

CANADIAN NEWS SYNTHESIS PROJECT



REVIEW
1974-75

Canada in an international context

\$ 1.00

socialist and independent Cuban government. Throughout the period, therefore, the question of Cuba's role in the hemisphere took on greater and greater importance. At the November 1974 meeting of the Organization of American States, there was a close vote regarding lifting economic sanctions against Cuba, but a large enough minority was negative that they prevented the lifting. The question had such importance for a number of Latin American countries that they took steps to reopen diplomatic and trade relations with Cuba on their own, outside the OAS. Furthermore, they threatened to set up a counter-forum to the OAS in order to bypass the organized influence of the United States and its clients in the OAS.

The 1974-75 period was characterized on the political and social front by generalized repression of human rights and popular movements in many countries. The most ferociously repressive were Chile, Brazil, Uruguay, Bolivia and Paraguay, with spectacular arrests and repression in Grenada (Caribbean) in January 1974, Uruguay in May 1974, and Paraguay in February 1975. The most reported and apparently most open guerrilla activity took place in Argentina, where the Argentine Anti-Communist Alliance (AAA) took up a campaign to threaten, intimidate and murder leading figures of the left. The Montoneros, a left-wing Peronist group, were forced into clandestine activity as a result of the activity of the AAA. The Popular Revolutionary Army of Argentina (ERP), another left guerrilla group, formed a common front with the National Liberation Army of Bolivia (ELN), the Tupamaros of Uruguay, and the Revolutionary Left Movement of Chile (MIR).

There has been very limited response to this repression in the power centres of the North. Mexico cut off diplomatic relations with Chile in November 1974. Canada - after considerable public pressure in their favour - slowly took in a limited number of Chilean refugees (approximately 2000). Both Harald Edelstam (former Swedish ambassador in Chile under the Popular Unity government) and Carmen Castillo (MIR leader in Chile) visited Canada, in March 1974 and April 1975 respectively, in attempts to expand Canadian response to human rights violations and repression in Chile. The Chilean junta, which overthrew President Allende in September 1973, has made little headway in its attempt to gain international acceptance, but it has won enough international financial support to survive and continue its brutalities.

While in Argentina guerrilla actions and rightist terrorism flared up and died down, the death of Juan Peron in June 1974 was a turning point, and the succession of his wife, Isabel, to the presidency heralded a new and more bitter struggle within and outside the Peronist movement, particularly among workers as the economy deteriorates.

A variety of shifts in power have taken place: Ernesto Geisel was inaugurated president of Brazil in March 1974, although later elections showed opposition gains were strong (November 1974). Dr.

canadian newssynthesis project

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

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

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INTRODUCTION

The Canadian economy, like much of the world economy, is in crisis. Inflation and recession have become chronic. Shortages of food, energy and raw materials are darkly feared and widely discussed. Prices climb higher while productivity slows down. Meetings among national governments and business leaders occur with increasing frequency.

In a New Year's Day message to Canadians eighteen months ago, Prime Minister Trudeau spoke of the crisis and called for restraint. In July, 1974, a majority Liberal government was returned to power, with a public mandate to control inflation and recession. On Thanksgiving Day, 1975, the Prime Minister again addressed Canadians, to explain that wage and price controls would be necessary for the next three years--a drastic economic measure unprecedented in peacetime.

It is time to try to understand the dimensions of the crisis and its causes. There are conflicting explanations and conflicting solutions to the economic problems from the various sectors of Canadian society. Canadians, particularly workers, the poor and the marginalized, are acutely aware of the present crisis and are struggling to get a clear picture out of a confusing welter of information.

Most Canadians' window on the world and guide to what is happening in Canada is the mass media of which the press is an important part. After three years of studying Canada's major newspapers, the Canadian News Synthesis Project (CNSP) has temporarily halted its regular monthly publication schedule to take time out to look back over the work we have done and ask, "What have we learned about Canada and the world?" We think that we have learned some important things and that we should share some of our understandings with our readership. We see our work helping ourselves to understand our society and we hope it will help others, not only to understand, but also to act to change basic social injustices.

We do not subscribe to the myth of objectivity and we know neutrality is an illusion. We do, however, attempt to be reasoned, critical, analytic and coherent--goals we have aimed for though perhaps not always realized.

The material in this publication is organized in three sections. First there is an overview analysis of major trends in the world, in Canada and in Latin America seen not separately but integrally. Second there is a chronology of events on which the overview is based. This together with a third section of statistical data provides more detailed information. Together they provide a summary and analysis of the Canadian reality in today's world.

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OVERVIEW ANALYSIS

To make sense of what is happening in Canada we have to understand the forces in struggle within the global economy. World wide trade and monetary institutions, the emergence and growth of transnational corporations and the increasingly multiple and varied intervention of governments are reshaping our world. The power to make decisions over labour, investment, research and development of technology, natural resources and industrial development and the supply of money and credit is increasingly in the hands of corporations whose assets exceed the total Gross National Product (GNP) of most of the world's nation states. Furthermore, the world economy is in a state of severe and deepening crisis. Two expressions of the growing concentration of power and of the crisis are inflation and the struggle for control of natural resources.

Multinational corporations (MNC's) have liquid assets estimated at between \$138 and \$258 billion, dwarfing the official reserves of any country.

There are 25,000 U.S. subsidiaries abroad; 15 years ago there were 8,000.

51 of the world's richest entities are MNC's not nations. The gross annual sales of GM exceed the GNP of Switzerland, South Africa, Norway and all developing countries.

International Liberal Meeting
quoted in CNSP Vol.II No.5 p.2

Global Inflation

There have been inflationary periods in the past that have affected a few countries at a time. Inflation is now affecting all industrialized nations and countries of the developing world simultaneously. To understand why this is so we have to understand the major economic forces that exist and how they function.

The growth of transnational corporations and the concentration of economic power in the hands of one or a few giants in any one industry is a major cause of higher prices. When there are shortages, natural or artificially created, prices rise. Even in times of abundance or oversupply these high prices are maintained. A clear example of this in the period we are reviewing is the American car industry. When sales fell and stocks of cars piled up the four large automakers cut production but not prices. In fact, they raised them slightly before offering temporary rebates. Two other areas where concentration is greatest also have rapidly rising prices--energy and food.

Transnational banks and financial institutions speculating in money markets have also contributed to inflation. Some observers believe their power to be so great that national governments can no longer exercise effective control of their money supplies.

Increased government spending is another inflationary factor in the economy as governments try to meet increased costs not through higher taxes but by borrowing money at high interest rates, using deficit budgets (both of which increase debt) or by expanding the money supply. Two key areas of increased government spending are military and large resource development projects. The U.S. government spending on the war in Vietnam, for example, was one of the most important causes of the present period of inflation.

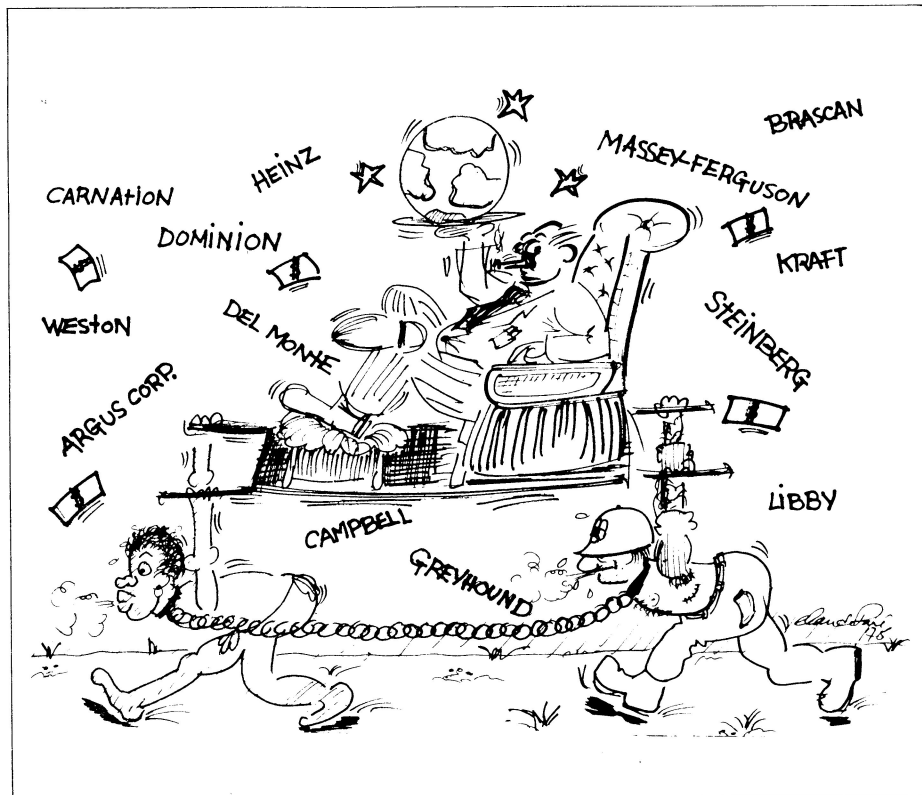
This way of seeing inflation is in contrast to the usual explanations of the problem. Government leaders often describe inflation as the result of an abstract process over which no group or individual has control. This allows them to explain why they haven't been able to control inflation and to escape responsibility for contributing to inflation through government spending. More seriously still, this explanation fails to identify or place responsibility on those powerful forces who shape and maintain the economy. We are never forced to question whether or not present problems result from the way in which our economy is structured.

Inflation is often attributed to one group as the main cause. For example, the U.S. and the Organization of Petroleum Exporting Countries (OPEC) accused each other throughout the period of causing inflation. Also, business leaders frequently attack government spending as inflationary, criticizing welfare and social assistance payments but omitting to mention aid to business. These accusations and attacks however are minor compared with the attack on one particular group, workers. Workers were and are increasingly singled out as the cause of inflation, especially when they organize to demand higher wages to try to keep up with inflation.

It becomes more and more clear that the world is in a state of interdependence: no nation, even the largest, can remain isolated...This is where the banks come in. Money is our merchandise, we facilitate trade and investment among the nations of the world.
David Rockefeller, President
Chase-Manhattan Bank
Le Devoir, August, 1975

Businessmen always try to maximize their profits. If wages rise, the rate of profit is lowered, a situation businessmen always try to prevent. In a period of inflation, workers resist the loss of real wages and fight for higher wage settlements. The evidence of the past 18 months shows that workers were reacting to rising prices in making their wage demands rather than making wage demands that then caused inflation. Their wage demands have contributed to inflation but they did not begin the spiral. Powerful corporations were able to pass on the increased costs of higher wage settlements to their consumers and thus preserve their rate of profit.

However, once inflation reaches the rate it currently has attained, it becomes a danger for employers who cannot afford to raise prices too high without endangering their sales. Then the strategy to control wages as a key cost factor becomes necessary. The guidelines outlined by Prime Minister Trudeau in October, 1975 have the support of corporations and are a logical development in the present economic crisis. It is also logical that workers who find themselves further behind, in terms of real wages, will resist this attempt to make them bear the full burden of inflation which they did not create.



As a result the struggle between major blocs of nations over the earth's resources was sharply accelerated. A number of international conferences were held during the period focussing on the growing conflict both within and between rich and poor nations. These included the United Nations Conference on World Population (Bucharest, August 1974), the World Food Conference (Rome, November 1974), the Conference on the Law of the Sea (Caracas, 1974-75) and the International Women's Year Conference (Mexico City, August 1975). Two special sessions of the General Assembly of the United Nations (May, 1974 and September, 1975) were also convened, as well as regular meetings of the International Monetary Fund (IMF), the World Bank and the General Agreement on Tariffs and Trade (GATT). Some key demands of the poor countries were:

- the right to nationalize foreign owned or controlled property and set compensation according to national law
- the right to form producers' associations of raw materials (cartels) to control supply and defend prices
- the right to a more just relationship between the price of developing countries' exports and the price of goods they have to import from industrialized countries
- the right to regulate the operation of transnational corporations operating within their countries
- the right to increased participation in and control of decision-making within international trade and monetary institutions

The more successful aspects of this struggle were the continued existence of OPEC (the first successful producer's cartel for a major world commodity--oil) and the adoption of a Declaration on the New International Economic Order and a Charter of Economic Rights and Duties of States by the United Nations General Assembly. The cartel model has the support of the developing countries and some additional associations have been formed (tin, bauxite, copper). Some Latin American and Caribbean countries nationalized foreign owned operations within their countries. Other key demands have not been achieved; thus problems of debt, dependency, hunger and sickness in the Third World grow even more serious.

Struggles on national levels took place in South Vietnam, in the Portuguese colonies in Africa and in Southern Africa. Although the first two were more fully resolved, all three are continuing. In Chile and Portugal the struggle between forces on the right and left was particularly intensive. The behaviour of transnational corporations trying to defend their interests at all costs is a major element in all these national struggles.

In addition to these international and national struggles, there was evidence of increased pressure within nations to resolve internal economic and social disparities. National elites in developing countries, although they have raised some important resistances to international injustices, have a poor record, during the period, of combatting injustices at home. This caused increased radical opposition by popular movements throughout the developing world to both foreign corporations and national elites.

In response to this, increasingly severe repression was evident throughout the developing world. Canadian corporate and government leaders were among those who defended the present economic system and promoted its extension through opposition to the demands of the developing world within the United Nations and at international conferences. They were also silent or half-hearted, when they weren't actively supportive of regimes that practise repression.

The Economic Crisis in Canada

The growing concentration of corporate power in Canada has followed the international pattern and has led to a crisis within the Canadian economy.

53% of Canadian families have no savings deposits; 13% hold 55% of them.
80% of Canadians do not own Canada Savings Bonds; 4% hold 65% of them.
86% of Canadians do not own any stocks; 2% own 64% of stocks.

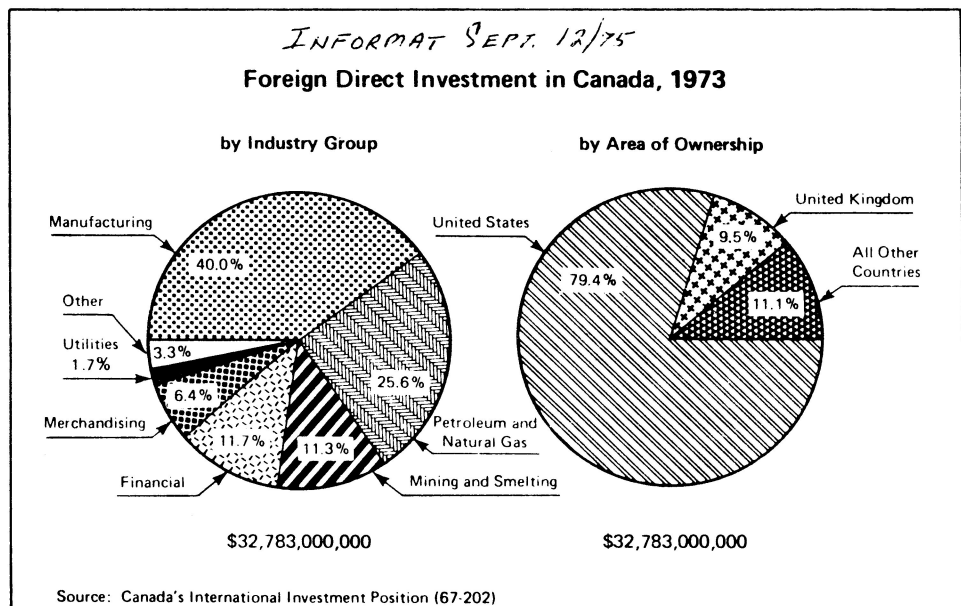
David Lewis
House of Commons speech
February, 1974

Inflation hit small businesses and independent producers (farmers and fishermen) especially hard. These groups have agitated for policies to protect them from powerful corporate interests. An articulate spokesman for small businesses, John Bullock, President of the Canadian Federation of Independent Business, with 28,000 members said, "The power groups in our society, by utilizing market strength are attempting to regain their relative position at the expense of the unorganized workers and the small business community". (September, 1975) This organization together with the Progressive Conservative Party, which represents the interests of these groups on the political level support wage and price controls.

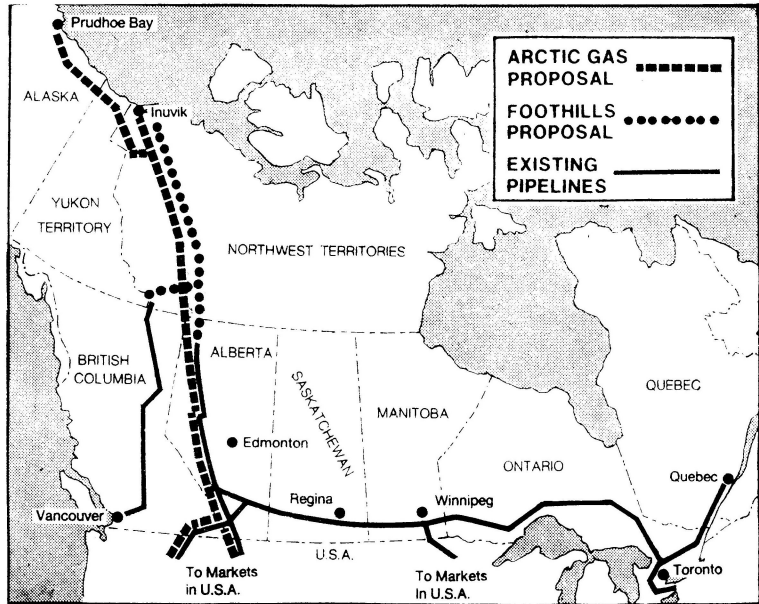
Increasing foreign investment and control of major sectors of the Canadian economy also illustrates the global economy's links with Canada. In the early part of the period, the Foreign Investment

Review Agency (FIRA) was created to screen takeovers of Canadian companies. FIRA has not halted foreign investment nor recovered any significant sectors of the Canadian economy under foreign control. This has led to criticism of FIRA as ineffective from Canadian nationalist organizations such as the Committee for an Independent Canada (CIC).

The Canadian government has not pressed for strong controls on foreign corporations in Canada. One reason is that strict controls would cause a short-term slump in the Canadian economy and reflect back on the party in power. A strong policy in Canada might also encourage restrictions against the activities of Canadian based corporations and banks in South Africa, the Caribbean and Latin America. The weakness of the Canadian government's stand on foreign investment and control contrasts with the more aggressive nationalist positions on foreign investment taken by some Latin American countries during the period. At the same time Canadian investment and trade with Latin America and the Caribbean increased.

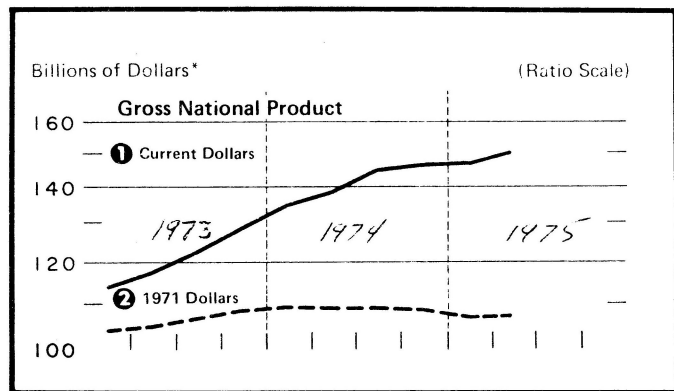
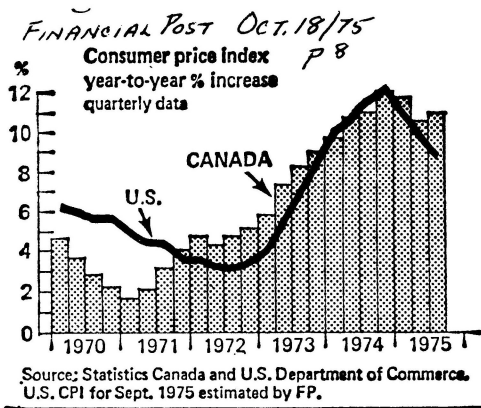


Canada, too, has had its share of major resource development projects. The two largest and most controversial are the James Bay hydro-electric project in northern Quebec and the MacKenzie Valley oil and gas pipeline proposals for the North West Territories. MNC's involved in these projects include the giant Bechtel Corp., the Rothschilds and a number of American oil interests.



THE TWO COMPETING PIPELINE PLANS
Canadian Arctic Gas and Foothills Pipe Lines both want to build a Mackenzie Valley gas line

Problems of inflation, recession and trade in Canada reflect and are related to similar problems in the world economy.



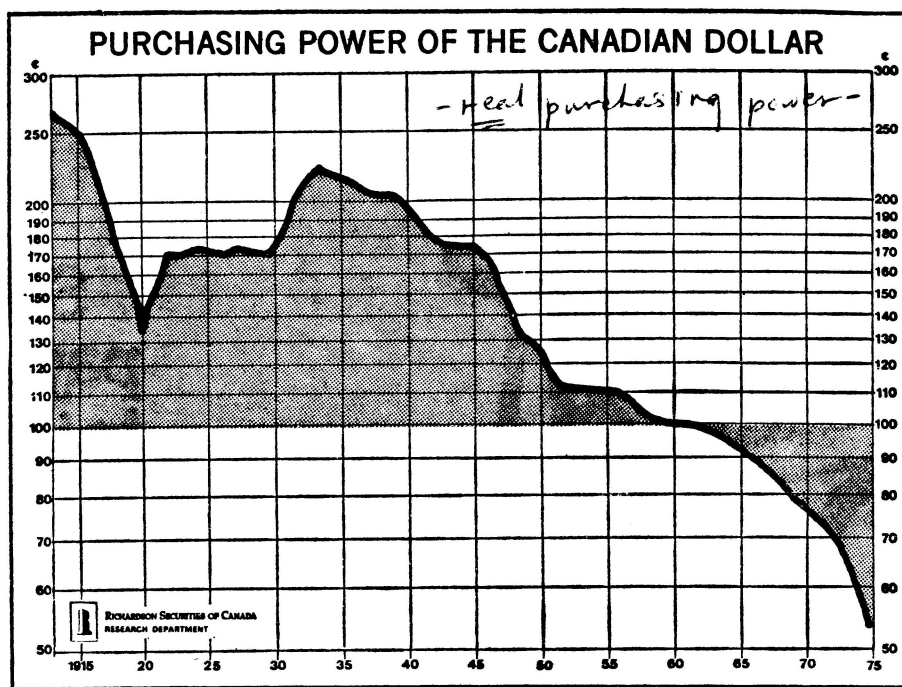
Canada's trade situation deteriorated rapidly during the period, a result of an economic structure which is heavily dependent on the export of raw materials and semi-processed goods to pay for the import of manufactured and capital goods, largely from the U.S. (About 70% of Canada's trade is with the U.S.) This historical problem was compounded by the increasing integration of the world

their concentration within a sector of the national population has produced movements of opposition at a national level. These movements have as their targets, the transnational corporations for their appropriation of wealth and the state for its support of this consolidation of wealth and power.

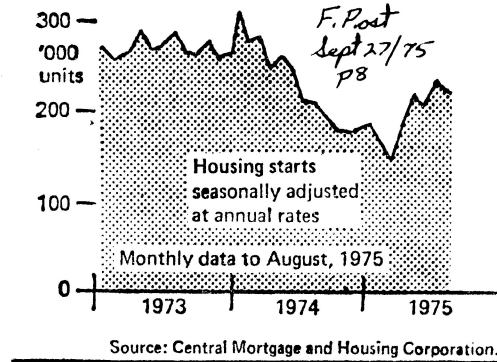
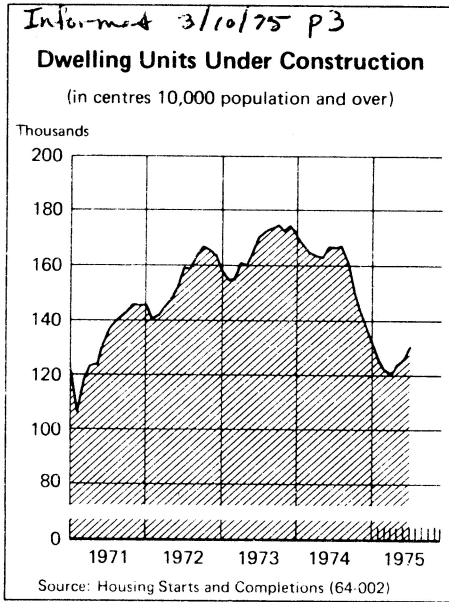
The forces of opposition tend to appear in relation to specific issues. The Firestone and United Aircraft strikes in Quebec focussed upon foreign ownership. During the Firestone strike a successful attempt was made to promote union solidarity and achieve a broad coalition of Quebec workers in opposition to the foreign domination of their economy. The struggle was taken up by the Canadian Labour Congress in its challenge of the AFL-CIO's control of executive positions. The latter replied by cutting funds to the Canadian union to force it into line.

The public service employees of the federal government are involved in the struggle against automation and the consequent loss of jobs. The inside postal workers are the leaders in this fight. Their primary opponent is the government which supports efficiency and profit through the replacement of workers with machines. The government and the subsidiary of ITT which holds the contract to install the letter sorting machinery are thus linked in their denial of the workers rights.

Workers are also interested in maintaining a basic standard of living. Several strikes in the period were fought to gain cost-of-living-allowances (COLA's) and shorter term contracts for protection against inflation. All strikes in the past eighteen months included demands to protect workers from the erosion of their real earnings through inflation.



Construction workers and workers in the forest industry engaged in strikes that were made difficult by the slump in the housing, lumber and pulp and paper industries.



Workers in small factories, workers who were unorganized and workers in areas outside of central Canada achieved small wage gains and unemployment was highest among these groups also. The recession increased the number of unemployed and those laid-off. It also reduced the demand for unskilled immigrant workers and led to a general tightening up of immigration regulations and the publication of the government's Green Paper. Canadians on welfare the aged and those receiving unemployment or accident insurance found their situation increasingly difficult in a period of inflation and recession.

Minimum Wage Rates by Province: Hourly and Yearly

Province	Per Hour	Per Year
Newfoundland	\$2.20	\$4576
Prince Edward Island	\$2.30	\$4784
New Brunswick	\$2.30	\$4784
Nova Scotia	\$2.25	\$4680
Quebec	\$2.60	\$5408
Ontario	\$2.40	\$4992
Yukon	\$2.70	\$5616
N.W.T.	\$2.50	\$5200
Manitoba	\$2.60	\$5408
Saskatchewan	\$2.50	\$5200
Alberta	\$2.50	\$5200
British Columbia	\$2.50	\$5200
Minimum wage for employees under Federal Jurisdiction	\$2.60	\$5408

Poverty Lines for Comparison Revised Jan. '75 for a Family of four.

Statistics Canada	\$7608
Senate	\$7871
CCSD	\$7871

Unemployment Rates by Province, August, 1975

Canada	7.3 %
Newfoundland	21
Nova Scotia	7.9
New Brunswick	11.9
Quebec	8.9
Ontario	6.2
Manitoba	3.5
Saskatchewan	2.7
Alberta	4.1
British Columbia	9.2

The native peoples are in the forefront of the struggle to protect their land and control their lives in the face of massive projects that threaten to destroy them--James Bay, Churchill River Project, the MacKenzie Valley Pipelines Project. They have organized in native brotherhoods and associations to fight the legal battle over land settlements, to delay the projects and to gain the support of organized groups in the rest of Canada and to appear before governmental enquiries to state their case. In the North West Territories the native peoples drafted the Dene Declaration as their manifesto. They are fighting not only corporate interests but also federal and provincial governments committed to development of the resources located on lands they claim as well as misrepresentation of their struggle in the south.

The link between the state and the private sector of the economy is manifested not only in the struggle of labour and native people but also in the increased intervention of the state in the economy. The federal government sponsored and took part in several trade missions to promote Canadian exports. It also agreed to participate in the Syncrude oil sands project. As a result the government became committed to heavy capital outlays for exploration and development but not in the lucrative merchandising end of the operation. Furthermore, it claimed to introduce legislation controlling foreign investment but the problem has not been addressed in any significant way.

In the labour sector it legislated an unprecedented number of back-to-work orders for striking workers. It tried, unsuccessfully, to set up a tri-partite mechanism (government, business, labour) for settling labour disputes. Lastly it introduced new guidelines on immigration policy in order to control immigration and direct newcomers to specific labour-short industries and regions.

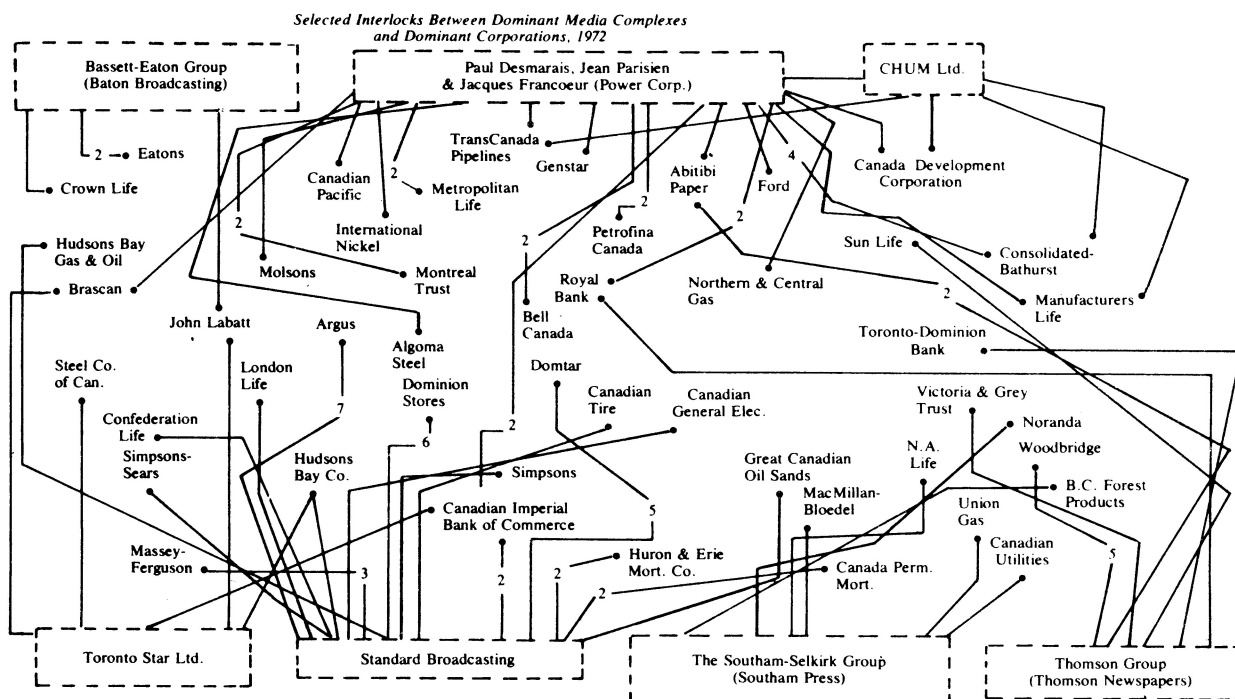
The government reorganized and more tightly integrated its police, military and intelligence forces at the same time as it reactivated the debate on law and order and blamed the immigrant for increased social tensions in its Green Paper on Immigration. The government is thus in a powerful position to institute repressive measures against groups that stand in opposition to the present organization of the economy and society. The right climate of opinion for this is in the process of being created.

Conclusion

The past eighteen months have been characterized, on the one hand by an intensification of problems inherent in the present

organization of the economic system and on the other hand, by the struggles of people who did not benefit from it. In this polarized situation governments acted not as neutral third parties but to maintain the status quo and control and repress opposition. Since proposed basic changes in the economic system have not been introduced, the prospect is for a continuing concentration of economic power and a continuing economic crisis. The gap between those who benefit and those who don't will widen and the struggle of people to control their lives will grow more widespread. Governments will increase their intervention on behalf of those who hold economic power and against those who challenge this situation.

To understand the role of the Canadian press in the last eighteen months and in the coming year, it is important to see the connections between the industry and other centres of economic and political power. The chart below illustrates some of these connections, and suggests reasons for the lack of systematic presentation of problems and causes, the attack on government and the silence on corporate power, the anti-labour, anti-immigrant stance and the misrepresentation of the struggles of peoples in the Third World and the native peoples in northern Canada.



Gaining insights into the power and roles of "big business," "government" and the distortions of the press can lead to a sense of paralysis or cynicism that also maintains the status quo. Only by deciding to act with those already struggling for change can our increased awareness contribute in a positive way to the resolution of the problems we face.

SOME TRENDS IN LATIN AMERICA



The southern part of our hemisphere was characterized by an increasingly dynamic struggle over economic resources between nationalist and largely domestic capitalist sectors in some countries, and representatives of the globally integrated economic system. Elites in Venezuela and Mexico have asserted themselves in the last eighteen months and forged some new alliances, cooperating where useful with more radical regimes like that in Cuba. The possibility of radical or reformist centres of power in Argentina, Chile and Peru, which was visible early in 1973, continued to be eroded. There is virtually general repression of popular movements and human rights in all Latin American countries.

In the struggle for control and profit from the use of their own natural resources, Latin American nations have been active, although not always with success or sustained coordination.

The first sign of this was an almost unanimous opposition to features of the United States Trade Bill which would punish countries for taking an aggressive stand on regulation of supply of raw materials (through cartels), or on nationalization. Even Brazil joined the more nationalist Latin nations in opposing the United States' attempt to manipulate national economic policies in Latin America through U.S. trade regulation.

Secondly, a series of cartels were formed (though not uniformly successful) by Latin American producer countries: a banana cartel (March 1974) including Ecuador, Costa Rica, Guatemala, Honduras, Nicaragua, and Panama; a sugar cartel (November 1974); Venezuela participated in the formation of an iron ore cartel; and the copper cartel involving Chile, Peru and some African countries has run into problems. A series of attempts to form a long-standing coffee cartel have also run into snags.

Thirdly, there have been some further nationalizations of foreign-controlled industries in Latin America. In January, 1974, Peru nationalized Cerro de Pasco Mines paying the U.S. parent company \$150 million in compensation. In April, 1974, Venezuela nationalized U.S. Steel and Bethlehem Steel holdings. Panama has announced that United Brands (food corporation) will be nationalized in 1977, and Argentina made moves to nationalize Shell and Esso petroleum operations in September 1974. Guyana nationalized Reynolds Metals (aluminum) in February 1975, and the Venezuelan oil industry was nationalized in May 1975. In the same month Peru took over Gulf Oil.

One notable exception vis-a-vis multinational operations was Chile. A number of companies in automobiles, mining and other fields were invited back into Chile, and firms nationalized previously under Salvador Allende - including Anaconda, Kennecott, International Telegraph and Telephone, and Cerro - were all compensated well for the Popular Unity government's nationalization.

Finally, there has been increasing discussion about jettisoning pan-American talks around the Organization of American States (OAS) and other bodies, and setting up a Latin American Economic System (SELA) which would not include the United States. Beyond conversations, in which Presidents Perez of Venezuela, Echeverria of Mexico, and Castro of Cuba have taken a leading role, there has been relatively little concrete expression of these ambitions.

This economic jockeying, in which the expansionist capitalist sectors of relatively rich countries like Mexico and Venezuela have been leaders, has brought them increasingly into an alliance with the

Juan Balaguer was re-elected president in the Dominican Republic (April 1974); Daniel Oduber was elected president in Costa Rica (February 1974); there was an attempted coup in Bolivia (June 1974); President Lopez was overthrown in Honduras (May 1975); Jose Lopez Rega, Peron's closest adviser, was removed from the Argentinian Cabinet in July 1975; and in August President Velasco Alvarado of Peru was replaced by a coup by former Foreign Minister Francisco Morales. None of these changes of government leaders seem to indicate any real change in the conditions of the respective countries.

There are continuing states of siege in Chile and Uruguay and forced states of siege in Colombia (June 1975), Argentina (November 1974), Bolivia (June 1974) and Peru (February 1975). Some of the more notable violent deaths occurred in Chile: Miguel Enriquez, leader of the MIR (October 1974); Father Carlos Mugica, leader of the Third World Priests Movement (May 1974); and Carlos Prats, Chilean military moderate leader (October 1974).

What we see then is a continuing struggle, often a violent one, between forces of repression and the status quo, and masses of people who want and need change in their lives.

CHRONOLOGY OF EVENTS JANUARY 1974 – JULY 1975

INTRODUCTION

The following chronology is a summary of major events that took place in the period, January, 1974 to July, 1975. The events are organized according to month and into broad categories: 1) Canada-International, 2) Economy, 3) Workers, People, Oppressed, 4) Government, and 5) Culture. The chronology is designed to illustrate the relationships between economic, political and cultural forces internationally and nationally and to show the development over time of trends and patterns in Canadian society.

NOTE: Readers familiar with the monthly publication of the News Synthesis will notice two changes within the categories. Much of what used to be covered in the political section now appears in the economy and labour categories because legislation and the activity of public economic agencies is a response to what is happening in the economy and work force. Also, trade and foreign investment material has been moved from the economic section to the Canada-International section.

The following abbreviations appear in the chronology:

EEC	European Economic Community
OPEC	Organization of Petroleum Exporting Countries
OECD	Organization for Economic Cooperation and Development
IMF	International Monetary Fund
NIEO	New International Economic Order
ECC	Economic Council of Canada
FIRA	Foreign Investment Review Agency
COPE	Committee for Original Peoples Entitlement
CLC	Canadian Labour Congress
CSN	Conseil de Syndicats Nationaux
FTQ	Federation de Travailleurs de Quebec

CANADA-INTERNATIONAL

ECONOMY

WORKERS, PEOPLE, OPPRESSED

GOVERNMENT

CULTURE IDEOLOGY

- Jan '74
- Trudeau will visit EEC-search for economic growth for Canada; also Club of Rome Conference (call to conservation of resources).
 - Canada & U.S. condemn OPEC-would like to break it up.
 - Japanese investors back off from major investment in Maritimes; due to FIRA;
 - Quebec welcomes transnationals; IBM receives financial incentives for new plant; ITT gets huge forest concessions north shore of St. Lawrence;
 - Richard Murray, retired business executive and former diplomat in Wash. appointed commissioner of FIRA to oversee foreign takeovers of Cdn. firms;
- Feb '74
- At Washington Energy conference, Canada is pressured to agree to continental energy policy;
 - Study of foreign ownership in Canada by Tor. Firm for Select Committee on Econ. and Cultural Nationalism suggests ways to use energy and mineral resources as bargaining lever to reverse trend toward foreign domination;
 - \$4 billion jump in U.S. holdings in Canada in '74 - even if every proposed takeover is turned down.
 - Reynolds Inc. completes controversial purchase of MacDonald Tobacco of Mtl.
- Oil export tax on Alberta oil used to subsidize eastern market; Canadian oil price kept below world price.
 - Oil companies report record profits: for fiscal '73:
 - Imperial - 45%
 - Texaco - 30%
 - Shell - 22%
 - Gulf - 45%
 - BP - 46%
 - Canada's biggest sugar refineries -Atlantic Redpath & St. Lawrence - accused of overcharging customers by about \$125 million since 1960.
 - James Bay Development Corp. Hydro Quebec & James Bay Energy Corp. requested suspension of Injunction (to stop work on hydro project) Request granted.
- Food prices have risen 15.5% over past year;
 - Canadian Food Industry Corporation profit 21%; Increases between 21-81%. And profits rose (Mar.'72 to Mar. '73):
 - Becker Milk Co. - 63%
 - Canada Packers - 39%
 - Loeb - 21.8%
 - Maple Leaf - 81.3%
 - Steinbergs - 58.3%
- Firestone strike (Quebec) end-important gains;
 - United aircraft strike begins; (Both are trans-nationals)
 - Ontario teachers demand right to strike;
 - Immigration Minister Andras announces 'interim' modification to select immigrants - increasing number of those whose skill is in demand;
- Statistics Canada reports wages lagging behind inflation for 4 million Canadians.
 - Significant change in point system - to relate it even more closely to job needs in Canada;
 - Andras negotiates with Mexico & Portugal to bring in contract farm workers, in addition to those from the Caribbean.
- Trudeau calls on Canadians to make New Year's Resolution to limit consumption.
 - Stanfield calls for brief wage/profit/price freeze for 90 days followed by more flexible control system;
 - Federal govt. announces phasing out of \$20 million it spends on transferring Prairie feed grains to Maritimes and BC.
 - Regional DREE offices set up
 - Child Allowance (federal) now taxable;
 - Trudeau claims Canada does no foreign espionage work.
 - Ciaccia, Quebec's chief negotiator with James Bay natives, submitted settlement plan for Native Claims of James Bay.
 - Federal Throne Speech emphasizes inflation (traced to international problems) esp. oil; food production and unemployment.
 - Agriculture dominated 25% of Throne Speech;
 - Nova Scotia Liberals returned.
 - D. Lewis and the NDP want stiff tax on excessive profits.

MARCH
'74

-Canada has \$356 million deficit from auto-pact in '73.
 -Bourassa opens doors to foreign investors; globe-trotting efforts of Quebec representatives to attract new capital;
 -Amendments to corporation tax laws in Quebec have drastically reduced the provincial tax on investment income earned by companies incorporated but not necessarily resident in Quebec.
 -Foreign Bank issue surfacing.
 -Concern expressed by Cdn. bankers.

-Turner blames price rises for inflation;
 -Turner introduces legislation to allow provincial participation in new & existing chartered banks;
 -Cdn. Arctic Gas Pipeline Ltd. (27 co. consortium) proposes to build gas pipeline through MacKenzie Delta to southern Canada & U.S. Only 11 of 27 companies are Canadian; \$10 billion price tag-inflationary because of vast scale.
 -Fed. govt. delayed offshore oil & natural gas drilling in Beaufort Sea (Arctic) after protest of COPE.
 -Food Prices up 17% over year.

-CLC cites inflation & unemployment as major problem.
 -Quebec Govt unwilling to raise minimum wage above present rate of \$2/hour; 400,000 workers affected.
 -Thousands of immigrant workers in Montreal paid less than minimum wage; many denied overtime pay
 -Strikes continue in Quebec against transnationals: United Aircraft, Westinghouse; Cdn. Gypsum; Dennison Mines, Great Lake Carbon (Kennecott). Injunctions against workers.
 -James Bay L-G 2 site -\$2 million damage by FTQ union; antagonism between FTQ & CSN - Cdn. Construction Industry asks govt to accelerate inflow of skilled immigrants; 100,000 workers needed for construction demands to 1980; 40,000 available internally.

-Trudeau threatens to call election on issue of oil/gas prices if Alberta unilaterally raises them.
 -Finance Minister Turner rules out price controls;
 -Progressive Conservatives call for greater use of armed forces at home (Arctic Sovereignty).
 -Ontario doctors get fee increase to last over 2 yrs.
 -\$100 million Cdn. Urban demonstration Program (housing)
 -P.C. annual convention-debate concept of Voluntary Economic Planning incentives to Canadian investors.

-Le Jour born.
 -Press covers story of James Bay fire (March 22) as example of union corruption without placing in wider context.
 -New publisher at G&M- Richard S. Malone, president of FP publications Ltd. and publisher of WFP becomes publisher and editor in chief of G&M.
 -Malone has reputation for extremely conservative view.
 -RCMP probe of Alta. reporters.

APRIL
'74

-Canada asks EEC for trade links - Trudeau defines "third option" of expanding trade with Japan and Europe
 -Foreign Investment Review Act (FIRA) becomes law on April 9, '74.
 -Thus, foreign takeovers of Cdn. businesses with gross assets over \$250,000 or gross revenue over \$3 million must submit to government approval.
 -U.S.-owned subsidiaries in Canada plan 16% increase in spending - on new and expanded operations; 21% increase in manufacturing; 17% increase in petroleum & \$4.4 billion increase in property.
 -Current state of foreign control:
 -58% in all manufacturing
 -65% of all mining
 -74% of oil and gas industry
 -99% of petroleum refining.

-Oil companies:
 Pacific Petroleum profits rose 44% over '72; Dome Petroleum profits rose 83% over '72.
 -First quarter profits for Imperial - 101%
 Shell - 78.1%
 Gulf -100%
 -Federal government proposes new & expanded Industrial Development Bank to provide special service to small businesses.
 -B.C. builders react to Barrett's land freeze;
 -Ontario cracks down on land speculators.

-Unemployment at 5.4%; 9.4% in 14-24 age group;
 -shortage of skilled labour in resource sectors
 -Postal workers protest declassification due to automation of system;
 -30,000 Quebec tenants fight rent increases - win new legislation - first since 1866.
 -Arctic Gas Study confirms Native poverty -1970 average per capita income: Indians-\$667; Eskimo-\$840; Metis;\$1,147; Whites-\$3,545.
 -Full scale review of immigration policy being proposed - public debate planned.

-Federal election called for July 8, '74
 -P.E.I. Liberals re-elected.
 -Profits Bill was introduced in the Commons as an amendment to the Combines Investigation Act. It is vague and exempts a number of areas that clearly have an inflationary impact on the economy: housing, farm produce, fish, service industries.

-Southam Press reports profits for first three months of '74 at \$3,707,000 up 13.9% from '73.

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MAY '74

- Procedures for screening of takeovers under criticism due to secrecy involved; decisions by FIRA will simply be announced with no explanation given;
- Ottawa buys 2 foreign-owned aircraft companies - de Havilland of Canada Ltd. (parent co. is Hawker-Siddeley), and Canadair Ltd. (parent is U.S. based General Dynamics Ltd.)
- Premier Barrett announces his govt intends to restrict amount of foreign control of real estate in B.C.
- Saskatchewan govt approves in principle bill to restrict foreign ownership of farmland; legislation provides for land-banking and limitations to size of parcels that can be owned by agricultural corps.
- Cdn. bankers say foreigners control 20% of short-term money market and call for amendment of Bank Act to control foreigners.

- Oil: federal govt to tax provincial royalty payments
- Oil companies mount huge advertising campaign against "restrictive" govt policy.
- Bank interest rates rising: hurting small business & housing construction.

- Unemployment 5.3%
- Cdn. Construction Industry notes probable shortage of workers;
- CLC Convention-locals revolt against executive control; vote for autonomy for branches of international unions;
- Joliette, Quebec-Firestone workers support Cdn. Gypsum strikers in same city; May Day celebrated in solidarity;
- United Aircraft workers celebrate settlement of Great Lakes Carbon strike with these workers.
- 32 labour pools set up to provide farm labour; contracts signed with Jamaica, Trinidad, Tobago, Barbados, Negotiations with Mexico.

- Election campaign; Lewis calls for stronger farm policy in support of farmers;
- Stanfield calls for wage/price controls but is vague.
- Trudeau & Liberals try to poke holes in P.C. policy suggestions;
- Govt to aid low income families (\$18,000 and under);
- Researchers denied access to files on treaty 8 (1899) involving NWT & Alta;
- James Wah-shee, NWT, told Berger Inquiry that legitimacy of hearings is questioned as Natives oppose notion that these lands are crown lands.

- Quebec - Bill 22 makes French the language of instruction.

JUNE '74

- IMF unfreezes gold price;
- UN declaration of New International Economic Order.
- Law of Sea Conference in Venezuela.
- Ontario restricts foreign brokers & regulates competitiveness.
- Ont. officials meet with 30 US businessmen to lure foreign investment.
- First ruling under FIRA approves sale of 9 Minn.-controlled Cdn. grain companies to another Minn. buyer.
- Bank says 100 foreign "near banks have come to Canada in last year. No foreign control or assurances that Cdn banks will receive reciprocal treatment abroad.

- Trudeau states that inflation is caused by international factors;
- Trudeau announces crown corp. called Cdn. Passenger Transport Corp. It will deal with inter-city passenger train service which is now responsibility of CN & CP.
- James Bay Development Corp. appeal injunction granted by Justice Mulauf in Nov '73 on behalf of the Cree and Inuit.

- Nfld unemployment rate compared to that of 1930 by CLC leader Joe Morris;
- Quebec accounts for 40% of Canada's unemployment.
- less than 10% of labour contracts have cost-of-living clauses (COLAS)
- Firestone imports U.S. tires to break strike of Hamilton workers demanding a cost of living allowance.
- Temporary workers movements approved by govt to meet farm labour needs;
- Alta Indian Assoc. approved immediate legal action to stall the multi-billion dollar Oil Sands pending negotiations of treaty rights;
- CIC criticizes lack of attention federal election to question of foreign ownership of the economy.

- \$42 million DREE money to northern Ont.
- Federal home buyers grants;
- GAINS-Ontario equivalent for GAI receives final approval in legislature;
- RCMP moving into international involvement to keep up with modern crime-RCMP Commissioner Nadon;

July '74

- EEC rejects free trade proposal (cf July '75 position)
- failure of some German banks
- Can-US auto-pact failed first quarter '74 in purpose of improving Canada's trade. Ford Canada laid off 5000 in Oakville truck assembly plant and St. Thomas car assembly plant because US strike cut off supplies. CF GM Can. CNSP Jly p.2.
- Ecodyne Ltd, a Chicago subsidiary, has received \$4 million contract for water treatment plant at Syncrude Canada Ltd's synthetic crude plant in Athabasca tar sands.

- Bank of Canada raises its rate for 8th time in 18 mos. - to curb inflation.
- Dominion Store profits for year ending March 23/74 jumped \$3 million from previous year.
- Sugar prices rose from 16¢ to 37¢ lb. from Dec. '73 to June '74;
- Inflation in Canada for May was second highest in any developed, non-communist country according to OECD. Annual inflation rate for year ending.

- Occupation of Anicinabe Park, Kenora, by Ojibway Warrior Society;
- Immigration to Canada increased 72% in 1st quarter of '74 when 45,302 newcomers came to Canada!

- Federal Liberals re-elected with majority govt.
- Task force of fed. govt. concludes: veto power for the provinces in the selection of immigrants incompatible with fed. responsibilities.
- Bias of govt grants schemes seen: fed. govt. refuses subsidy to 12 non-profit Manitoba old folks homes; continues to help 50-50 with private, profit-g geared housing;
- OHC residents petition CHMC to stop rent hikes;

SEPT. '74

- GATT predicts decline of world trade;
- World food production down;
- FIRA hands its 8th favourable foreign takeover of Cdn. firm.
- Edmonton publisher Mel Hurtig predicts foreign ownership in Canada will increase by minimum of \$25 billion by '78. Trade between Canada & US mostly conducted between parent firms in the US and their subsidiaries in Canada.
- 5 member party committee of Ont. legislature urged government to set 75% target as Canadian equity in all new mining ventures over the next 15 years.

- The national debt of Canada will reach \$30 billion by end of '74.
- Canadian Conference on Banking calls for control on foreigners; Bouey of the Bank of Canada wants power to regulate foreign banks; Toronto Star says foreign banks do not benefit Canadians since many finance their operations out of Cdn. savings rather than importing new capital
- the great egg scandal.
- shortages in housing supply evident; housing starts down.

- Turner states that Canada's major industrial problem is industrial disputes;
- Labour minister Munro proposes tripartite body of labour, management & govt leaders;
- Labour force participation rate at highest in 14 yrs.
- International Woodworkers call on federal govt to lower interest rates; remove tax and subsidize housing;
- Montreal Transit strike over cost of living increases; Workers struck before end of contract; Judge refuses to order workers back to work;
- Deportation of Haitians begins; 1,500 Haitians considered illegally in Canada;
- Native Peoples Caravan crosses Canada amidst sensationalist news reporting and police obstruction.

- First Premiers Conference affirms provincial control over natural resources;
- Turner is seeking to reassure business by a new emphasis on financial restraint coupled with postponement of new programs;
- anti-profiteering bill will not be introduced before next year; the majority govt's independence from the NDP removes much of the political motivation for the bill;
- Increased DREE money to N.S. for Halifax-Dartmouth, strait of Canso, tourism, & gas exploration;
- Allegations of police brutality grow;

- Press covers Cliche Commission hearings, plays up violence & corruption in construction; portrays unions as the bad guys.
- Irving's appeal ends in delayed decision.

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- OCT. '74
- Canada joins petroleum consumers' assoc. (International Energy Agency - IEA).
 - Statistics on % of and growth of foreign investment in Canadian dollar terms the size of American investment in Canada higher than in any other single country;
 - foreign ownership of Cdn. business, industry and resources has increased about \$15 billion in last 3 yrs.
 - jobs lost through closing of American plants in B.C.
- NOV '74
- WORLD FOOD CONFERENCE:ROME
 - 13 applications for acquisitions of Canadian firms were accepted by FIRA; 5 denied;
 - Companies which sold out were involved in manufacture of auto parts, heavy equipment, cosmetics, drainage pipes, etc.
 - 2 American jeans manufacturers receive grants to open plants in Canada; Richard Sinclair of Hamilton Carhartt Ltd., a Cdn. clothing manufacturer, said his firm will close down as will many other Cdn. manufacturers because Cdn. tax money is being used to aid U.S. manufacturers.
 - Statistics Canada released information indicating profits made by foreign manufacturing multinationals.
- First reports of no growth in Canadian economy;
 - Cdn Pacific profits rose 50% in '74.
 - Small business complains it's being squeezed by inflation;
 - Nfld commercial fishing hits all time low;
- New federal budget stresses recession as larger problem than inflation; introduces income tax cuts as well as cuts in govt spending;
 - National Energy Board reports that Canada's self-sufficiency will end by '82;
 - Federal Budget removes tax deductible status of provincial oil and gas royalties; exploration rigs leave for the U.S.
 - Prime lending rate is at a high of 11%;
 - Small businesses are turning to govt agencies and other financial institutions because they cannot get loans from the chartered banks;
 - Housing - federal govt removes sales tax on materials; private sector reacts badly to govt land banking;
- Traditional unemployment now seen as closer to 5% than 4%;
 - Unemployment up to 5.8%; increase in numbers of women and youth among unemployed grows;
 - Federal legislation ends grain handlers strike;
 - Cliche Commission reveals that the govt gave FTQ a monopoly at James Bay because Bechtel Corp wanted them rather than the nationalist CSN Central.
 - Native Peoples' Caravan confronted by RCMP riot squad at opening of Parliament;
 - Dept of Manpower & Immigration continues deportation of Haitians;
 - Prairie provinces criticize immigration policy changes - contradictions apparent between some provincial needs & federal policy suggestions;
 - Dept. of Labour reports wages are ahead of inflation;
 - Specific regional job shortages continue high across country;
 - Migrant or contract labour seen by many Cdn. employers as a way of solving serious labour shortages in Canada - e.g. oil sands production.
 - U.S. international unions withhold payments from CLC to protest Cdn. autonomy standards;
 - James Bay agreement in principle reached by Que. govt;
 - Quebec court order overturns temporary injunction won by the Native People;
- Federal Throne Speech after recent elections - announces that anti-profiteering legislation is to be reintroduced; inflation seen as top priority; govt will fight inflation by increasing supply and restraining govt spending;
 - Western Premiers Conference - very specific demands presented by the provinces; although the premiers agreed on the need to coordinate the economic development of the west as a region, they disagreed on crucial issue: that of sharing the revenue derived from oil & gas;
 - Ontario and Winnipeg welfare recipients receive payment increases;
 - Ontario rejects rent controls - adds \$100 million to housing program;
 - Defence Minister Richardson announces his "elite force"
 - Passing Law 51 - authorizes inquiries into organized crime & also covers terrorism and insurrection;
 - Ottawa announces decrease of equalization payments to West because of huge oil & gas royalties received by some western provinces;
 - New Brunswick Conservatives are re-elected;
 - Ontario P.C.'s lose by-election;
 - Armed Forces reduce sovereignty flights;
 - Solicitor General Allmand admits RCMP gathered information on Roy Atkinson, president of National Farmers' Union.
- Trudeau asks for "restraint by everyone" because of inflation;
 - Press emphasizes corruption in unions in its coverage of Cliche Commission, but Quebec govt is equally responsible - by favouring FTQ over CSN, making special deal with FTQ.
 - "World Food Crisis" becomes special issue in the press
- Saturday Night folds;
 - Stand on Time & Readers' Digest eases;

CANADA-INTERNATIONAL

DEC '74

- US begins attacking recession rather than inflation;
- US fights OPEC through financial agencies such as World Bank;
- 11 more takeovers of Cdn. companies by foreign - mostly American multinationals. 3 takeovers rejected by FIRA;
- Cabinet overrules one rejection verdict by FIRA - probably as a result of pressure from Quebec because the govt sees the possibility of becoming a minority shareholder;
- Ont. govt exempts 6 more companies from land transfer taxes; 16 companies, mostly American have been granted such exemptions;

JAN '75

- Quebec and France begin talks on James Bay enrichment plants;
- Reports on growing foreign ownership of land in both N.S. and Manitoba have been prepared;
- Both reports suggest that restrictions on foreign ownership is necessary because traditional way of life is being destroyed & prices rising so much that most people cannot purchase farmland.
- As of July '74 about 1.3 million acres of agricultural land in Man. (total 21 mill. acres) was owned by foreigners.
- Arab oil interests have offered Cdn. govt about \$1 billion for housing;
- Dalhousie Institute for Public Affairs reports N.S. is being bought up by foreigners at rate of over 4% a yr.
- International Womens' Year begins; Canada allocates \$500,000 to women's groups programs;

ECONOMY

- Energy Minister Donald McDonald accused the oil companies of economic blackmail as they announce substantial cutbacks in exploration & development activities;
- Production cutbacks hit manufacturing;
- Western Grain Stabilization Act debated. Western farmers angered because Act is damaging to small farmer
- An "economic nationalist" amendment that would have prevented the proposed federal business development bank from making loans to foreign-controlled firms has been voted down by the Liberals.

- Turner begins search for voluntary wage/price controls;
- signalling that recession rather than inflation is the real problem, the Federal Reserve Board & Bank of Canada have both lowered their lending rates;
- Cost of living increased by 12.4% in '74; Food prices rose 16%; Loblaws earned \$6.7 million in '74
- Cdn. Transport Commission allowed freight rates to rise 10.5% on domestically shipped grain, lumber, meat.
- Demand for loans falling off; interest rates lowered by Bank of Canada;
- Danson rejects provincial demands re/ increased money for housing;
- Synchrude project price rises from \$750 million to \$2 billion.

WORKERS, PEOPLE, OPPRESSED

- United Aircraft workers vote to continue strike - now in 11 month;
- Teachers in Windsor strike - to win 30% salary increase;
- Job requirement is 'fundamental principle' not to be abandoned during long public discussion on immigration;
- Multi-racial dangers cited by Quebec Minister of Immigration, Jean Bienvenue.

- Unemployment up to 6.1%; demand for primary products remains high; Cutbacks occur in trade dependent secondary manufacturing: forestry, textiles, autos;
- Turner states that cause of inflation is rising wage rates;
- Andras proposes restrictions in Unemployment Insurance Act.
- Iron workers (Quebec) strike at Olympic site for higher wages; govt capitulates;
- Native Indian Brotherhood (NWT) spearhead a united front against MacKenzie Valley Pipeline;
- Immigration climbs 38.8% in 1st 9 months of '74.
- Foreign doctors face quota restrictions;

GOVERNMENT

- Federal members of parliament decide on 33&1/3% salary hike, retroactive to July '74;
- Provincial Finance Ministers fail to reach agreement on resource taxation;
- DREE shifts 70% of federal dept employees to regional offices;
- Ottawa & provinces announce \$50 million plan to put welfare state in order;
- The Manitoba govt is moving towards a complete takeover of the province's dairy industry by proposing a milk processing plant at Selkirk;
- Federal govt decides to increase defence spending;
- Leaking of police wire-tap activity around SIU case;

- Federal govt disapproves of proposal by Premier Barrett that the export price of natural gas in B.C. be raised to \$1.93 per 1,000 cubic feet & that the additional \$1.08 above B.C. retail be distributed among federal, provincial, & municipal levels;
- Exposure of CIA industrial espionage & intelligence service in Canada in cooperation with RCMP.

CULTURE

- Govt & business representatives begin defending the system;
- Industry, Trade & Commerce Minister A. Gillespie proposes the concept of 'responsible enterprise' to replace the 'free enterprise' language.
- Press reports strike of ironworkers on Olympic as example of the power greed of workers;

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FEB '75

-FIRA has approved acquisition of 3 more Cdn. companies by foreign interests. Takeovers involve: concrete pipe manufacturer in Quebec by Australian interests, mobile home company by an American firm in Saskatchewan, construction company in Alta by a British firm; so far, 41 takeover applications have been approved while only 9 have been rejected.

-All 10 provinces are determined to oppose the implementation of Pt. II of FIRA on the grounds it would drive away investment capital at a time when unemployment is rising across the country;

-Ottawa, Alta & Ont. provide \$1 billion in investment loans & infrastructures for Syncrude. For providing 60% of the capital, the provinces will get 30% of the control.

-Kraftco recorded sales of nearly \$4.5 billion and profits of \$95.6 million in '74.

-Bank of Canada blames rising wages for inflation;

-In the 3rd quarter of '74 44% of new contracts had COLAS.

-Cdn. Public Service Alliance workers face hardline from treasury board in seeking parity with the private sector.

-Cdn. business executives favour tight immigration.

-Manitoba Indian Brotherhood upset over passage of Bill 15 by Federal Parliament. The Bill denies Indian people any form of direct management of oil & gas on their reserve land.

-Federal expenditures to rise by 15%; the main estimates for '75/76 tabled in the House, predict an expenditure of \$28.24 Billion. The 3 largest areas of expenditure are health & welfare, economic development support, and servicing of the public debt.

-600 pg. Green Paper on Immigration published by federal govt on Feb 3/75. Four basic options presented

-NWT get a 2nd federal riding

-Solicitor General Warren Allmand told the House of Commons that information may have been sought from the CIA in connection with prospective refugees from Chile following the coup in '73.

-Corp executive John S. Bu chief exec. of Bovis Corp suggests that the word 'profit' should be eliminated.

MARCH '75

-US Secretary of the Treasury, Simon, visits Ottawa and stress danger of inflation.

-March 4-14 more takeovers of Cdn. businesses approved; 1 rejected - 8 involved U.S. companies; 3 were British; 1 Swiss, 1 West German & 1 a Leichtenstein-based company;

-March 19 - 10 more takeovers approved; 2 rejected; 7 American; 2 British & 1 French firm involved.

-Statistics Canada figures for '72 (latest figures available) show foreign ownership at 35% of Cdn. economy; See CSNP Vol. III, #3 for breakdown according to sectors;

-Controversy increases over Arctic pipeline;

-Competition between Cdn. Arctic Gas and the so-called "all-Cdn" Foothills pipeline. Both projects will increase the participation of US-controlled companies in the Cdn. economy;

-Industry demands that high gas export levels be retained despite studies proving Canada will lose energy-self-sufficiency by '83. High-exports will exhaust conventional gas supplies and this will force Canada to depend on highly complex, capital intensive frontier projects controlled by US corps: a further increase of American control over Cdn. economy.

-Turner blames wage increases for inflation;

-Cdn. govt blames workers for trade deficit;

-Unemployment up to 6.8%; highest job opportunities in service and clerical jobs;

-6,000 migrant workers to be recruited from Mexico & the Caribbean for 6-8 wk. periods as farm labour. Wage is 2.40 hr.

-Parliament legislates BC longshoremen back to work.

-Asbestos workers (Que) strike begins - 1st since '49 - on wages & health conditions.

-Parliamentary Cttee. formed to hold nationwide hearings on Immigration Green Paper.

-James Wahshee presents new land settlement for NWT;

-First native majority in legislative assembly of NWT;

-Testing for mercury poisoning begins in Kenora.

-Alta PC's re-elected.

-A study of govt secrecy by non-govtl group concludes there is too much secrecy and security provisions are misused for govtal convenience.

-Federal govt claims Gulf of St. Lawrence as Cdn territorial waters; US won't recognize this claim.

-CRTC becomes CRTTC taking over responsibility for tele-communications formerly handled by the Transport Commission;

-Nation-wide petition urges return of death penalty.

APRIL
'75

-In 1st 3 mos of '75, volume of Canada's exports declined 10% & the deficit in merchandise trade (the difference between what we bought and what we sold) was the largest ever recorded, \$617 million. Reduced exports included oil, grain, lumber, cars and some metals.

-7 more takeovers of Cdn businesses allowed; many in oil and gas sector;

-In US, for 3rd time in 2 years, a large US company has gone to court to fight a takeover bid by a Cdn. company;

-Govt is considering extension of foreign investment controls to cover its own agencies and crown corps following recent moves by CNR to sell one of its subsidiaries, Chapman Transport Ltd, to a wholly owned subsidiary of Puqua Industries of Atlanta.

MAY '75

- NORAD renewed for 5 yrs.

-Law of Sea Conf. No result;

-Pt. 2 of FIRA delayed; Cabinet divided over implementation; recession causing tension. 2nd half of legislation refers to increase of Cdn. technological activity: 95% PATENTS OUTSTANDING IN CANADA ARE FOREIGN REGISTERED: 2/3 Am.

-200 foreign "near banks" operating in Canada outside Bank Act. Cdn Bankers don't want limits on foreigners that would jeopardize operations of Cdn banks abroad.

-First Premiers Conference reaches non-unanimous decision to raise oil and gas prices;

-Power Corp attempts takeover of Argus Corp. (unsuccessfully)

-25% drop in Canada's auto production; in 1st 15 wks of '75'

-B.C. legislation for provincial banks.

-Real domestic product fell .1% for first quarter of '75.

-Oil companies allowed to raise domestic price of gas;

-Sarnia-Montreal pipeline approved: construction by Inter-provincial Pipeline Ltd.

-Turner held one meeting with business leaders of corps such as Imperial Oil, Dominion Stores, Noranda Mines, Royal Bank & GM; no commitment to voluntary controls.

-Rise in Cdn. auto sales benefit US producers. US sales slump hurts Cdn. makers. (70% of cars sold in Canada are made in US. 70% of cars made in Canada are sold in US).

-\$900 million generating plant at Bay of Fundy (NB) given approval.

-Unemployment hits highest level since July '61.

-More strikes in Quebec; Longshoremen in Mtl, Quebec and Trois Rivieres refuse the Gold Report which recommended a scheme whereby the annual wage works out to 1600 hrs but the workers must be prepared to work overtime in heavy weeks to offset the slow weeks;

-Publication of the CEQ of the May Day Manual.

-Union of BC Indian Chiefs urge united front to reject provincial & federal funding for native people in BC.

-Asbestos strike: Bourassa govt refuses to put pressure on foreign corp involved, stating that it is a dispute between the company & workers; it took same position in United Aircraft strike.

-Turner states that labour wage demands are forcing Canada out of the international market;

-3 BC forest industry unions negotiate as united front against companies;

-Quebec govt uses Cliche Commission report to act against corrupt union leaders but does nothing about recommendations to restructure the industry and provide security for workers;

-Bill 100 gives teachers in Ontario the right to strike: except principals & vice-principals;

-Oil, chemical & Atomic Workers Union urge federal govt to recognize native claims in NWT.

-Turner announces new budget coming

-Quebec & Ont plan to bring down anti-inflationary budgets; MP's raise their wages 33&1/3%

-Trudeau has established his first royal commission to inquire into corporate growth, mergers & acquisitions;

-Quebec govt calls CEQ May Day Manual ("A School Day at the Service of the Working Class") subversive.

-Trudeau hints at secret communication monitoring by the defence dept.

-200,000 name petition from across Canada is presented to the Commons in favour of capital punishment (by Reynolds, PC MP from BC).

-Turner proposes national consensus on wage/price restraints; calls for 12% or \$2400 ceiling on wage increases;

-Federal proposals for wage freeze are released;

-Nfld states right to control offshore oil & gas over federal govt.

-Federal/Provincial conference on new welfare system is postponed till Sept.

-US connection to the Law Enforcement Intelligence Unit (LEUI): a country-wide police organization;

- Press reports Longshoremen strike as disruptive and against public interest, but points out insecurity of workers in Gold report.

-Gallop Poll indicates 69% in favour of capital punishment for the "killing of any innocent person".

-Press uses Cliche report to continue to put unions in general under suspicion.

CANADA-INTERNATIONAL

ECONOMY

WORKERS, PEOPLE, OPPRESSED

GOVERNMENT

CULTURE

JUNE
'75

-EEC report recommends free trade with U.S.
-Cdn Govt promotes exports to Japan and France makes concessions on foreign investment & raw material resources;

----FIRA ACTION TO DATE--
total reviewable proposals: 167. Total resolved: 104 of which: allowed: 64 deemed allowed: 3 disallowed: 16 withdrawn: 18 pending: 63

SOURCE: Bank of Mtl Review June '75

-PEI leads in limiting land ownership by foreigners; Supreme Court upheld validity of PEI laws restricting foreign ownership of land in the province;
-International Women's Year Conference in Mexico City: Manifesto proposed by 77 developing nations demanding that womens' issues be put in economic & social political context.

JULY
'75

-Cdn ban on Soviet fishing off Nfld.
-PEI land laws spark controversy: several Cdn newspapers including WFP & TS raised spectre of balkanization.
-See chart on foreign direct investment in Canada -CNSP Vol III, #7.
-International Womens' Year Conference ends with manifesto signed by 77 developing nations; Canadian position, compromising & often aligned with developed, industrialized nations; Canada abstains from vote on manifesto; US votes against it.

-GNP FELL 1.4% for 1st quarter of '75; effects of international recession set in
-Federal budget brought down; rejects wage/price controls while warning wage gains by labour make Canada internationally non-competitive;
-Federal Business Development Bank is indefinitely delayed as a result of Turner's cut-backs in the new budget; hurts small business;
-Federal govt places excise tax on crude oil and raises its price;
-Ont. freezes oil & gas prices.
-Marchand releases Transportation Policy; Govt will spend \$44.5 billion over 15 yrs.
-Having given cautious approval to Manitoba's new mining legislation, the corps are now threatening to pull out of the exploration in the province. Sherritt Gordon & Newmount Mining Co. have already done so.

-Predictions that economy will pick up for the last half of year;
-NDP accuses oil industry of cynical manipulation of statistics, of attempting to stampede Canada into an Arctic gas pipeline & of blackmail.
-N.S.'s govt allowed by Supreme Court to disallow unjustified price rises by oil companies;
-Autopact - Canada had a \$410 million deficit in auto trade with US for 1st 3 mos of '75.

-Jobs in service sector continue to hold unemployment levels down;
-CISO (International Conference of Workers' Solidarity) held in Montreal; Representatives from unions in Quebec & from 3rd World plan strategies to deal with transnational corps.
-Quebec- striking asbestos workers march on Nat. Assembly & win legislation changes for increased compensation for asbestos related diseases.
-Immigration "green paper" hearings continue across the country;

-Unemployment up to 7.2%; 14-24 age group up to 12.6%
Regional unemployment disparities continue to widen as the traditional depressed areas (Maritimes & Quebec) have unemployment rates which grow continually worse;
-Post Office negotiators refuse to deal with job classification & pay security in collective agreement with postal workers;
-United Aircraft strike (18 months) still not settled;
-Workers across Quebec support striking asbestos workers: contribute \$175,000 for support fund;
-Native People of NWT demand formal recognition by legislation of aboriginal rights.

-Federal budget brings in anti-inflationary measures & warns labour against big gains;
-Federal Tories oppose BC provincial bank;
-Saskatchewan NDP are re-elected.
-Housing: govt budgets \$200 million to subsidize middle income earners;
-Increase in recruitment of armed forces;

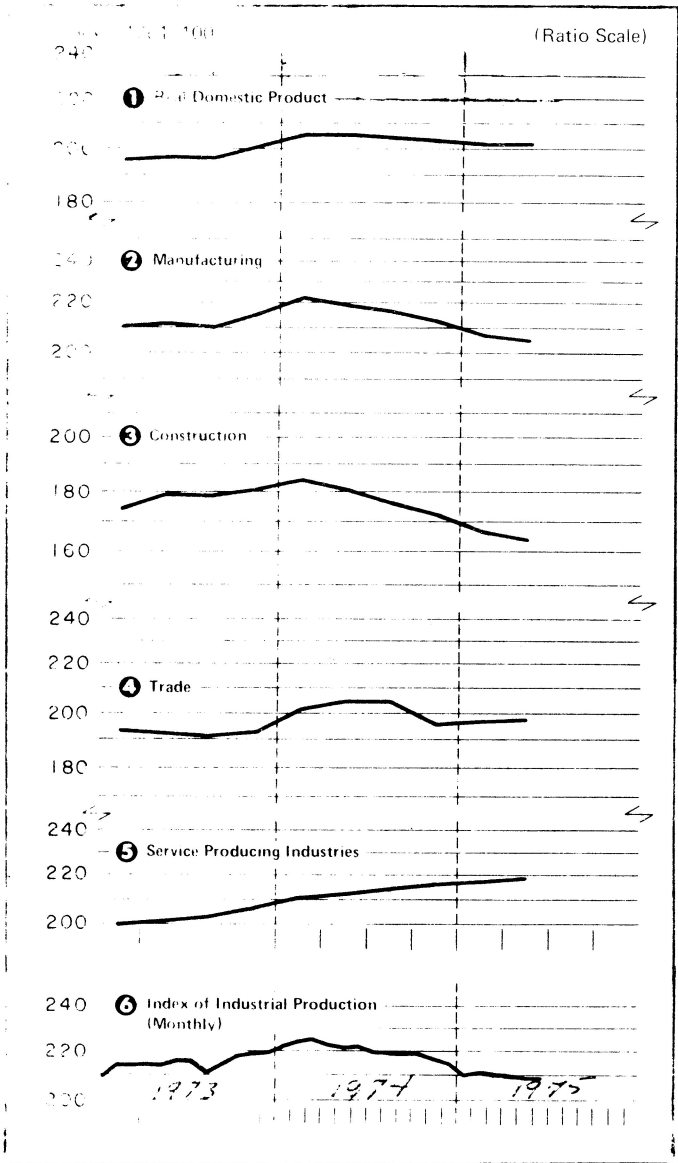
-NDP leadership convention with election of Ed Broadbent. Press concentrated on the leadership race and personalities & ignored the work of the convention as a policy-making ideological body.
-Minister of Justice: Otto Lang, prepares package plan to push for abolition of capital punishment;
-Walkout by 7,000 federal prison guards in favour of capital punishment;
-New anti-terrorist squad of the Ontario Provincial Police is formed: Tactics & Rescue Unit;

-Monopoly conviction against Irving overturned;
-Increased ideological debate in the press by big business leaders (e.g. Collier, GM pres.) in defence of free enterprise system;
-They see dangers to the free enterprise system in the lack of confidence in it and the criticism it receives; increased criticism of govt involvement in the system through taxes, controls & govt spending; (Sources: John Bullock, Investors Group, Cdn Medical Assoc, etc.)

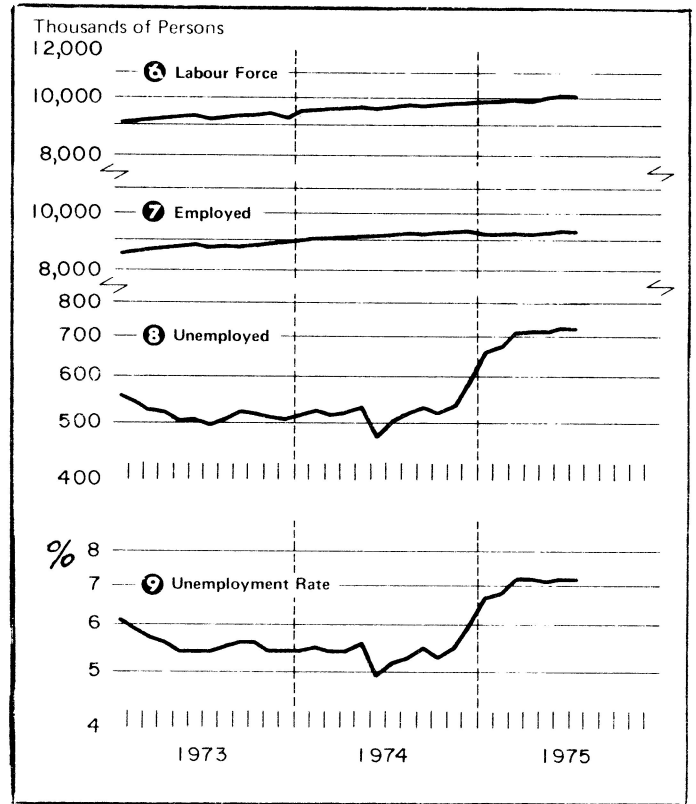
-Trudeau calls for Canadians to "look beyond narrow self-interest and make reasonable sacrifices to improve the quality of life."
-Bell Canada intimidates Cdn. Transport Commission (CTC) with layoffs unless granted more rate increases.

GRAPHS AND CHARTS

Domestic Production by Industry



Labour Force Survey

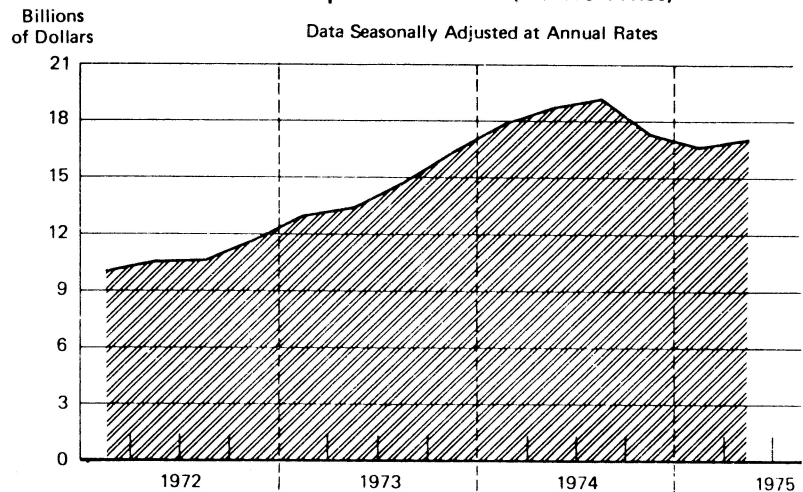


1975 AVERAGE SALARIES

Top Corporation Executives	\$200,000
Presidents, Canadian Corporations	\$ 62,000
Prime Minister, Salary & Expenses	\$ 72,575
Family Doctor	\$ 45,200
Lt. General, Canadian Forces	\$ 41,500
Beryl Plumptre	\$ 40,000
Senior Government Economists	\$ 35,000
Lawyers	\$ 35,000
Member of Parliament	\$ 34,600
Consulting Engineer	\$ 30,500
Investment Analysts	\$ 25,400
Middle Corporate Managers	\$ 23,000
University Professors	\$ 22,600
Air Traffic Controllers	\$ 23,000
Electrical Technician	\$ 17,125
Newspaper Reporter	\$ 16,500
RCMP Constable	\$ 16,100
Tool & Die Journeyman	\$ 15,700
High School Teacher	\$ 15,000
Construction Worker (skilled)	\$ 14,250
Nurse	\$ 13,700
Automotive Assemblyman	\$ 13,000
Construction Labourer	\$ 13,000
Pulp and Paper Worker	\$ 12,400
Letter Carrier	\$ 11,400
Garbage Collector	\$ 10,500
Secretary/Typist	\$ 9,100
Textile Worker	\$ 8,000
Keypuncher	\$ 8,000
B.C. Farmer	\$ 7,764
Factory Labourer	\$ 7,400
Stenographer	\$ 6,800
Ontario Farmer	\$ 6,700

SOURCE: The Financial Post,
August 30, 1975;
Statistics Canada,
1975.

INFORMAT SEPT. 5/75, p2 Corporation Profits (Before Taxes)



Source: National Income and Expenditure Accounts (13-001)

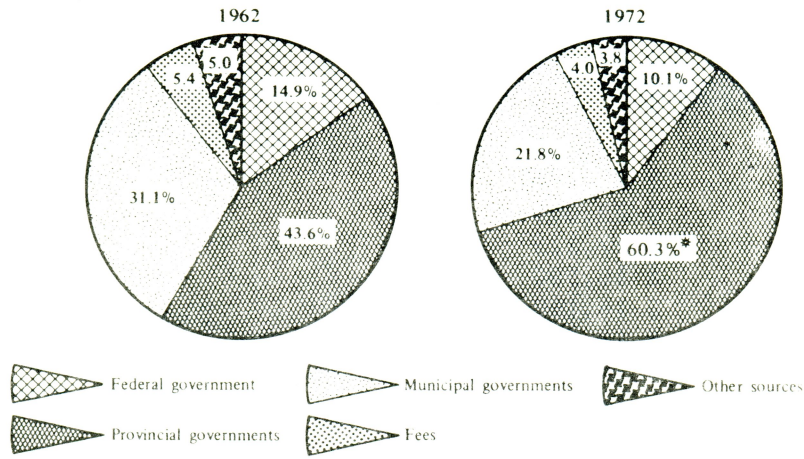
Distribution of total income by all family units (Families and Unattached Individuals) 1951-1973

Canadian family units divided into five groups equal in number	Percentage Distribution of Total Income				
	1951	1961	1971	1972	1973
fifth of Canadian family units with lowest income	4.4 %	4.2 %	3.6 %	3.8 %	3.9 %
2nd fifth	11.2	11.9	10.6	10.6	10.7
3rd fifth	18.3	18.3	17.6	17.8	17.6
4th fifth	23.3	24.5	24.9	25.0	25.1
5th fifth of Canadian family units—those with highest income	42.8	41.1	43.3	42.9	42.7

Source—Statistics Canada, **Income Distribution by Size, 1973.**
Income Distributions (non-farm families and individuals),
selected years 1951-1965.

INFORMAT
JULY 18/75 p1

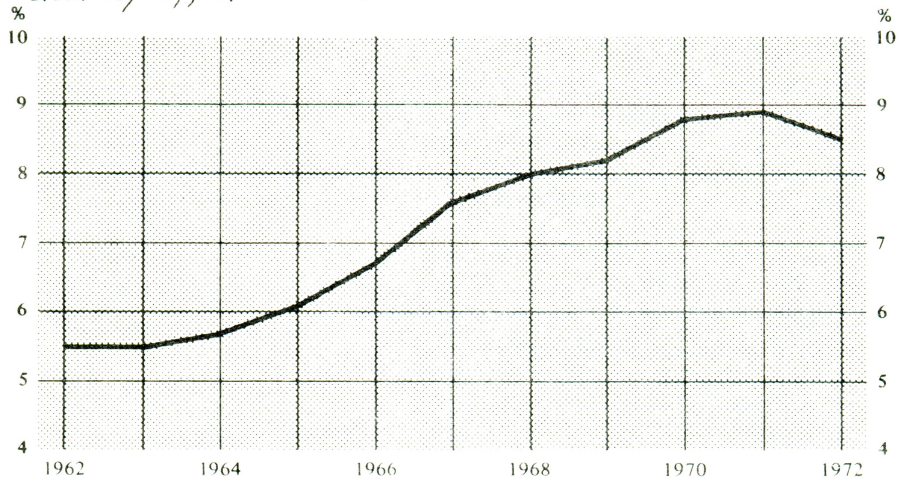
**Source of Funds for Education,
 Canada, 1962 and 1972**



* Includes federal transfers of funds to provinces for post-secondary education.

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JULY 18/75, p2.

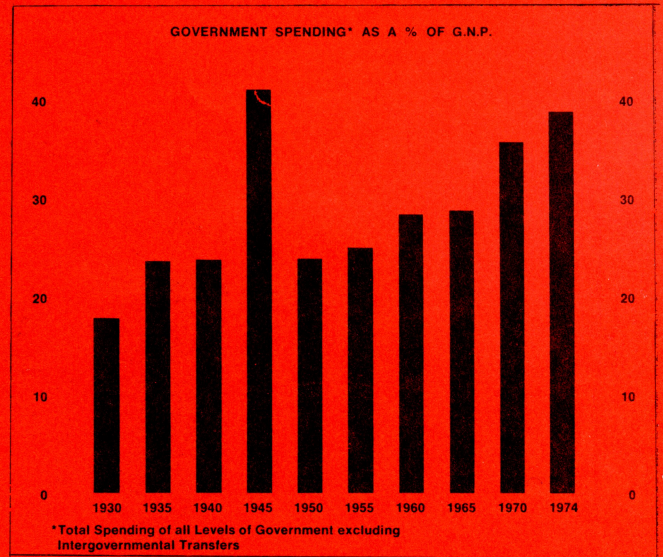
**Expenditure on Education as a
 Percentage of G.N.P., 1962 to 72**



CONSUMER SPENDING & INDEX

Consumer Spending Annual Level June 74-June 75	
Goods & Services	88.5bill increase of 2.5%
Inc	84.9bill
Cor. profit	17.0bill

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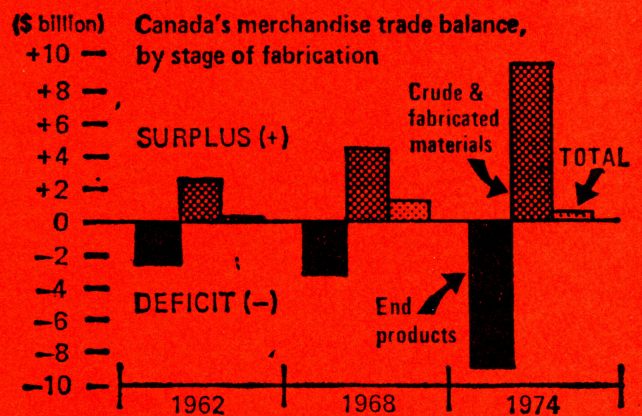
Between July 1974-75 the All Items Consumer Price Index advanced 11%

Component Index Increases	
Food	14.8%
Tobacco&Alcohol	12.9%
Health&Personal care	11.6%
Transportation	11.2%
Recreation/education/reading	10.3%
Housing	9.2%
Clothing	5.4%

Informat Sept 12/75

TRADE

AUTOMOTIVE PRODUCTS TRADE WITH U.S.	
Imports increased	16%-\$3.81bill
Exports increased	8%-\$2.83bill
Deterioration of trade due to rising imbalance in vehicle parts trade.	
AUTOMOTIVE PARTS TRADE WITH U.S.	
Exports declined	\$60 mill to \$879 mill
Imports increased	13% to 2.23 bill
Can. Automobiles to U.S.	\$220 to \$1.01bill ±28%
Can. Trucks to U.S.	\$29mill to \$468mill
* Informat Sept 19/75	



Source: The Conference Board in Canada.

