natural Resources Minister, told the Canadian Institute of Mining and Metallurgy he considers mineral exploration in Ontario has reached a dangerously low level. The province is re-examining its taxation and mining regulations to encourage more investment. TS 16/12/77 P. B5; TS 21/1/78 P. A3

TRANSPORTATION

INTRODUCTION: *Canada has a serious travel deficit. Canadians spent \$2 billion more abroad last year than travellers from abroad spent here. How can the government encourage Canadians to travel closer to home? Wardair suggested that it be allowed to run charter flights within Canada. The Canadian Transport Commission and the Cabinet considered the proposal, and the results are in this month's Synthesis. Air Canada is in the news, as well, because of its 1977 profit and its agreement to take over Nordair.*

DOMESTIC CHARTER FLIGHTS ALLOWED

The federal Cabinet has decided to allow any air carrier in Canada to run domestic charter flight for the next three years. This overruled a decision made by the Canadian Transport Commission (CTC) in December. GM 21/1/78 P. 1

The CTC decided to allow CP Air and Air Canada to run 50 domestic charter flights as a one-year experiment. Regional airlines could also run charters under this plan. Wardair, the company which opened the question of domestic charters in the first place, was turned down. Wardair operates two thirds of the charters outside Canada. Air Canada and CP Air opposed charter flights during the CTC hearings in September. They feared their regularly scheduled flights would lose business. TS 7/12/77 P. A1; TS 13/12/77 P. A12

Wardair and the Consumers Association of Canada appealed the CTC decision. Fifty charter flights are too few for a legitimate experiment, they claimed. The flights would not meet the demand for less expensive air fares. The CAC also objected to CP Air and Air Canada increasing their monopoly over Canadian air travel. EJ 7/12/77 P. A12; EJ 15/12/77 P. B3

In response to these objections and others, the Cabinet overruled the CTC decision. It is a reversal for Transportation Minister Otto Lang, who advised the CTC not to hold hearings at all on the question of domestic charters. EJ 7/12/77 P. A12

CNSP NOTE: *The CAC is the only actor in this drama that shows any interest in Canada's tourism deficit and in the cost of travel for the consumer. All the other groups, including the CTC, which should act as a public watchdog, have been concerned only with the profits of the national air carriers, CP Air and Air Canada. Even when increased air traffic volume would probably take care of their profit worries (this has been the American experience with domestic charters), the major airlines and their allies are too short-sighted to be open to the possibility.*

AIR CANADA AGREES TO BUY NORDAIR

Air Canada has agreed to buy all outstanding shares of Nordair, the regional airline for eastern Ontario and western Quebec. Nordair has a sound financial

THE ECONOMY

record, but the national carrier is more interested in its charter business and its access to northern energy projects. The merger will cost Air Canada \$25 million. Transair, which serves Manitoba and western Ontario, will now have to compete with the national carrier to serve energy projects in northern Ontario.

EJ 7/1/78 P. D9; EJ 7/1/78 P. D6; WFP 10/1/78 P. 43

AIR CANADA MAKES PROFIT IN 1977

Air Canada earned nearly \$30 million in 1977. Between 1974 and 1976, the airline lost about \$20 million. President Claude Taylor attributed the profit to traffic growth, increased sale of services to other air carriers, and staff cutbacks. Air Canada cut back 351 jobs last year. In spite of the profit, Air Canada will ask for fare increases of four per cent in April and a further fare increase next year. CP Air will do the same. GM 6/12/77 P. B2; GM 20/1/78 P. B5 GM 28/1/78 P. B5; HCH 2/12/77 P. S1

GENERAL

INTRODUCTION: *Unemployment continues to rise and beset Canadian workers with increasing personal and family hardships. In light of this, the responses of government, business, labour and citizens continue to reflect their relative and often conflicting interests within society, as well as the degree of concern felt about the problem. Those in positions of power and affluence accept the rising figures with complacency, while the unemployed grapple daily with stress, fear and hardship. High unemployment also hurts those still with jobs since workers must abandon negotiations for higher wages in order to defend themselves against layoffs.*

THE OFFICIAL UNEMPLOYMENT PICTURE: BAD

Canadians ended the year with a seasonally adjusted unemployment rate of 8.5 per cent. Statistics Canada says 882,000 people were jobless in December, an increase of 42,000 over November's figure.

Unemployment rates rose in Ontario, Quebec and Saskatchewan, remained stable in British Columbia, and declined slightly in Manitoba, Alberta and the Atlantic provinces.

The 15-to-24-years-old group remains the hardest hit. Its unemployment rate is twice that of the over-24 group. TS 10/1/78 P. A1; MS 19/12/77 P. D1; GM 11/1/78 P. B6; EJ 10/1/78

business to create jobs in areas of high unemployment. The subsidy will be in the form of tax credits to companies of up to two dollars per hour for every new employee hired.

Prime Minister Trudeau said he had faith in the resolve of the provincial premiers to work on solutions to the problem. At the same time, Ontario Premier Davis assured us the Ontario government will stick to its budgetary restraints and not initiate any new make-work projects. TS 11/1/78 P. A1; EJ 17/1/78 P. A4; MS 26/1/78 P. B2; MS 12/1/78 P. D1; MS 17/12/77 P. A1; FTC 26/12/77 P. 4; MS 13/12/77 P. C1

REALITY: EVEN WORSE

In reality, the number of Canadian workers unemployed exceeds the official figures. Statistics Canada defines the unemployed as those actively looking for work. This does not include those too discouraged to continue looking or those involved in Manpower training projects and short-term make-work projects, or those receiving Unemployment Insurance benefits who are not obliged to look for work under special classifications. If all of these people were included, the figure would increase substantially. One estimate shows that New Brunswick's real unemployment rate is close to 23 per cent. The official figure is 12 per cent. Plain Dealer 9/12/77 P. 12

PREDICTIONS

Predictions for 1978 are not encouraging. The Conference Board in Canada predicts an overall unemployment rate of 8.3 per cent for 1978. (The 1977 rate was 8.1 per cent.) TS 17/1/78 P. A1; TS 30/12/77 P. B1

GOVERNMENT RESPONSE

The government responded to the rising unemployment figures by telling Canadians not to worry and to be patient because it sees no solutions to the problem. Employment Minister Bud Cullen has explained government inactivity by either denying the government is responsible for creating jobs or by assuring us that "slow and steady wins the race." Part of this "slow" action includes a \$100 million subsidy to private



"IT'S NO DISGRACE TO BE UNEMPLOYED."

LABOUR

LABOUR'S RESPONSE

The Metropolitan Toronto Labour Council has opened a storefront office to offer aid to the unemployed and their families with difficulties concerning Unemployment Insurance benefits, the Workmen's Compensation Board, housing, health care, etc. The centre will also make referrals to other social agencies.

Cliff Pilkey, president of the Ontario Federation of Labour, called on the government to live up to its responsibility of providing jobs and education in keeping with career opportunities.

TS 12/1/78 P. A2; TS 16/1/78 P. A2

BUSINESS RESPONSE

Richard M. Thomson, president of the Toronto-Dominion Bank, called for \$1 billion in tax incentives to business which would provide jobs and alleviate unemployment. John Bulloch, speaking for the Canadian Federation of Independent Businessmen, seemed to agree the government should provide incentives to private business, but he was unhappy with what he termed the "restrictive" hiring criteria of the federal \$100 million tax incentive programme. Employees must be hired through existing employment offices in order to qualify for the tax incentive. Bulloch complained that workers referred by such agencies lack the proper "attitude and skills." TS 30/1/78 P. D5

CITIZENS' RESPONSE

Men and women who have been laid off continue to look for work through employment agencies such as the Centaur Temporary Help Ltd. This agency, offering mainly general labour jobs at a minimum of \$2.75 per hour, has unemployed workers lining up outside its door every day at 5:00 a.m. in the hope of finding a day's work. TS 27/12/77 P. A1; TS 12/1/78 P. A2

THE MEDIUM HAS THE MESSAGE

Many newspaper columnists urge readers to learn to live with unemployment. They cite "worker greed" as the reason for inflationary wage increases. In their eyes, inflation is the cause of unemployment. They also tell the unemployed that their personal tragedy is not too serious because of "generous" social welfare schemes. Only a few writers see that people want jobs, not welfare. TS 7/12/77 P. B4; MS 9/12/77 P. A11; TS 18/1/78 P. A8; TS 14/1/78 P. C2

"U.I.C. CHEATERS" AD CAMPAIGN

The Unemployment Insurance Commission launched a \$1 million campaign to warn U.I.C. cheaters they will be caught and prosecuted. Employment Minister Bud Cullen defended the programme by saying that the majority of Canadians want tighter U.I.C. controls to stop fraud.

Criticisms of the programme came from the Canadian Labour Congress, which pointed out that the ads will not help catch U.I.C. cheaters but will deflect the

public's attention from the real issue; the lack of jobs. It condemned the government's action as trying to blame the victims for their own plight, a situation over which they had no control. EJ 17/1/78 P. A13; TS 17/1/78 P. A1; EJ 18/1/78 P. E2

1978 CONTRACT NEGOTIATIONS

Despite the impending removal of wage controls, most labour forecasters do not foresee signs of any wage explosion in 1978, for two reasons. First, the high unemployment rate and the scarcity of jobs will probably continue through the year. Further, many resource companies are in a downturn.

Meanwhile, inflation will continue to eat away at family budgets. The Consumer Price Index had a monthly average increase of 8.8 per cent in 1977 while workers' wages rose by only 7.3 per cent.

Stew Cooke, Ontario Director of the United Steelworkers, said that due to layoffs at Inco and the fear of more layoffs in mining and related industries, the real bargaining pressures will not be for high wages. The push will be for job security and reductions in working hours to spread jobs.

Kealey Cummings, Secretary-General of CUPE, agrees with Cooke, but feels that some of the smaller and more recently organized unions may push for a catch-up once controls are removed. Cummings also expects employers to be much better organized once controls are lifted. In private industry, for example, major employers have formed a lobby called the Business Council on National Issues, able to express management's concerns about productivity and international competitiveness. The Council will press hard against any large wage demands.

Employer resistance to large wage demands will be especially strong in the public sector. The federal government has devised a formula to tie the wages of public employees to those of comparable groups in the private sector. The private sector rates will be



'Notice how a crisis brings people together!'

held down by the continuing economic slump. Also, legislation ending controls will prohibit the so-called "AIB clauses." These are clauses in existing contracts where the employer has agreed to pay workers negotiated increases rolled back by the AIB.

Another restraint on both public and private sector wages is the proposed revision of the Consumer Price Index (CPI). The proposal will have the effect of understating the impact of inflation on wage earners, and will therefore reduce the value of negotiated cost-of-living increases.

A future revision of the national wage index, now under discussion, will also have the effect of lowering industrial wages. The present index indicates only those workers represented by unions. The new wage index will be broadened to include unorganized workers. The average wage will thus be brought down. This will affect the use of a common bargaining tool, that of supporting wage demands with statistics on the average wage. EJ 6/1/78 P. D12; TS 27/12/77 P. A2; FTC Jan. 2-8, '78 P.1; TS 2/1/78 P. All; TS 3/1/78 P. B8 Ed Finn

WORKERS' STRUGGLES

B.C. TEL DISPUTE HEIGHTENS

CNSP NOTE: *The dispute between the Telecommunications Workers' Union (TWU) and the B.C. Telephone Co. continues this month with stepped-up picketing by the strikers and an increased number of allegations by the company about vandalism.*

At the heart of the 13-month dispute is the issue of job security. The union's position is backed by the report of a federal conciliator, Dr. Noel Hall. The union is fighting against changes in the contracting-out clause in the present agreement. Hall's report last year noted the contentious nature of the issue and recommended that the current clause be maintained. The clause specifies what services and equipment B.C. Tel can obtain from outside the company and the ranks of the TWU. The TWU accepted the terms of the report, but B.C. Tel did not. Rotating strikes succeeded in bringing the company back to the bargaining table in November, 1977, but no agreement could be reached. A full-scale lock-out by B.C. Tel prompted increased picketing of buildings where supervisors were doing repair work.

LATEST DEVELOPMENTS

The British Columbia Federation of Labour has fully supported the TWU by placing an edict on certain parts of B.C. Tel's equipment. This means no work will be carried out by union members on poles that are jointly used by B.C. Tel, B.C. Hydro and cablevision companies. No work will take place on underground ducts, splice boxes or manholes. Members of other affiliated unions will not work on installing conduits for buildings under construction. Len Guy, Secretary-Treasurer of the Federation, also appealed to all trade unionists

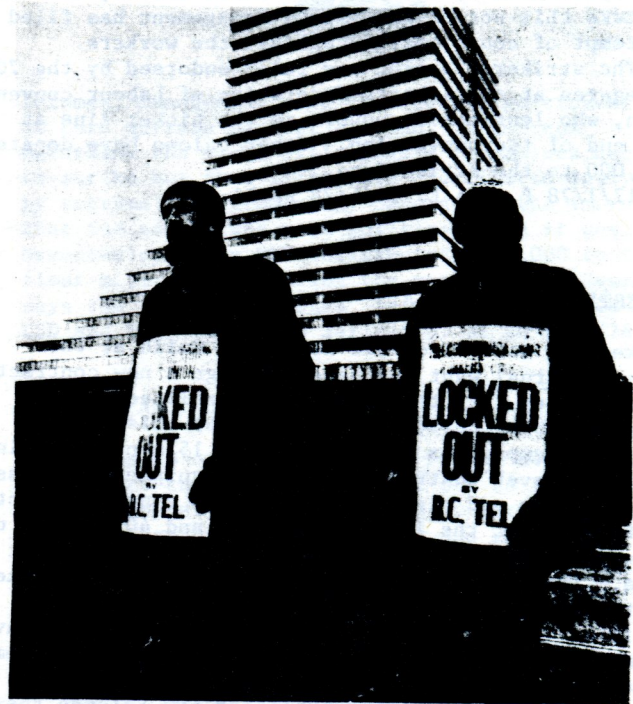
and the public to stop paying their telephone bills until the strike/lock-out has been resolved.

Union members demonstrated outside the U.S. Consulate in Vancouver to draw attention to the links between B.C. Tel and the U.S.-based General Telephone and Electronics Ltd. They feel General Telephone is responsible for the company's position on the issue of contracting-out.

Federal Labour Minister John Munro appointed Mr. Justice Henry Hutcheon of the B.C. Supreme Court as industrial inquiry commissioner in the dispute. Munro asked both sides to resume normal operations until Judge Hutcheon could produce a settlement.

B.C. Tel chairman Gordon MacFarlane issued a statement saying the company would not allow any striker to return to work without giving "a clear-cut written commitment" to supervisors that there will be no further job or strike action, that he or she will work productively, and that there will be no damage to company property. TWU spokesman Bob Donnelly described these demands as insulting and contemptible. He says the union cannot go back to work under those conditions.

An application by B.C. Tel for a Supreme Court injunction to limit picketing was met by mass picketing at Burnaby and two Nanaimo locations. Three hundred union members blocked all entrances to a Burnaby compound to prevent day-shift supervisors from picking up vehicles. When a supervisor tried to drive into the compound, the tires of his vehicle were deflated and the windows broken. At a 200-strong picket line at a New Westminster office, police were called in to clear the entrances. EJ 24/12/77 P. A10; 4/1/78; 5/1/78 P.C8 12/1/78 P. C3; 16/1/78 P. A10; 17/1/78 P. All; GM 11/1/78 P. B16; 13/1/78 P. 1; 13/1/78 P. B2



Bundled up against the cold, Telecommunications Union members walk the picket line outside B.C. Telephone's main headquarters in Burnaby.
—Sean Griffin photo

LABOUR

JOB SECURITY KEY FOR RAILWAY UNION

Job security is the key issue in contract talks for Canada's 100,000 unionized rail workers. Since 1975, more than 6,000 rail workers have been laid off. The unions are also pressing for guarantees from CN and CP Rail that the companies will refrain from hiring outside contractors to do the work now done by railway employees. GM 9/1/78 P. 4

CUPE DEFIES COURT IN NURSING HOME DISPUTE

In direct defiance of an Alberta Supreme Court injunction limiting the number of pickets, CUPE workers escalated their strike against the Parkland Nursing Home in Edmonton. CUPE was certified as the bargaining agent for the 58 nursing home workers in mid-1976. Contract talks broke off in March, 1977, and the workers have been on strike since then. In October, the provincial government appointed mediator Erik Lufsrud in an effort to get the two parties back to the bargaining table. Lufsrud said this was impossible since he received cooperation only from CUPE. The employer "took the position that it was not prepared to, nor was there any reason why it should negotiate further with the union."

The court injunction was issued on April 29, 1977, stating that only six persons could picket at the home at one time. Bill Petrie of CUPE Local 41 says the strikers decided to increase the numbers of pickets to 40 in order to bring about some action by the government and the employer. He says the employer has made clear his intention to break the union, so the workers, who are merely seeking their legal right to be represented by the union of their choice, decided to take this action. Parkland Management has filed contempt of court charges against the workers.

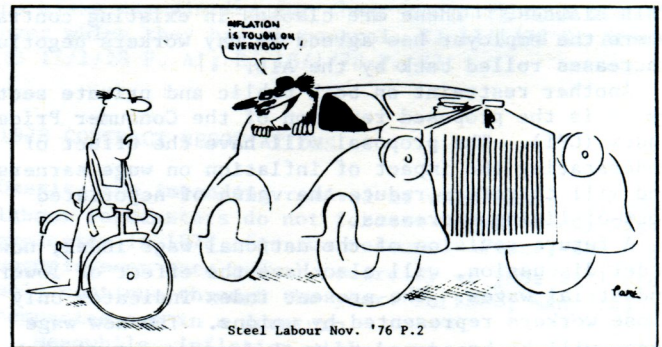
The strikers' action was fully endorsed by the 700 delegates at the Alberta Federation of Labour convention, who lent their support to the picket line at the end of the convention. Other unions have donated \$30,000 to the strike fund.

EJ 17/1/78 P. B2; EJ 19/1/78 Pp B1 & B4

DECERTIFICATION THREAT

Locked-out members of the Newspaper Guild at the Ottawa Journal want the paper to sign a new contract because they fear they will be decertified by the Ontario Labour Relations Board (OLRB) this month. About 160 employees were locked out 15 months ago in a dispute over control of computer equipment. Pressmen, mailers and platemakers accepted a new contract last fall, but the 18 Guild members and 40 members of the Ottawa Typographical Union remain on the picket line. The OLRB is to consider a petition from workers at the Journal that the Guild be decertified. The petition comes mainly from circulation staff who have been performing the jobs of the locked-out Guild members.

Guild members notified publisher Lou Lalonde they will accept an earlier contract offer which excludes severance pay and night differential. These clauses were part of the old contract. GM 26/1/78 P. 9



SORWUC ORGANIZES WOMEN

The Service, Office and Retail Workers Union of Canada (SORWUC), based in British Columbia, is organizing a long-neglected sector of society--women in retail stores, offices, restaurants, daycare centres, legal offices, and especially banks. Last June, SORWUC won a precedent-setting decision from the Canadian Labour Relations Board allowing individual bank branches to be organized as bargaining units. (See Synthesis Vol. 5, #6.) Since then, SORWUC has signed up at least 25 branches, mainly in B.C. with two in Saskatchewan.

SORWUC was created as an independent union in 1972 and won its first certification in 1973. By 1975, SORWUC had 150 locals in social service agencies, daycare centres and offices. Key clauses in those first contracts were full pay for maternity leave, two weeks paternity leave with pay, a longer lunch break once a month for union meetings, and a ban on bosses requiring employees to perform such personal errands as bringing coffee.

The drive to organize banks began in 1976. Heather MacNeil, one of the two paid employees of the union, says SORWUC will lead in organizing bank workers because it is committed to organizing the unorganized, to democracy and local control, and to the equality of women. All union posts are elected, no official can serve more than one year, and no officer can be paid more than the highest-paid person in the bargaining unit.

MacNeil says, "The only way women in the banks are going to join a union is if they organize themselves, run the union and have control over the negotiations. It's a principle but it's also practical."

Though SORWUC prides itself on being different from the mainstream of the labour movement, it has allies within the CLC. SORWUC's organizing drives and fees for legal representation before the CLRB are being paid for by donations from CLC affiliates as well as from members' dues.

SORWUC doesn't reject eventual affiliation with the CLC. MacNeil: "We would be willing if we were assured that our constitution would remain intact and that we would be allowed to organize workplaces where women make up the majority. However, the CLC has indicated that this would create jurisdictional problems and that to join, we might have to merge with another

union or become a direct local of the CLC rather than a national organization on a par with other unions."

SORWUC says it welcomes the CLC's efforts to organ-

ize bank workers, but points out the CLC seems to be concentrating its efforts only where SORWUC is active.
GM 20/12/77 P. 11, Anne Roberts

QUEBEC LABOUR

KEY

CSN Confederation of National Trade Unions
CEQ Quebec Teachers' Federation
CSD Confederation of Democratic Trade Unions

INTRODUCTION: *The Montreal Police struggle received widest press coverage last month. At month's end, it was still not resolved. Following hard on the violence which erupted during the strike at Robin Hood Flour Mills in July, the Teamsters and CSD announced they had successfully raided three of the four CSN flour workers' unions, and intended to gain the fourth. The CSN criticized this action severely. A breakthrough seemed evident in the Montreal Matin strike at the end of the month, but another paper, Le Jour, is scheduled to close. We regret this turn of events since Le Jour provided information not available in other newspapers and did provide a different perspective on the Parti Quebecois from that of the other papers we cover. Finally, CSN president Norbert Rodrigue had harsh comments on the Sun Life move.*

MONTREAL POLICE DEMAND FOUR-DAY WEEK

The Montreal Police Brotherhood began working a four days on-3 days off schedule on January 1, in defiance of a court injunction. Service is said to be better than usual, with far fewer booking off sick.
GM 2/1/78

CNSP NOTE: *This demand has been an important one for the Brotherhood for almost two years. Management and the union disagree over whether the 4-3 system costs more to implement.*

A court order granting a permanent injunction against the Montreal police union has resulted in a return to the old schedule. However, sick bookings are on the increase. The policemen call it the "Vignola" flu after the police director, Henri-Paul Vignola.

Police in Fredericton, N.B., and Calgary, Alta., are planning to demand a 4 day week in their next round of negotiations. Police argue it improves performance and morale, and cuts down on absenteeism. EJ 5/1/78 P. 79; GM 9/1/78 P. 4

FLOUR MILL WORKERS: ROBIN HOOD AND OGILVIE

The Teamsters Union, with some 85,000 members in Canada and over 2 million in the United States, announced it has successfully raided the CSN union at Ogilvie and Robin Hood. The Teamsters and the CSD, which raided Maple Leaf Mills, argue that the CSN made the AIB strike a political issue, an error which caused the workers to leave the CSN.

In response, CSN vice president Andre L'Heureux accused the raiding unions of harrassing CSN militants making threatening phone calls, conspiring with



foremen, management, and the federal government to turn workers against the CSN. L'Heureux maintains the flour mill workers themselves decided to strike but that literature distributed daily by extreme left groups may have given the impression that the strike was more political than it was. Nevertheless, the CSN contributed \$700,000 to the flour mill workers during the conflict. L'Heureux says the "communist bogey" is a favored tactic of the CSD and Teamsters. LD 24/1/78 p. 3; LD 25/1/78 p. 8

LA PRESSE AND MONTREAL-MATIN

According to one hypothesis La Presse workers did not expect their walkout on Oct 6th to last more than 48 hours. They were taken by surprise, and the conflict has become complicated and prolonged. It is complicated because La Presse and Montreal Matin workers have different demands, but are being forced to act together in this strike.
LJ 16/12/77 P. 28 (Roch Cote)

An agreement in principle was reached with striking Montreal Matin workers. No details of the settlement have been made public. LD 26/1/78 p. 13

LABOUR

CNSP NOTE: *Information on the newspaper strike at Le Soleil in Quebec city did not appear at all in Le Devoir, Le Jour or the English-language press.*

LE JOUR

According to an announcement in Le Devoir, Jan 18/78 Le Jour will cease publication. The news came as a complete shock to the editorial staff who claim financial reasons are not an explanation this time. LD 18/1/78 p. 3

CNSP NOTE: *We hope to have more information on this question in the next publication.*

LABOUR'S RELATIONS WITH THE PARTI QUEBECOIS

Yvon Charbonneau, head of the CEQ, is suggesting

an inter-union conference within three months to study the question of Quebec labour's attitude and response to the referendum campaign. Charbonneau worries that workers could be misled by a simplification of the debate over sovereignty-association. In fact, he argues, workers in Quebec suffer from both economic exploitation and national domination. There is no simple response to this reality. LD 4/1/78 p. 3 Paule des Rivieres

CSN COMMENTARY ON THE SUN LIFE MOVE

CSN president, Norbert Rodrigue has asked for the nationalization of all savings generated by Quebec people in order to prevent "the pillage brought about by companies like Sun Life". "The case of Sun Life is a patent example of cultural domination, economic dispossession and federal political subservience in front of such large corporations." LD 21/1/78 p. 15

NATIVE PEOPLE

INTRODUCTION: *There is a definite trend in the federal government's approach to several land claims this month. Each of the Native groups; the Yukon Indians, the Nishga of B.C., and both Metis and Dene of the Northwest Territories, have been offered a cash settlement in exchange for the renunciation of their aboriginal title to vast areas of land. However, all four groups have rejected the offers outright.*

YUKON INDIANS DEMAND PIPELINE DELAY

The Council of Yukon Indians (CYI) is demanding that construction of the Alaska Highway pipeline be delayed until land claims are settled and implemented. It says this process could take five to seven years. The "Agreement in Principle" the government hoped to reach this spring on Yukon land claims is still at least 12 to 18 months away. The federal government, as an inducement for an early agreement, has offered to pay \$50 million in advance into a Yukon Native trust recommended by the Lysyk inquiry.

The government had promised to hold a second-phase public inquiry for Native input into formulation of terms and conditions of the pipeline. However, Hugh Faulkner, the Indian Affairs Minister, stated there should be no further hearings into the pipeline's impact. Further responsibility will be in the hands of a proposed monitoring agency, whose enabling legislation is being drawn up. The CYI is upset it has

not been allowed any say in the establishment of this agency.

Mr. Njootli, a member of CYI from Old Crow, criticized the government for continuing to give exploration permits, five over the last year in his area. He fears escalating exploration activity will strip the area of its minerals and destroy the wildlife before the community's natives receive their land claim settlement.

The CYI is planning to present a comprehensive land claim by March, hoping to speed up negotiations by focusing discussions on details. According to the Globe's Jeff Carruthers, this claim signals an end to the "co-operative" native-government discussions to date, and is a start to adversary negotiations. If the pipeline proceeds before the claim is settled, the CYI plans to challenge the government through all possible legal means.

GM 24/1/78 P. B1; GM 25/1/78 P. B2, J. Carruthers; EJ 12/1/78 P. B2, G. Nakaro; MS 25/1/78 P. A6

BERGER REPORT, VOLUME TWO

Although written primarily about the MacKenzie Valley, several key recommendations apply to the construction of the Alaska Highway Pipeline. The central theme is that Native land claims must be settled before the pipeline is built. The report says political development and land claims are closely linked; that what is really involved is the matter of special status for



Native People. Berger emphasizes the need to strengthen the renewable resource sector. He also recommends a nine-million-acre wilderness area in the northern Yukon for wildlife protection.
EJ 12/1/78 P. B2, Don Thomas

NWT NATIVES REJECT OTTAWA PROPOSAL

Both the Indian Brotherhood and Metis Association in the Northwest Territories have rejected a federal proposal to settle land claims. Ottawa's negotiators offered financial compensation of \$150 to \$250 million and 30,000 to 50,000 square miles of land. In return, the Indians and Metis would give up their aboriginal rights to the 450,000 square miles of the MacKenzie Valley. The proposal also suggests natives could take part in political institutions by sitting on a series of advisory boards.

George Erasmus, president of the Brotherhood, called the offer "totally ludicrous." He said it did not take into account the Indian desire for self-determination. He called the plan a watered-down version of the James Bay agreement. MS 27/1/78 P. A12 (CP)

BRITISH COLUMBIA NISHGA

The Nishga tribe of British Columbia has been offered the return of 30,000 acres which were taken from it in 1916 by the federal and provincial governments. Ottawa also said it would pay compensation for land which cannot be returned. By giving land and money to the Nishga, the governments hope to "end the legal entanglements" surrounding the issue of aboriginal title to land.

However, the Nishga replied they have no intention of selling their traditional lands to settle their claim to aboriginal title. Their claim involves 5,000 square miles, and they have laid out specific demands for special status.

GM 21/1/78 P. 3 (CP); GM 26/1/78 P. 11 (CP)

A COUPLE MORE STUDIES
AND WE'LL KNOW
IF IT'S ARSENIC



Native Press
10/6/77 P. 6

ARSENIC IN YELLOWKNIFE

The final report of the Canadian Public Health Association Task Force on Arsenic in Yellowknife was released. This independent task force was set up because of conflicts between the report of federal authorities and those made by the National Indian Brotherhood and the United Steelworkers of America. The task force stated the general population does not have to worry. However, Yellowknife's 1,000 Indian residents, especially the children, are acquiring an increased arsenic load. Indian residents do not receive arsenic-free drinking water from the town's main water source, but from a truck service. The report's strongest recommendation was that all Yellowknife residents be given a good water supply. (See Health in this issue.)

MS 4/1/78 P. A14, (CP); GM 4/1/78 P. 9 V. Malarek

POLITICAL

FEDERAL GOVERNMENT

INTRODUCTION: *The National Unity issue continues to capture the imagination of the press this month. The Human Rights Act will pry open a crack in the vault of government information on Canadian citizens -- but not until March 1st now. The surprise resignation of Solicitor General Francis Fox on January 30 will be discussed in next month's publication -- but there were other Cabinet shifts this month. The worst-kept secret in Canada is that there will probably be a spring election.*

NATIONAL UNITY

The new year was heralded by the Prime Minister speculating that he would again wield the "sword" to cut down illegal separatist action in Quebec. In his annual year-end interview with CTV, Pierre Trudeau reminded Canadians that he is not soft on independantistes and that he could "take the kind of action we took in 1970 when the law was broken" (i.e. the invocation of the War Measures Act).

Despite increasing unemployment and rising inflation, the presence of a Parti Quebecois government in Quebec is still the focus of Ottawa's attention. This month, a federal civil servant responsible for allocating grants to minority groups resigned because he said that "fighting separatism" had priority in the Secretary of State Department. Richard Fitzgerald said that \$96 million earmarked for minority groups across Canada is being spent to fight the Quebec separatist referendum. On another front, new figures show the federal government spends more money promoting bilingualism in Quebec than in the other nine provinces combined. (There are about one million English Quebecers, and one million French Canadians outside the province.)

The Sun Life fiasco and Claude Ryan's decision to run for the leadership of the disarranged Quebec Liberals add intensity to the "National Unity" issue, while the Pepin-Robarts Task Force gives it focus. Many Canadians, however, see the Task Force as an attempt by the federal government to divert attention from economic problems. Others suspect that it is no more than a make-shift political exercise thrown together by Trudeau to give an illusion of action on national unity. The Task Force has trouble winning public confidence because people know it has no real power. It can only collect opinions, and make recommendations. Still, Toronto Star columnist Richard Gwyn called the Task Force "a microcosm of the agonizing that is going on across the country." GM 2/1/78; MS 4/1/78 p.A8; EJ 5/1/78; TS 5/1/78 p.A6; TS 18/1/78 p.A24; EJ 24/11/77 p.A17; GM 27/1/78 p.4; MS 14/1/78 p.C1

TASK FORCE SOUNDINGS

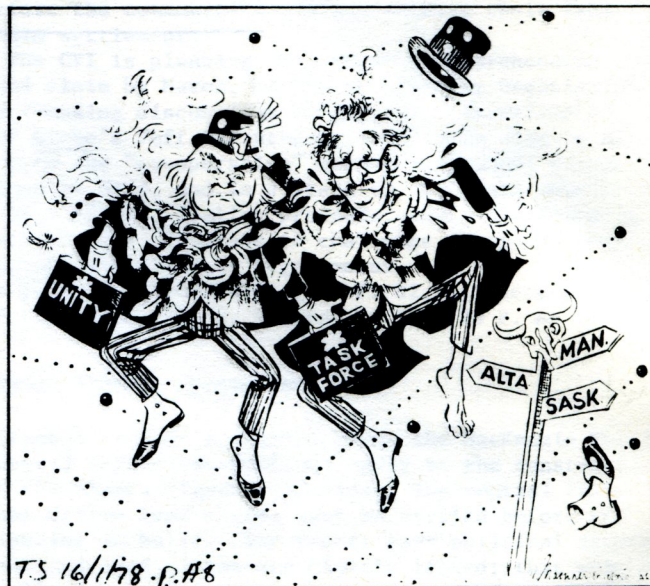
Winnipeg: Anti-bilingualism backlash and anti-Ottawa hostility greeted the Task Force on Canadian Unity when it convened in Winnipeg on January 12-14. Jean-Luc Pepin, task force co-chairperson said that the use of French is still deeply divisive in Manitoba, more than 60 years after the provincial government ended the bilingual status of the province. Manitobans told the task force they were fed up with

a political and economic structure they believe unfairly favours Ontario at the expense of the West. Solange Chaput-Rolland, a Quebec member of the task force, said she was afraid to speak French in Winnipeg. EJ 13/1/78 p.A1; EJ 16/1/78 p.D1; TS 14/1/78 p.A3; TS 13/1/78 p.A1

Montreal: When the Task Force met in Montreal on January 16-18, the meeting was boycotted by labour unions, nationalist groups, and Montreal's Chambre de Commerce. The St. Jean Baptiste Society and the Mouvement National des Quebecois said they do not "recognize the legitimacy of a federally-appointed commission which from the outset excludes the right of Quebec's self-determination and the independence thesis."

The Task Force heard about 70 briefs in Montreal; most of the groups conditionally supported federalism. The briefs dealt with:

- under-representation of francophones in private business in Quebec,
- constraints that the BNA Act imposes on Quebec,
- the damage that Confederation has done to Quebec's economic development,
- the intolerance of Canadians who do not understand or appreciate each other's diversity,
- a renovated federalism within which the division of federal and provincial powers would be more clearly defined,



- greater provincial autonomy,
- a charter of language rights,
- provincial power to appoint some members to the Supreme Court.

Several speakers suggested remaking Canada into five constituent parts, an idea recently publicized by Claude Ryan.

The English Quebec groups stressed their support for a united Canada based on equality of "the two founding peoples" and urged constitutional guarantees to entrench both languages in all parts of the country.

On the evening that the Task Force invited the general public to attend, 1,300 Quebecers showed up; more than half of those addressing the Task Force were supporters of political independence. EJ 5/1/78 p.A7; MS 16/1/78 p.A1; MS 17/1/78 p.A1; GM 17/1/78 p.9; GM 18/1/78 p.9; EJ 18/1/78 p.E1; GM 19/1/78; EJ 19/1/78 p.A8; TS 19/1/78 p.A2

HUMAN RIGHTS ACT: A SHAM?

The Human Rights Act, which was supposed to come into effect January 1st, has been postponed to March 1st. It is then that Canadians get the right to examine government files on themselves, find out what the information has been used for and ask for corrections of inaccuracies. The access will not be direct; an Edmonton Journal editorial calls the legislation "little more than a sham." The public will have access only to an index in which some, but not all, of the files and dossiers will be listed. After consulting the index, the individual may then apply for access to the file itself. The individual then may be allowed to see only such items in the file as the Government is willing to release. Information can be withheld on grounds that revealing it might be injurious to international relations, national security, national defence, federal-provincial relations or might reveal a Privy Council secret.

The regulations that say which files are to be left off the index altogether, and what sort of material is to be removed from less sensitive files before the inquiring citizen is allowed to see them, are still to be completed.

EJ 13/1/78 p.A9; GM 11/1/78 p.1; GM 13/1/78; EJ 18/1/78 p.A2

CABINET NOTES

Justice Minister Ronald Basford announced that he is

QUEBEC

INTRODUCTION: *This month we concentrate on the Sun Life story. We present a chronology and a summary of editorial comment in the press. Next month, we will focus on an analysis of why Sun Life wants to move and the question of its under-investment in Quebec. For background information, readers can refer to Synthesis Vol. 4, #9 about the head office question and Vol. 5, #5 for a summary of regul-*

GOVERNMENT INFORMATION



retiring from politics for personal reasons and that he will not run in the next federal election.

Former Quebec City mayor Gilles Lamontagne joined the Liberal Cabinet on January 19th as minister without portfolio. Before Fox's resignation, Lamontagne's appointment brought the number of Quebec cabinet ministers to 12, compared with 11 from Ontario, 7 from the West and 4 from the Atlantic provinces. Trudeau's federal cabinet was the largest in Canadian history.

On January 26th Trudeau named former Cabinet minister C.M. (Bud) Drury chairperson of the National Capital Commission, responsible for the planning and development of Ottawa and Hull. He is also special advisor on the Northwest Territories. Drury replaces Pierre Juneau who becomes Undersecretary of State. Juneau takes over from Andre Fortier, who has been named president of the Social Sciences and Humanities Research Council. All three appointments take effect February 15th.

Former Defence minister James Richardson announced that he will probably not run for the Liberal Party in Winnipeg South in the next election. He said that he has met Opposition leader Joe Clark but has not made any formal arrangements to join the Conservative Party.

TS 13/1/78 p.A6; EJ 17/1/78 p.A13; GM 16/1/78 p.9; TS 19/1/78 p.A1; TS 19/1/78 p. A19; GM 27/1/78 p.8; TS 27/1/78 p.A6

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ations concerning French as the language of business. See also Vol. 5, #6 for further details on Sun Life.

SUN LIFE

Sun Life is Canada's largest life insurance company (9.48 per cent of the market), and the seventh largest financial institution in the country. It has world-wide assets of \$5 billion, including \$620 million in Quebec.

Sun Life underwrites \$31 billion worth of insurance world wide. Of this, \$22.7 billion represents Canadian business, and \$6.8 billion is from Quebec. Sun Life has a total of 932,000 participating (i.e. voting) policyholders. The distribution is:

Canada	375,000
U.S.	305,000
Britain	250,000

The rest are mainly in Ireland and the Philippines. The company used to have business in South Africa and the Antilles, but has been withdrawing it.

CHRONOLOGY OF EVENTS

- Jan. 1: Sidbec Dosco awards a contract for health insurance coverage of its employees to Sun Life. LD 20/1/78 P. 3; WFP 20/1/78 P. 1
- Jan. 3: Sun Life's Board of Directors meets to discuss changing the company's head office from Montreal to Toronto.
- Jan. 6: Thomas Galt, the president of Sun Life, announces the directors' decision to its Montreal employees. The company's reasons were; the increasing use of French in Quebec under Bill 101, and difficulties in recruiting English-speaking personnel from outside Quebec to work in the head office. The company arranges a policyholders' meeting in Toronto on January 27 to vote on the directors' decision. LD 7/1/78 P. 1
- Jan 6: Quebec's Finance Minister Jacques Parizeau criticizes the move as one of the worst examples of corporate behaviour, and charges Sun Life with exporting from Quebec monies it receives from Quebecers. He says the drain is in the order of \$400 million, and states the Quebec government will recover it by one means or another. LD 7/1/78 P. 1
- Jan. 8: Galt denies Parizeau's figures. TS 9/1/78 P. A7; GM 9/1/78 P. 1; WFP 9/1/78 P. 4
- Jan. 9: Federal Finance Minister Jean Chretien meets with Galt and Sun Life chairman Alistair Campbell to discuss the move. MS 10/1/78 P. A1
- Jan.10: CUPE, the union representing Hydro Quebec's employees, asks the company to drop Sun Life as the carrier for the workers' group life insurance. GM 11/1/78 P. 1; HCH 11/1/78 P. 3
- Jan.11: Montreal lawyer Richard Holden charges it is "morally wrong" for Sun Life to use proxies obtained a year before to approve the move. TS 12/1/78 P. A1
- Jan.12: R.C. Frazee, president of the Royal Bank of Canada, announces his company will keep its head office in Montreal. TS 12/1/78 P. A1
- Jan.12: Premier Levesque criticizes Sun Life, saying the Quebec government "would not go down on its knees to try to keep them here." MS 13/1/78 P. A1 EJ 13/1/78 P. A8; GM 13/1/78 P. 1; HCH 13/1/78 P. 1
- Jan.12: Prime Minister Trudeau calls Galt and Campbell to a meeting with Chretien and himself to discuss the question. TS 13/1/78 P. 1
- Jan.13: Chretien announces Sun Life has agreed to hold another meeting of the board before a final decision is made. HCH 14/1/78 P. 1; GM 14/1/78 P. 15
- Jan.14: Sun Life states it will delay making a decision on moving for three months. It also announces it will solicit new proxies. The company also says no staff moves will be made for two years. EJ 16/1/78 P. A8
- Jan.17: Sun Life's Galt meets with Quebec Consumer and Corporate Affairs Minister Lise Payette. Neither party makes a public comment. EJ 18/1/78 P. E1; WFP 18/1/78 P. 11
- Jan.19: Sun Life sends each of its Quebec policyholders a copy of the statement prepared by the provincial association of life insurers which cautions about the problems involved in switching insurance companies. LD 19/1/78 P. 28
- Jan.23: Sun Life issues a statement explaining that the Quebec government and the company are using two different methods of calculation regarding the underinvestment in the province. Thus, Quebec believes the figure is \$400 million while the company says it is between \$9 million and \$30 million. The statement adds, "This analysis is being released to reassure our staff and agency force that we are a good corporate citizen and have been investing a reasonable share of our assets in Quebec. We are also releasing it to some group policyholders who have been faced with union demands to cancel their Sun Life policies." MS 24/1/78 P. A1; TS 24/1/78 P. A15; LD 24/1/78 P. 27
- Jan.27: Following the policyholders' meeting in Toronto, Galt explains Sun Life wants to leave Montreal because the prospect of Quebec's separation is hurting the company's insurance sales across Canada. He repeats that even if the head office is moved, there will be no staff changes for at least two years. LD 28/1/78 P. 1; TS 28/1/78 P. A12

Sun Life's directors and other boards they serve on

FP 21/1/78 p1

	Bank of Montreal *	Cancon Ltd.	Canadian Enterprise Dev.	Canadian Imperial Bank *	Canadian Industries	Canadian Investment Fund Ltd.	Canadian Marconi	Canadian Pacific/CP Investments *	Cominco	Consolidated-Bathurst *	Credit Foncier *	Dominion Ltd.	Gulf Oil Canada Ltd.	ICI American Inc.	Inco Ltd.	Manley-Ferguson *	Noranda Mines *	Par Canadian Petroleum	Prest & Whitby	Royal Bank *	Royal Trust *	St. Lawrence Cement *	Simpson Ltd.	Steel Co. of Canada	Canadian Executive Service Overseas	Conference Board of Canada	C.D. Howe Institute
Dr. Claude Bertrand, neurosurgeon, Montreal																											
Alastair Campbell, chairman, Sun Life, Montreal																											
Frank Covert, lawyer, Halifax																											
H.R. Crabtree, chairman, Wabasso Ltd., Montreal																											
A. L. Fairley Jr., president, Hollinger Mines, Toronto																											
J.K. Finlayson, deputy chairman, Royal Bank, Montreal																											
Thomas Galt, president, Sun Life, Montreal																											
Peter Gordon, chairman, Stelco, Toronto																											
Eric Hamilton, chairman, Canadian Industries, Montreal																											
Arnold Hart, chairman, Bank of Montreal, Montreal																											
Louis Hebert, chairman, Banque Canadienne Nationale, Montreal																											
G.W. Humphrey, chairman, Hanna Mining, Ohio																											
H.J. Lang, chairman, Cancon, Montreal																											
Herbert Lank, chairman, Credit Foncier, Montreal																											
Lord Polwarth, director, Bank of Scotland																											
Alfred Powis, chairman, Noranda Mines, Toronto																											
Ian Sinclair, chairman, Canadian Pacific, Montreal																											
James Sinclair, chairman, Lafarge Canada, Vancouver																											
Herbert Smith, chairman, De Havilland, Toronto																											
John Tory, lawyer, Toronto																											
Colin Webster, vice-chairman, Canadian Fuel Marketers, Montreal																											

PRESS COMMENTS

Toronto Star: To French-Canadian ears the Sun Life announcement amounted to saying there's no room at the top for French-Canadians....Sun Life is a symbol of the English-dominated commercial and financial life of Quebec. Sun Life policyholders should reject the move. 9/1/78

Montreal Star: Sun Life's decision is ominous economic news for this province. Bill 101 makes the operation of head offices something close to impossible, since English, for better or worse, is the language of commerce in the 20th. Century. 9/1/78

Globe and Mail: If Sun Life cannot protect its policyholders' interests under the legal limitations laid upon it by the government of Quebec it has no choice but to leave. 11/1/78

Winnipeg Free Press: The Sun Life decision is open to the criticism that it is a badly timed, defeatist policy. By erupting for an absurd instead of a sensible reason, Mr. Parizeau has done much more damage to his province than has Sun Life by its decision. 12/1/78

Financial Times of Canada: The Sun Life affair is a shoddy, shabby business. Few in the Montreal financial community take seriously Sun Life's bland statement that Quebec's language policy was the trigger for its decision. If Sun Life's approach to the provincial government is high-handed, its behaviour towards its policyholders is callous. On the other side of the fence, the Quebec government does not look any better than the company. 16/1/78

Financial Post: Of course Sun should be free to move its head office if business judgement dictates that

POLITICAL

this is in the best interests of the company. At this time in the country's history, however, this freedom must be judiciously exercised. In the long run, if the secessionist threat is thwarted, those who toughed it out should share in the rewards of a more prosperous Quebec in a more prosperous Canada. 21/1/78

Le Devoir: The Sun Life decision has received mainly negative reactions in the rest of Canada as well as here. Happily, far from bringing in its wake the rest of Montreal's financial community, Sun Life appears isolated, dissident and incoherent. 9/1/78

Le Jour: We have passed the era of hypocrisy and lies. Sun Life's decision is disagreeable but it's clear. Quebeckers will survive because what is happening in Quebec is a profound historical movement. 13/1/78

PROVINCIAL GOVERNMENT

ONTARIO

ONTARIO HYDRO URANIUM DEAL WORLD'S BIGGEST

An all-party committee of the Ontario Legislature has learned that Ontario Hydro has negotiated to buy 200 million pounds of uranium at a cost of at least \$7.4 billion. The deal, the largest in the world, guarantees Preston Mines and Denison Mines profits of \$2.2 billion and ties up 75 per cent of Canada's proven uranium reserves. The contracts cover 31 years and are supposedly designed to assure the fuel supply for five nuclear power stations. TS 10/1/78 p.A1

HYDRO ADVANCES INTEREST FREE LOAN

Ontario Hydro will advance Denison Mines and Preston Mines at Elliott Lake \$350 million in interest-free loans for expansion of their facilities. This will help the two companies meet commitments of a contract with Japanese utilities for 81 million pounds of uranium. The cost of the loan to Hydro and indirectly to Canadian taxpayers is \$372 million. Denison Mines will receive \$151 million in cash. TS 26/1/78 p.A19

CONSIDER MINES TAKEOVER: STAR

Calling Ontario Hydro's uranium contracts with Denison and Preston Mines "one of the biggest financial ripoffs in Ontario history", a Toronto Star editorial urged the Legislature committee investigating Hydro to demand more time to look into the deal. The Star calculates that ownership of the two mines would cost \$1.5 billion, or less than \$30 per pound. The existing plan means Hydro will pay the world market price of uranium, which is over \$40 per pound. It adds that while about half

the profits of the mining companies would theoretically be taxed back by the federal and provincial governments, the lion's share would go to the federal government. Also, big companies like Denison and Preston can usually find ways of tax avoidance. TS 17/1/78 p.A8

ALBERTA

Alberta's participation in the federal anti-inflation program ended on December 31, 1977 for the public sector. This affects more than 60,000 civil servants, teachers, hospital workers and municipal employees. TS 10/11/77 p.B8, HCH 10/11/77 p.5 (CP)

NEW BRUNSWICK

ALBERTA LENDS NEW BRUNSWICK \$47 MILLION

Alberta will lend New Brunswick \$47 million from the Canada investment division of the Alberta Heritage Savings Trust Fund. The loan is for 20 years at an annual interest rate of 9½ per cent. It is expected to cover New Brunswick's general operating expenditures. TS 9/12/77 p.A9; MS 14/12/77 p.A15 C 1-5; EJ 9/12/77 p.B5 (CP)

N.B. JUSTICE DEPARTMENT CLEARED IN KICKBACK PROBE

A judicial inquiry has cleared the New Brunswick justice department of charges it attempted to thwart an RCMP probe into alleged kickbacks to the governing Progressive Conservative Party. Chief Justice Charles Hughes said he found "with no difficulty" that the department didn't interfere with the 1973 investigation. TS 25/1/78 P. A2 (CP)

LIBERAL LEADER RESIGNS

Robert Higgins, leader of the opposition Liberal Party resigned following the judicial inquiry which was initiated because of charges he had made. Efforts are being made to replace him with the federal fisheries minister, Romeo LeBlanc. TS 27/1/78 P. A10, Dalton Camp

MANITOBA

LYON TURNS OFF THE TAP

Premier Sterling Lyon's 2½ month old government is radically altering provincial economic development policy. The Conservatives' view is that all meaningful development and expansion is initiated by private entrepreneurs. Consequently, they are turning off the tap of provincial spending. With the provincial economy in a recession at the moment,

there could be tough days ahead if the government perseveres with its plan to eliminate many programs, leaving the sole responsibility for economic development to the private sector.

For example, the government has postponed construction of \$37 million worth of provincial buildings in downtown Winnipeg and has delayed the next major phase of its Nelson River development at least until 1979. It has imposed a freeze on provincial civil service hiring, has cut the size of Manitoba's public housing program and has frozen grants to cultural organizations. In addition, it has decided to keep vacant 100 maintenance positions at three provincial mental health hospitals and has told Manitoba's health institutions that they will have to manage in 1978 with the same budgets as

those of 1977.

The Lyon administration has halted the lending activities of the Manitoba Development Corporation and has invited a review of the MDC, possibly leading to its elimination. And the government would like to sell off all 12 of the MDC-owned companies.

Meanwhile, corporate taxes paid by small businesses earning less than \$150,000 a year have been reduced from 13 to 11 per cent; estate and mineral acreage taxes have been abolished; and the 6-month old NDP law giving workers time and three-quarters for overtime, rather than time and a half, has been repealed. The Minimum wage of \$2.95 an hour will be maintained for at least four more months. GM 13/1/78 p.B1 Roger Newman

POLICE

INTRODUCTION: The three commissions, McDonald, Keable, Laycraft, continue their inquiries into the RCMP despite attempts to halt the latter two. The federal McDonald Commission stands accused of complicity with the RCMP and the Liberal government. Prime Minister Trudeau plans to introduce legislation legalizing mail openings, even though none of the inquiries has completed their findings. The McDonald and Keable inquiries reveal new RCMP mail openings, break-ins, spy networks, forgery and physical violence to suspected terrorists.

MCDONALD COMMISSION

NEWEST REVELATIONS

RCMP officers have opened mail on at least four occasions since August 1975. Murray Sexsmith, deputy director-general of operations in the security service, says the RCMP opened 60 letters since 1970 half of which dealt with terrorists. MS 15/12/77 p.A1; MS 14/12/77 p.A2

The RCMP tried to recruit informers among terrorist groups. Officers in the field used "psychological pressures" to acquire a network of informers. Officers ignored criminal activity in exchange for information. TS 11/1/78 p.A1; MS 12/1/78 p.1

Evidence of another RCMP illegal operation outside Quebec was provided behind closed doors at the Commission. The then-Solicitor General Warren Allmand gave a warrant for the operation. The legality of the break-in is still in question. TS 12/1/78 P. A6; GM 13/1/78 P. 1

The McDonald Commission will probe evidence of RCMP break-ins at Indian organization offices in Ottawa, Regina, Saskatoon, Yellowknife, and North West Territories. TS 17/1/78 p.A8; GM 18/1/78 p.9

The Canadian Labour Congress charged the RCMP used a Toronto management firm to recruit spies in the labour movement during the 1960's. The RCMP provided details of bargaining and union negotiations

to multinational corporations. TS 18/1/78 P. A1

Three hundred RCMP intelligence agents operate gun-running activities, mail surveillance and trade union harassment in Vancouver. TS 21/1/78 P. A3

REACTIONS, CRITICISMS OF MCDONALD COMMISSION

The Law Union of Ontario asked the three commissioners of the McDonald inquiry to resign because they are politically biased toward the Liberal Party. Judge McDonald is past president of the Alberta Liberal Association, Donald Rickerd is a close friend of Francis Fox. Guy Gilbert acted as solicitor for federal minister Marc Lalonde. The report says that "because of close personal and professional connections, party allegiance and declared political opinions, the commissioners cannot be seen as unbiased in determining the issue at hand as they involve friends, colleagues and party loyalty." GM 19/1/78 p.3

The Human Rights League of Quebec said the McDonald Royal Commission is the "RCMP investigating itself." The League voiced concern over the commission's refusal to give various groups the right to question witnesses. EJ 17/1/78 p.E1

Craig Paterson of the Law Union of B.C. says he is concerned that attempts are being made to use the McDonald commission as a political propaganda mach-

POLITICAL



ine and further evade democratic political accountability by government.

TS 21/1/78 p.A3; TS 23/1/78 p.A7

KEABLE INQUIRY

H.C. Draper, an assistant commissioner of the RCMP approved a break-in at a computer centre in Montreal in 1973. The RCMP obtained lists of Parti

MILITARY

INTRODUCTION: NATO again calls its members to meet the "Soviet threat" with increased military expenditure. It also hails Canada as an example for European allies to follow. Defence Minister Danson proposed a 20-year program to replace existing destroyers at a cost of \$10 billion. The Canadian Armed Forces have a network of informants supplying information on unions to the federal government. Several military and press people are concerned that the separatists will threaten Canada's defence efforts and destroy its role in NATO.

NATO FEARS "SOVIET THREAT"

NATO ministers opened talks in Brussels aimed at sharpening the alliance's ability to meet Soviet military force.

Quebecois members to determine the extent separatists had "infiltrated" the federal and provincial governments, police, armed forces and the education service. GM 20/1/78 p.1; GM 21/1/78 p.1

Fox disclosed to the Keable Inquiry the RCMP had forged a terrorist letter advocating violence in Quebec. The force also used physical violence on suspected terrorists. Donald Cobb, then in charge of RCMP security services operations, authorized the letter. No disciplinary action will be taken until the McDonald Commission completes its investigations. TS 10/1/78 p.A6

LAYCRAFT INQUIRY

Alberta Supreme Court Justice Levie Miller ruled that the provincial cabinet did not exceed its legal powers in establishing the Laycraft Commission. Miller refuted arguments by the Royal American Shows' counsel Angus MacDonald that the commission infringed upon the rights of federal jurisdiction. EJ 10/1/78 P. B9

PM LEGISLATES MAIL OPENING

Prime Minister Trudeau announced that his Government plans to introduce legislation to give RCMP power to open private mail "in certain defined circumstances". MS, GM, TS, 27/1/78 p.1

CNSP NOTE: Trudeau said in November that his Government will stand or fall on the findings of the McDonald Commission. (See *Synthesis* vol. 5, #9) No disciplinary action on RCMP officers will occur until the Commission completes its findings. Considering these factors some columnists, such as the *Toronto Star's* George Bain, criticize Trudeau for making new policy on mail openings before the McDonald Commission is finished.

Several European countries voiced concern that the United States plans to limit the range and deployment of Cruise missiles. NATO ministers also appraised the use of the American-made neutron bomb designed to destroy people and spare buildings.

Canada's defence minister Barney Danson says Canada is making an attempt to look at the question "rationally". Many NATO ministers are looking to the neutron weapon as a device to "restore a balance" between the west and the east. MS 5/12/77 p. D-11; MS 6/12/77 p. A-12; MS 8/12/77 p. 10

CANADA PLEASES NATO

NATO is pleased with Canada's program for improving its contribution to NATO defence. Barney Danson gave the other defence ministers dark blue neckties with golden leopards, symbolic of Canada's recent \$200 million purchase of Leopard tanks from West Germany. Unlike Canada, many European allies are critical of NATO's goal of increased defence expenditures. GM 7/12/77 p. 13

U.S. WILL STILL BUY CANADIAN

The United States implemented policies in November designed to limit and screen the transfer of high technology abroad. Regulations called for technology transfers to receive several time-consuming departmental approvals. However an added instruction to U.S. defence buyers states that U.S. allies bidding for defence business are not to be penalized by the new technology transfer policy. This will prevent a loss to the Canadian manufacturers this year. FP 31/12/77 p. 1

GOVERNMENT APPROVES \$63 MILLION FOR SHIPS

The federal cabinet has approved spending \$63 million to design a new series of six patrol frigates. Supply Minister Jean-Pierre Goyer says the program should provide 4,600 jobs during the construction period. The government has spent \$1 billion on 18 Lockheed Aurora patrol aircraft and will receive bids on February 1 for an order worth \$2 billion for between 130 and 150 fighter aircraft. Defence Minister Danson proposed a 20 year program to replace existing destroyers at a cost of more than \$10 billion. GM 23/12/77 P. 1 (CP)

HEALTH

HEALTH IN THE ENVIRONMENT AND WORKPLACE

INTRODUCTION: James Ham, who headed the 1975-76 Ontario Royal Commission on Health and Safety of Mine Workers has stated a global system of Occupational Health records is needed to discover disease trends.

Following the Commission's recommendation, the Workmen's Compensation Board of Ontario started in July, 1977 to keep statistics on injuries and diseases to spot industry trends.

Several groups of people have suffered to a serious degree because of contaminants in the work place and the natural environment. The hazards include;

FORCES KEEP FILES, SPY ON "SECURITY RISKS"

The Canadian Armed Forces have a domestic network of informants and agents which supplied detailed reports of union activities to the federal government. Danson said there is a possibility that low-ranking officers had performed unauthorized acts. Sources indicate military spying affected union leaders in the Canadian Union of Public Employees, the Confederation of National Trade Unions and the Quebec Federation of Labour.

Justice David McDonald, chairman of the McDonald Commission into illegal activities of the RCMP, said the commission would be interested in evidence that the Canadian Armed Forces or any other government agency operated in the security field. TS 14/11/77 P. A3; TS 12/11/77 P. A1

SEPARATION CALLED "THREAT" TO CANADA'S ROLE IN NATO

The former director general of the RCMP security service, John Starnes, warned that Quebec's separation from Canada would affect Canada's role in NATO and create a potential threat to the security of the "North American heartland". Starnes says the "present Quebec government is likely to adopt extreme foreign and defence policies which might antagonize the U.S. government". Starnes thinks it is more likely Quebec would take a passive role in NATO which could "pose serious difficulties for NATO and particularly the United States". GM 8/11/77 p. 7

Nicholas Stethem, associate editor of the Canadian Defence Quarterly, says, "The primary manned bomber route from the Soviet Union to the most heavily populated and industrialized areas of Canada and the United States (runs) straight down the middle of Quebec."

F.S. Manor, chief editorial writer of the Winnipeg Free Press, says Quebec's separation would threaten to destroy Canada's defence efforts in a cataclysm. MS 19/12/77 P. A1

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mercury in the English-Wabigoon river system in northwestern Ontario; lead contaminated soil near smelters in Toronto; asbestosis at Thetford Mines, Quebec; radiation-induced cancers at Elliot Lake and Port Hope, Ontario; PCE (polychlorinated biphenyls) a toxic industrial chemical found now in mother's milk in several parts of Canada; arsenic contamination in goldminers and among native peoples in Yellowknife, Northwest Territories and Red Lake, Northwestern Ontario.

When the Canadian Association of Smelter and Allied Workers wanted a study of health hazards facing workers at the Aluminum Co. in Kitimat, B.C. they had to hire Dr. Carnow of the University of Illinois. When CUPE needed information about PCB's after a recent Hydro transformer fire in Toronto, the union wrote to Dr. I. Selikoff of Mount Sinai Medical School of New York. This call-in-the-Americans is primarily due to lack of Canadian expertise, according to Gary Cutco, an Occupational Health Researcher and organizer. There are a few small research facilities at University of Toronto and the Ontario Research Foundation, but they are expensive. Often, research can be obtained free from the USA. Dr. Samuel Epstein, Professor of Occupational Health at the University of Illinois says academics play the industry game by fighting against every attempt to regulate cancer-causing chemicals.

OTTAWA STUDIES POLLUTANTS

Environment Canada has started a program to detect 27 harmful chemicals. Heading this list are the two members of Category 1; Chlorofluoromethane (spray can propellants) and PCB's, which pose a significant danger to the environment and to human health. Category 2 includes asbestos, lead, mercury, and mirex. The remaining categories contain for the most part such solvents as cleaning fluids, transformer oils and other benzene-based chemicals, and chlorinated hydrocarbons. GM 5/4/77, p.4 (Arnold Bruner)

CNSP NOTE: Benzene is an extremely toxic chemical. In high doses, it acts on the nervous system, causing drowsiness and loss of consciousness. It also acts on the bone marrow, destroying its ability to produce blood cells. It can lead to leukemia. It has been found to affect chromosomes. People working with benzene may include; workers with adhesives and plastics, barbers, hairdressers, roofers, roadworkers, rubber workers, detergent makers, drug producers, dry cleaners, dyers, coke-oven workers and printers. May/77 - Health Alert Newsletter, - Labour Council of Metropolitan Toronto

VINYL CHLORIDE CONTROLS URGED

Vinyl Chloride will be manufactured from ethylene by Dow Chemical of Canada Ltd., near Fort Saskatchewan. In 1974 it was found that Vinyl Chloride causes cancer. Recent research revealed a danger of it causing genetic defects.

The Environment Council of Alberta (ECA) has called for tougher control standards and more study on containment of this industrial gas. EJ 21/11/77 p.2

SULPHUR DIOXIDE FROM INCO

A secret federal government report estimates that about \$465.9 million in environmental damage is caused annually in the Sudbury area by industrial sulphur dioxide emissions from Inco Ltd. and

Falconbridge Nickel Mines. EJ 6/12/77 p.A10

ALCAN HEALTH STUDY WITHHELD

Doctors of Cook County Hospital in Chicago who performed a union-financed health study of workers at Aluminum smelter in Kitimat, B.C., have rejected a request by company doctors for access to the raw research data. This was done to protect the identities of the study participants.

The study found lung and bone abnormalities in workers which were directly related to their exposure to toxic substances in the smelter. EJ 12/1/78 p.A8

ARSENIC REPORT FROM YELLOWKNIFE, NWT

About 10 per cent of the population - goldminers and native people have increasing amounts of arsenic in their bodies. Highest levels were found in native children.



The report stated the majority of the people of Yellowknife have the same arsenic intake as people in industrial towns and cities.

Recommendations:

-Giant Mine should use the best techniques available for trapping arsenic dust in its smokestacks. At present, arsenic falls on the surrounding area at the rate of 10 pounds per square mile per month.

-Arsenic concentrations are very high and must be reduced.

-Miners should be regularly tested, and given better protective equipment.

-There should be a "study of the speed of nerve impulses" of Yellowknife's residents. Research indicates nerve impulses can be slowed in persons exposed to arsenic, even if they show no clinical signs of arsenic poisoning.

The report also says the snow around Yellowknife contains arsenic, and is dangerous if melted and used as drinking water. EJ 4/1/78 P. B2 Peter Gorrie

ARSENIC IN NORTHERN ONTARIO

Paul Falkowski, the Environment, Health and Safety Co-ordinator for District 6 of the United Steelworkers, has stated lung cancer found in three workers is directly linked to arsenic exposure in the gold mining operations in Red Lake, Ont. Other workers have lung disorders. Falkowski has sent a list to Ontario Labour Minister Bette Stephenson, and has asked for a full-scale health study of the entire population of Red Lake. A preliminary study is now under way. GM 30/11/77 P. 3, Victor Malarek

ASBESTOS: NOW A SOCIAL PROBLEM

The Ontario guideline for asbestos is two fibres per cubic centimetre (pcc) of air. A Labour Ministry monitor of a plant in Ingersol last November showed concentrations as high as 9.1 fibres pcc.

Dr. I. Selikoff of New York, an internationally-known expert on the effects of asbestos, does not consider Ontario's guideline of two fibres pcc low enough to prevent disease. The U.S. is recommending 0.5 fibres. Many unions say this is still too high,

and are opting for 0.1 fibres pcc of air. TS 28/1/78 P. C1, Janice Dineen

CNSP NOTE: *Asbestos is regarded as one of the most dangerous substances used in industry. It is recognized by most experts as one of the leading industrial causes of cancer. It is found in more than 3,000 products, including: shingles for roofing; siding; sheets for interior and exterior walls; pipes for water, gas or sewage; floor tiles; gas mask filters; brake linings and clutch facings in autos; acoustical ceilings; insulation materials, etc. It is also used in filters for processing fruit juices, acids, beer and medicine.*

WATER POLLUTION IN ONTARIO AND QUEBEC

Uranium tailings ponds are causing radioactive contamination in the Serpent River basin surrounding the mining community of Elliot Lake, Ont. EJ 7/12/77 P. A14

The St. Lawrence River is so heavily contaminated with chlorides and mercury that immediate government action is needed to protect the health of any Quebecers bathing in or drinking its waters. GM 5/4/77 P. 9

Grossly deformed chicks of fish-eating birds nesting along Lake Ontario are testimony to what long-lasting poisonous chemicals can do. WFP 2/3/77 P. 40

The Ontario Ministry of the Environment has warned against eating trout from Lake Muskoka after tests showed the fish contained an average of six times the acceptable level of mercury. GM 26/2/77 P. 4

North American cities are dumping huge amounts of chlorine into increasingly polluted water to "purify" it. The preferable method is to switch to bubbling ozone (oxygen) through the water. A 1974-75 report proved that citizens of New Orleans suffered higher rates of cancer because their drinking water was heavily treated with chlorine. Drinking water in Brantford, Cayuga, Sudbury, Dresden and Belleville, Ontario, have twice the provincial level of highly toxic chlorine compounds. TS 18/11/77 P. B1, Ross Howard

WOMEN

INTRODUCTION: *Stories this month concentrate on progress and setbacks during 1977 in several areas of women's struggles.*

STATUS OF WOMEN RECOMMENDATIONS

A progress report issued by the federal Advisory Council on the Status of Women shows the government has fully implemented fewer than half of the 1970 recommendations of the Royal Commission on the Status of Women. Of 122 proposals, the government has fully implemented 52, partially adopted 46, not implemented 22 and made two not applicable. The report by the Advisory Council contains sixty proposals (including the initial recommendations not yet adopted) which it hopes the government will implement before 1985--the end of an international "decade of the woman" declared by the United Nations. The recommendations include:

- removal of abortion from the Criminal Code;
- appointment of more women to corporate and political positions of power;
- establishment by the provinces of no-fault divorce laws and simplified divorce procedures;
- providing women in the home, outside the paid labour force, with Canada Pension Plan coverage.

The Council commended the federal government for setting up a human rights commission, effective March 1, 1978. Among other things, the human rights law bans discrimination on grounds of sex or marital status and provides a structure to enforce equal pay for equal work.

Commenting on the Advisory Council's report, David MacDonald, Conservative critic on the status of women, said that Canadian women are losing ground in their struggle for equality. No serious consideration has been given to women's issues in Parliament for the past two years, he said. While he feels that the Council has done good research, their recommendations won't have much impact because of a lack of understanding by political leaders. GM 11/1/78, p. 12; TS 12/1/78, p. D7; WFP 12/1/78, p. 8; EJ 12/1/78, p. C2.

FAMILY LAW LEGISLATION

Family law reform legislation, the key issue for most provincial status of women councils, experienced both progress and setbacks in 1977. A review of property laws and legislative proposals shows that provincial governments do not agree with the councils' position that women's work inside the home should be deemed to be of equal value to their husbands' work outside the home. The Advisory Council notes that none of the current bills being studied in Ontario, Alberta, B.C., or P.E.I., provide for equal sharing of assets acquired through joint efforts during the marriage.

British Columbia: The family relations amendment bill introduced during the last session of the Legislature recommends dividing equally family assets

including the home, car, cottage, bank accounts and pension rights. Business assets would not be shared, however, which seems to contradict the B.C. Government's statement that the bill "recognizes marriage as a socio-economic partnership in which the home-making, breadwinning and child-rearing duties are considered of equal value."

Alberta: The government introduced matrimonial property legislation but allowed it to die on the order paper during the fall sitting. (See Synthesis December, 1977.)

Saskatchewan: Unified family court legislation is on the order paper for the Saskatchewan legislature.

Manitoba: The Conservative government has suspended the Family Maintenance and Marital Property Acts, which had been passed by the previous NDP government. (See Synthesis, December, 1977.)

Ontario: Clause by clause examination of, and public hearings on, the Ontario Family Law Reform Bill of 1978 have ended. Third reading of the Bill is planned for late February, with the Act to come into force March 31, 1978. While most see the new Bill as a great step forward, there continues to be criticism of the Bill's restricted definition of what constitutes family assets as well as its giving judges discretionary power regarding support and division of assets when the marriage breaks down. Conduct in a marriage (i.e., whether a partner has ever committed adultery) will no longer be the basis for a judge's decision to deny or award support payments; judges are now to consider "unconscionable" courses of conduct of both spouses.

Quebec: The conseil du statut de la femme du Quebec has been given a mandate by the government to draft an over-all policy on women's rights.

Nova Scotia: The status of women's council began its work in November, 1977.

New Brunswick: Although a status of women's council was set up by the government in 1975, the act allowing it to become official was only approved in the legislature in November, 1977.

WFP 6/12/77, p. 6; GM 17/12/77; EJ 4/1/78, p. C1; WFP 10/1/78, p. 8 Letter; EJ 12/1/78, p. B5; GM 18/1/78, p. 14; GM 18/1/78, p. 14; GM 19/1/78, p. W6 - Patricia Bell; GM 20/1/78, p. 11; GM 21/1/78, p. 16; GM 24/1/78, p. 8 Letter; GM 24/1/78, p. 13; GM 25/1/78, p. 12; GM 27/1/78, p. 12; GM 30/1/78, p. 27 - Margaret Mironowicz.

LANDMARK DECISION ON WOMAN'S SHARE OF PROPERTY

A divorced Saskatchewan farm wife, Helen Rathwell, won a significant victory when the Supreme Court of Canada ruled in a 5-4 decision that she is entitled to half the property acquired in her husband's name during their marriage. In a similar case in 1973, the Supreme Court ruled against Irene Murdoch, on the basis that Mrs. Murdoch, who kept house, raised the children and helped with the crops and animals, had made no financial contribution and had not performed duties beyond those performed by any rancher's wife, and for this they awarded her \$200 a month. (The Alberta Supreme Court subsequently awarded her a lump sum settlement of \$65,000).

Judge Brian Dickinson, who wrote the majority opinion in the Rathwell case, said there were different legal points made in the Murdoch and Rathwell cases. "However...to the extent that Murdoch stands for the proposition that a wife's labor cannot constitute a contribution in money's worth and to the extent that Murdoch stands in the way of recognition of a constructive trust as a powerful remedial instrument for redress of injustice, I would not, with utmost respect, follow Murdoch." WFP 20/1/78, p. 1 CP; GM 20/1/78, p. 11 CP; TS 20/1/78, p. C3 CP; TS 26/1/78, p. D6; TS 30/1/78, p. C3.

EDUCATION

INTRODUCTION: Declining enrolments and increased costs, functionally illiterate graduates, and the purpose of education are the issues receiving a good deal of newspaper attention.

DECLINING ENROLMENT

Dr. Robert W. B. Jackson, head of the one-man Commission on Declining School Enrolments in Ontario (CODE), is convinced the realistic solution is to fire teachers and close schools. The Ontario Teachers Federation says it sees declining enrolment "as an opportunity (for the commission) to investigate new and alternate ways of offering a better quality of education." It mentioned special education classes, day care centres, programs for senior citizens, adult education. Jackson disagrees with the Federation. He speaks, instead, of his fear that childless taxpayers will become angry about paying the costs for the education of others' children. Jackson's interim report, with recommendations, is due February 28.

TS 14/1/78, p. C1 - Harry Goldhar

Within ten years, it is estimated that the 620 secondary schools in Ontario will need at least 5000 fewer teachers than are employed now. This recognition has led to very low morale among teachers, with women afraid to take maternity leave for fear of never finding a job again and other teachers unwilling to be persuaded to take early retirement. Some districts have programs of twinning (two schools share one principal, one secretary, and whatever resource people--like librarians, art and music teachers--are needed). Even so, teachers' federations are preparing for the possibility of firings, and the Toronto federation has drawn up a "surplus list" of teachers hired since 1975. They would be the first to go, based on board-wide seniority.

One school principal, who anticipates having to lay off teachers, also predicts an increased number of alternate type schools, like free schools, with

parents doing a lot of the work. He also anticipates that parents might get involved in regular schools once they see favourite programs being dropped.

Figures cited for one school district in Winnipeg show that enrolment dropped about ten per cent from 1970 to 1976 but the cost of educating a student rose more than 150 per cent.

Meanwhile, the Peel Board of Education in Ontario has instituted an immediate hiring freeze in an effort to limit next year's tax increases.

WFP 1/12/77, p. 45; TS 20/12/77, p. A4; GM 12/1/78; TS 20/1/78, p. A4; TS 30/1/78, p. C1.

ILLITERACY

Figures for 1971 indicate that about five million adult Canadians, or 37 per cent of the adult population, have less than a Grade 9 education and are therefore regarded as functionally illiterate.

Prof. John Cairns, director of the Centre for International Programs at Guelph, and a long-time student of world literacy and its problems, said that although the figures are from the 1971 census, they are not outdated. He stated that in a Western industrialized society, more than eight basic years of education are needed for coping adequately. Of those deemed functionally illiterate, 3.2 million live in urban areas.

Universities have discovered increasing numbers of their undergraduates are also functionally illiterate. It is not unheard-of for Ontario scholars--who averaged 80 per cent or better in Grade 13--to be rated functionally illiterate when they reach university. The University of Toronto recently decided to institute a mandatory English literacy test, to begin in 1980, which students in arts and sciences courses will be required to

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pass in order to remain in university.

Meanwhile, disputes continue over the best way of teaching reading comprehension. At the same time, teacher cutbacks mean that those students in need of special assistance with reading, speech, perceptual and behaviour problems will have to wait. GM 1/12/77, p. 5; TS 8/12/77, p. B3; GM 24/1/78, p.1; TS 28/1/78, p. C2.

CURRICULUM CHANGES

Both in response to spiralling costs and the increasingly apparent problem of students unable to read and write and to do rudimentary mathematics, there is a "back to basics" movement in school districts across Canada.

In Quebec, a study known as the GTX report, proposes a changed role for CEGEPs (originally intended as a sort of junior college, a place between high school and university where students could explore options and plan their careers). The GTX report recommends, among other things:

- Emphasis on career training and preparation for the job market.
- Industry having a major say in determining course content.
- Corporations providing instructors to teach career courses.
- CEGEPs receiving funds directly from industry.

Alberta's Education Minister Julian Koziak dislikes the phrase "back to basics" since it is impossible to go back, he says. He admits thought that planned curriculum changes in elementary language arts and junior high maths will be welcomed by any "back to basics" supporter.

In addition to those changes already announced, the Alberta Department of Education has commissioned a discussion paper on curriculum to be prepared by Dr. Jake Harder, associate director of curriculum for the department. Dr. Harder presented some highlights from his report to a recent education meeting of the Edmonton public school board. Included were such recommendations as standardized exams, multiple check points to test student progress, more specific content requirements for courses, more mandatory subjects and less time spent on options, and the teaching of religion and ethics.

B.C.'s Education Minister Dr. Pat McGeer also dismisses the description "back to basics", and talks instead of "core curriculum" and of adding a fourth R--rigor--to the customary three of reading, 'riting and 'rithmetic. "One thing the educational system must do is to turn out employers," he said. "The next best thing is to turn out people who can employ themselves. The third best is to turn out people who can be employed."

In Manitoba, increasing attention is being paid to those alternative schools called "Renaissance schools"

or "fundamental schools". They are being promoted by Renaissance International, which has support elsewhere in Canada as well. The "renaissance" the group wants is the "rebirth of the days when the values of home and school were the same." This involves a turning from the "humanistic secular values" which they feel now dominate the school system towards a concentration on Judaeo-Christian ethics. What this has meant in other centres which have adopted fundamental schools is the removal of sex and family life education from the curriculum (unless the teaching is one which focuses on the stable family with a mother and a father committed to a lifetime partnership as THE ideal and recognizing parents as authority figures who have the 'right and responsibility to exercise firm and loving discipline') and the injecting of "no-nonsense discipline."

Renaissance Manitoba is working towards the establishment of these alternative schools within the public school system, arguing that if a sufficient number of parents request it, the public school system is obliged to provide it.

The values education committee of the Toronto Board of Education, headed by trustee Arnold Hancock, an Anglican minister, has issued a report recommending that the Board seek exemption from provincial guidelines requiring 2½ hours of religions instruction a week, and religious exercises opening or closing each school day, saying that teaching religion in classrooms divides students rather than unifying them. To replace the time reserved for religion, the committee recommends weaving values education into other courses, to help students clarify and develop their own values. Education Minister Tom Wells said that his ministry will automatically approve any request made by the board to drop religious instruction but that it is not possible under existing regulations to exempt schools from conducting opening or closing religious exercises. He added that he hopes to amend the regulations of the Education Act by summer to allow readings and prayers of "universal appeal" which could be drawn from the literature of any belief. MS 39/12/77, p. B2; WFP 30/12/77, p. 6; EJ 7/12/77, p. B1; EJ 12/1/78, p. A7; EJ 12/1/78, p. B4; EJ 16/1/78, p. B5; TS 25/1/78, p. A3.

In North York, Toronto, parents of bright children have organized special enrichment classes to take place Saturday mornings because the Board is unwilling to offer appropriate programs. GM 17/1/78, p. 1; EJ 18/1/78, p. E6.

CNSP NOTE: *In addition to being unwilling to establish classes because they might cost extra money, School Boards are often unwilling to give extra help to children who are already more talented than most, under the mistaken notion that talented children can be assumed to be able to help themselves.*

CHURCH

INTRODUCTION: *A recent poll conducted for the Toronto Star indicates that most people in Metropolitan Toronto--especially younger people--feel a resurgence of religion is occurring. However, only 48 per cent say they're personally affiliated with a religious institution. (TS 22/12/77, p. A3) Within the established churches there are those who continue to worry over the "social gospel" and whether this enriches or diminishes the spiritual life. Others continue to be involved in increasing awareness and involvement with social, political and economic issues, and are engendering increased response from the business and political communities. Many young people are finding that the established churches do not meet their needs and are turning instead to "exotic" sects.*

"RENEWAL" IN THE UNITED CHURCH

The United Church Renewal Fellowship has been formed by evangelical Christians who are members of the United Church. The group emphasizes the "born again" experience and aims to promote "sound Biblical theology", encourage "an evangelical mission" within the church and deepen the spiritual experience of its members. EJ 7/1/78, p. B8

CHURCHES AND CORPORATE RESPONSIBILITY

Synthesis, November, 1977, reported on a recent deputation by the Taskforce on the Churches and Corporate Responsibility to External Affairs Minister Jamieson on Canada's "hypocritical" position on South Africa. In Nova Scotia, a representative of the Taskforce challenged the Bank of Nova Scotia to state publicly that it will not provide loans to the government of South Africa. While it is known that the Bank of Nova Scotia has not made loans to the South African government or its agencies in recent years, its president has said that the bank will not state publicly its lending policy toward any government. EJ 15/12/77, p. D13

A news analysis in the Edmonton Journal questions the churches' policy on South Africa. James Ferrabee points out that many church people within South Africa are in the forefront of the fight against apartheid. Since they encounter considerable opposition from the government, they count on support from their contacts outside the country, and thus Ferrabee questions the wisdom of encouraging the Canadian government to break off ties with South Africa. He also challenges the churches for not, at the same time, encouraging the government to break ties with Uganda and other oppressive regimes in Africa. EJ 10/12/77, p. A15
James Ferrabee, Southam

THE NEW SECTS

In a series of three major articles, David Lancashire examines many of the new sects, their attraction to young people, and some of the implications to the established churches and to the rest of society of this particular form of turning to religion. He

argues that young people have turned to such groups as the Scientologists, the Unification Church, and Hare Krishna groups because of the inability of the established religious institutions to respond positively to the needs of the young people. Lancashire quotes Harvey Cox, who says that the established institutions have become identified with the values of accumulation, profit, performance, success and material gain which are, after all, the main values of our society. The sects, however, respond to people's idealism by giving them good works to perform and they respond to people's questions about person identity by saying "the leader knows the truth. Put your trust in him and the truth will make you free, even if you don't understand it."

Lancashire compares the position of the sects in our society with that of the Nonconformist Sects of the 17th century. Like the Quakers and other 17th century sects, the 20th century sects encounter great hostility and in many cases, persecution from the rest of society.

While distraught parents are traditional, some of the 20th century parental responses are not, and much of the "deprogramming" and the snatching of converts from the sects in order to be deprogrammed raise a number of civil liberties issues. Charges are also made that in many cases, deprogrammers are mercenaries who solicit parents, ply on their fears, convince them the sects are destroying their children, and then charge exorbitant fees to rescue the converts. The great danger, Lancashire points out, in attacking the sects, or forcing members to change their new-found beliefs, is that the hatred behind such attacks might lead to an intense persecution of all religions differing from one's own.
GM 21/1/78, p. 10; GM 23/1/78, p. 7; GM 24/1/78, p. 7

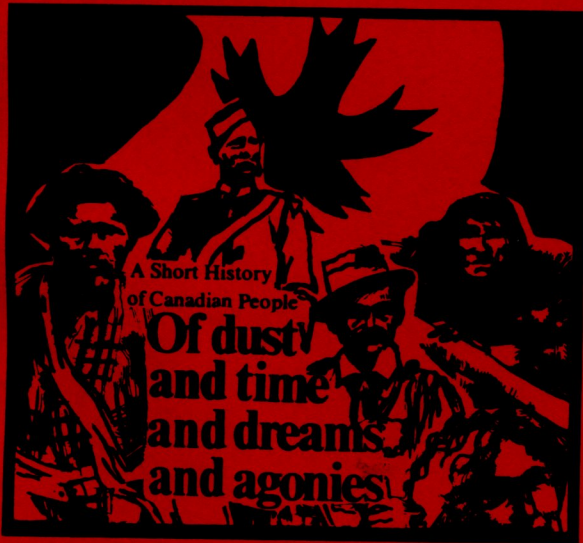
BUSINESS GROUP ATTACKS CHURCHES' SOCIAL ACTION

In Toronto, a new organization of businessmen is rousing itself for a counterattack against the Taskforce. The Confederation of Church & Business People (CCBP), an association of about 200 business and professional people, has been formed with the stated intent of "analysing and informing the community on such contemporary issues as building northern pipelines or doing business in, say, Chile or South Africa." CCBP directors include John Bradfield, honorary chairman of Noranda; B.H. Rieger, vice

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president of Canadian Corporate Management; G.T.N. Woodroffe, a retired vice president of Falconbridge Nickel Mines Ltd. and Reverends John Gladstone of Toronto's Yorkminster Park Baptist Church and

F.H. Wilkinson, Toronto's retired Anglican Bishop. CCBP expects to appoint a manager shortly, and will operate on a 1978 budget of \$100,000. FP 7/1/78, p. 17; TS 30/1/78, p. A12



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