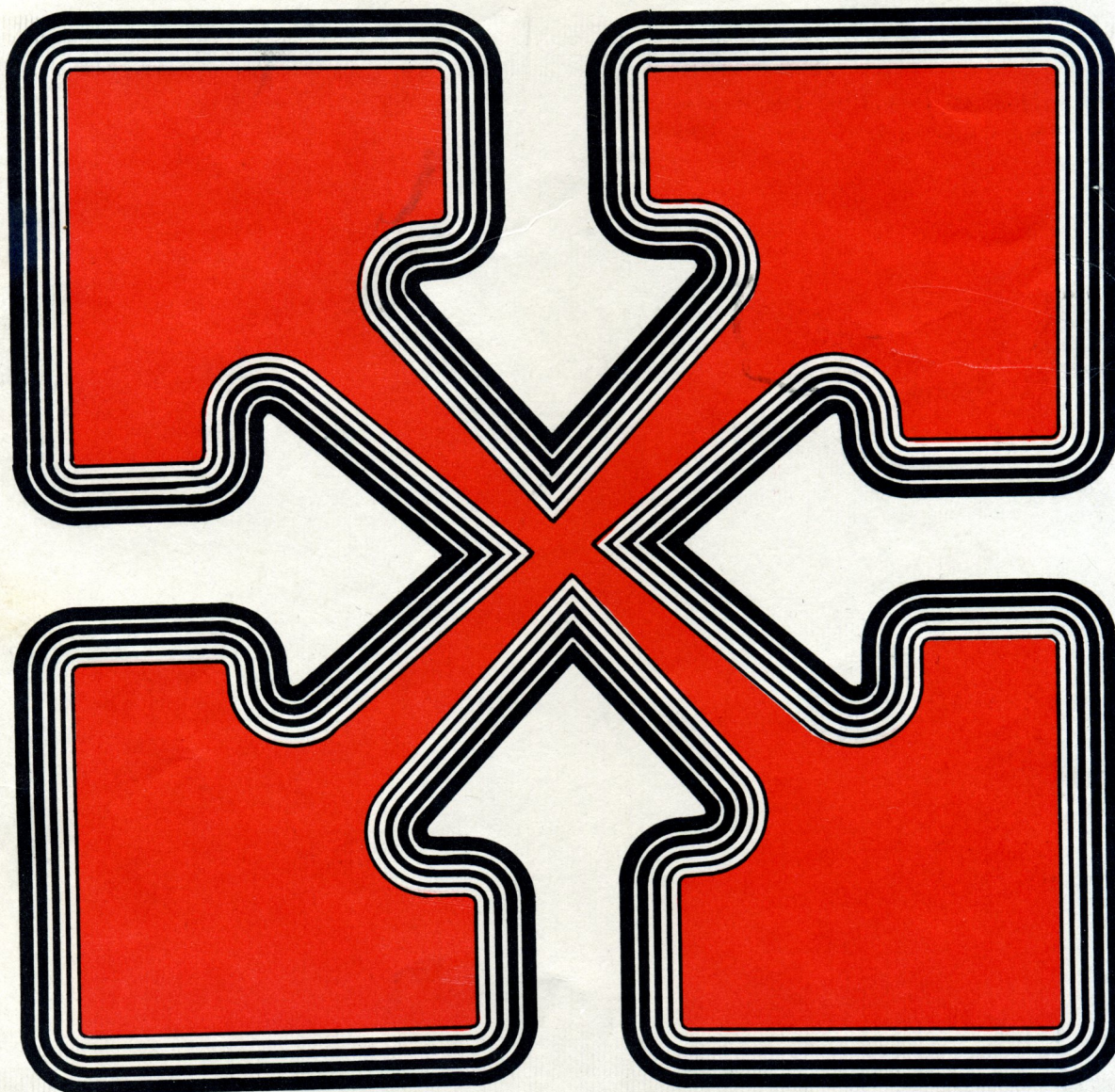


Synthesis

A Review of Events Reported in the Canadian Press



HIGHLIGHTS

- Corporations Want Free Trade
- The Alcan Pipeline Inquiry
- Lewis Resigns Ontario NDP Leadership
- Is RCMP Out of Control?

Volume 5
Number 6
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Canadian News Synthesis Project

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

CNSP is co-producer of *Latin America and Caribbean Inside Report (LACIR)*, a monthly interpretive news bulletin.

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<i>Globe and Mail</i>	GM
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CANADA AND THE WORLD

INTERNATIONAL



CNSP NOTE: See also *Trade and Economy: General* this issue.

ECONOMIC FORECASTS

A special group of economists, named the Shadow European Economic Policy Committee, has advised long-term answers for inflation. The 10 member group includes Canadian Michael Parkin of the University of Western Ontario. The group criticised mushrooming public sectors, and advised governments to reduce monetary supply gradually to achieve stable price levels. It stated growth can be increased by transferring resources from "inefficient" public uses to more "efficient" private uses, and criticized the growth of domestic and international bureaucracies. It cited tax relief as the best means of increasing employment. GM 28/5/77 p. B13 special

U.S. RECOVERY WON'T HELP CANADA

Ottawa and Washington officials state that a U.S. revival this year will be of only modest support to the Canadian economy. Extra U.S. purchasing power is being drained into paying for oil imports at a massive rate, and in non-oil trade the U.S. is continuing to run up large surpluses. EJ 15/6/77 p. 81, Peter Cook, FTC

OECD PLANS GROWTH STRATEGY

An independent group of experts, chaired by Paul McCracken of the University of Michigan has advised the Organization for Economic Cooperation and Development that industrialized countries' growth rate could attain 1960s levels in the next five to ten years. Strategy for growth should be based on increasing the exports of less developed nations and maintaining a flow of real resources to them in the form of capital exports. GM 10/6/77 p. B1, Leo Ryan.

The 24 Member OECD has set its sites on imposing the West's growth rate from the present level of 4 per cent per year toward 5.5 per cent. The OECD has agreed to set public targets for the amount of money member governments plan to inject into the economy. This indicates the growing influence of the so-called "monetarist" school of economists in the policy of the West. The monetarists argue that inflation caused unemployment, and claim the only way to sustain high employment is to keep the money supply expanding at a slow and constant pace. Many economists argue, however, that with high unemployment, more expansion policies are necessary. The OECD nations agreed to devote more foreign aid to the poorest nations, but could reach no agreement on how to sustain links with the Arab and other oil-exporting nations. GM 23/6/77 p. B2 NYT and Leo Ryan, GM 24/6/77 p. 3 CP

CIEC TALKS END

INTRODUCTION: Virtually two years of negotiations ended in discord and disarray in Paris in early June. Following various preliminary discussions, a Conference on International Economic Cooperation among a select 27-member group of rich and poor nations was begun, at the initiative of President Giscard d'Estaing of France, some 17 months ago. Rich nations have tended to divert serious discussion of energy, debt and commodity problems to CIEC, in the hope that it could be more neatly managed than discussions in the large UNCTAD organization. Only after heavy pressure from oil countries did the rich agree to broaden the discussions from their priority worry of energy prices, to the third world's concerns of better commodity prices and debt relief. The result has essentially been a prolongation of "Talk", avoiding open confrontation with the oil countries, but delaying and deflecting action in a number of other fields. After a final ministerial level session in Paris in early June, 1977, CIEC spoke up, with no agreement to continue energy consultations, and with doubt regarding followthrough on promised action on debt relief and a common fund for commodity trade. The futility of the efforts at an overall agreement must be placed beside the continued inability of trading nations to agree to commodity stabilization agreements in even one or two commodities. Despite the optimistic words of Conference Co-Chairman Allan MacEachern of Canada the result of the 17 months of high level, select and well orchestrated talks can only be an additional layer of cynicism among the poor.

CANADA AND THE WORLD

CIEC: THE "NORTH-SOUTH DIALOGUE"

Conference Co-Chairman Allan MacEachen cites Canada's interest in energy as the priority area for the reconvened CIEC talks in Paris at the end of May. CIEC was initiated in 1975 in an attempt to find a formula for a producer-consumer dialogue on energy as a result of sudden oil-price hikes by OPEC. CIEC was to have ended with ministerial talks at the end of 1976, but disagreements prevented resumption of talks at that time. Since the Carter administration assumed office there is new momentum and hope for positive results. At the London summit, the seven western economic leaders pledged to work for success at CIEC. Speculation revolves around several key issues:

- agreement in principle on creation of a common fund for stabilizing prices on a number of key commodities.

- setting up a \$1 billion fund for emergency relief to help the poorest nations having balance of payments problems.

- helping with an African infrastructure program.

- an undertaking by industrial countries to periodically revise commodity agreements taking into account general inflation and monetary fluctuations or an indexing of such prices to western inflation.

- in return for such guarantees third world countries might offer access to raw materials and greater security for foreign investments. HCH 21/5/77 p. 1 staff, GM 24/5/77 p. B3 Leo Ryan

There is as yet no complete agreement among the summit seven regarding approach to the idea of a common fund for a stabilization of commodity prices. The chief proposal is for a fund which would create "buffer stocks" of commodities which would be used to keep the market fairly steady. This idea proposed by the United Nations Conference on Trade and Development, has been set beside the EEC's Stabex plan which directly compensates third world producers for lost income resulting from price drops or natural disasters. Others prefer simply to think of debt relief as the answer. FP 28/5/77 p. 7 Robert Catherwood

The Financial Post noted in an editorial (28/5/77 p. 7) that Canada and the U.S. could benefit from commodity stabilization through a common fund in such commodities as copper and cotton. It advised Canada to concentrate on technological assistance geared to triggering an industrial revolution in less developed countries and on programmes designed to assist LDCs in marketing their raw materials. The Post seemed to back Canadian official caution about a common fund.

The 27-member CIEC conference (19 poor countries, 8 wealthy) can point to a new willingness by the rich to consider international agreements to stabilize commodity prices, but in the areas of energy and debt the only agreements are to disagree. Both the U.S. and West Germany, who have previously opposed

commodity pacts, reversed their policies at the London summit, May 7-8. The U.S. is willing to see stabilizing pacts in sugar, rubber, coffee, cocoa and copper, and will bolster the existing buffer stock for tin. FTC 30/5/77 p. 12 Peter Cook

As the CIEC conference convened, Canada announced it was willing to cancel foreign-aid debts valued at \$254 million as part of an international special-action programme to help the poorest nations. It is also willing to give a cash grant to a proposed \$1 billion fund to relieve huge debt burdens of some of the least developed countries. Eight or nine countries will benefit from the Canadian offer, including Tanzania and Bangladesh. American Secretary of State, Cyrus Vance, announced the American U.S. would contribute \$375 million to the \$1 billion fund. But Vance's tone was generally one of long-term and slow change. He proposed that the North-South dialogue continue, which took his rich nation allies by surprise. TS 30/5/77 p. B11 (CDJ); EJ 31/5/77 p. 62; HCH 31/5/77 p. 14, UPI; HCH 31/5/77; CP-AP; GM 31/5/77 p. 11 CP, Rueter.

Vance decided to leave CIEC June 1, whether or not agreement was reached, provoking annoyance among third world delegates. Even Canadian officials found the Vance move 'irritating'. The Conference split over Third World demands to turn the International Monetary Fund into an organization more directly devoted to assisting development. HCH 1/6/77 p. 1 Corr).

Business Columnist John Meyer (HCH 1/6/77 p. 26) stated CIEC focused only on money, to cover old debts and create new ones, and thus avoided the central issue. Disparities will widen until the poor nations can generate their own wealth, and that depends on their access to the technology of the developed countries.

The CIEC talks broke down and ended in discord on June 2nd. Oil producing nations refused to go along with Western demands for continuing consultation on energy problems. Paul Doucet, a spokesman for Co-Chairman MacEachen, stated the U.S. and other nations will probably agree to establish a fund to stabilize raw material prices, but he stated the refusal by the oil nations to continue talks might prompt the U.S. Congress to withhold their \$375 million share of the emergency debt relief fund proposed at CIEC

Algeria, Iraq and Venezuela were the oil countries most opposed to continuing talks. British Foreign Secretary David Owen said the main CIEC message was "one of disappointment". Exasperated diplomats spent the last three days behind police-guarded doors, and the final session of the conference lasted 26 hours. GM 3/6/77 AP p. 3, HCH, 3/6/77

MacEachen was disappointed, and accused third participants in CIEC of making "a fundamental error". They had, he said, shown intransigence on the energy issue and minimized concessions made by the industrial states. He asserted the CIEC had in fact given the world much more than several United Nations Conferences on Trade and Development. GM 4/6/77 p. 11 Leo Ryan

CANADA AND THE WORLD

Returning to Ottawa MacEachen stated CIEC had resulted in positive steps in its 17th month life. Answering questions by Andrew Brewin and Douglas Roche, MacEachen said it had broadened understanding among participants. He cited the agreement to establish a \$1 billion fund for emergency debt aid, and agreement to negotiate a common fund.
EM 7/6/77 p. 10, CP

Toronto Star business columnist Jack McArthur noted there was not much progress at CIEC. He described the position of the "nearly hopeless" group among the third world, in which he included Egypt, India, Bangladesh and Ethiopia; the few like South Korea and Taiwan which are fast growing; and those with good prospects like Brazil, Mexico, Venezuela and Iran. These nations have built up a collective foreign debt of over \$150 billion. Canada's debt forgiveness of \$254 million is one sixth of one percent of what is owed. "The rich seem strangely willing to continue the status quo, in which loans keep dozens of countries barely alive and debts are cancelled when bankruptcy is imminent". "The rich conspire instinctively to maintain the same old crisis" McArthur states, by using special tariffs and arm-twisting devices to prevent their consumers from buying third world goods and by refusing to stabilize markets for the food and raw materials exported by the Third World. Debt juggling at CIEC would be a waste. Trade, not aid, is the only important goal. TS 4/6/77 p. D6.

The Ottawa Citizen (editorial, 8/6/77 p. 6) found encouragement where others found disappointment. It called the CIEC a "slow, painful beginning". It cited the rich countries' suspicion of drastic reform of the international trade and monetary system and third world demands for transfer of technology. It states the road will be long, but a new willingness to keep talking is evident.

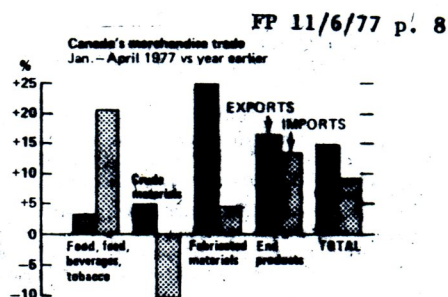
The Financial Post (editorial, 11/6/77 p. 7) noted efforts to stabilize commodity prices are extremely difficult. It cited two recent examples dealing with single commodities. At the world sugar negotiations it took six weeks to find common ground among major importers and exporters and the major price issue was not touched. The conference "broke up with a Whimper!". In the case of copper, there was even less apparent progress. Canada urged a slow step-by-step progress while the third world asked for an immediate basic agreement, complete with high prices and a large buffer stock. The Post admits that, despite dangers of meddling with the market, buffer-stocks could be useful for both rich and poor in some cases. It cited the international tin agreement as a positive example. It pointed out that more stable commodity prices would help hold down inflation in rich countries. Thus, it encourages further efforts to negotiate some commodity agreements.

COMECON DEBTS

1976 saw a slow-down in the Soviet Union's rapid slide into debt. The debt of the Eastern Comecon

block to the west has grown tenfold between 1970 and 1975. The EEC estimates that the trade gap between east and west puts the east \$7 billion in deficit. All the East European countries managed to trim their deficits last year, when West Germany's trade surplus with the east fell by a third. Poland, with a debt of more than \$10 billion in the most serious case, although the Soviet Union itself accounts for a third of the Comecon debt, but is more secure because of its size. The Comecon's export prospects are limited by heavy protective tariffs against their manufactures in the West. But the possibility that it might default or wreck foreign exchange markets is widely discounted.
MS 9/5/77 p.A12 FTL

TRADE



TRADE SURPLUSES DECLINING

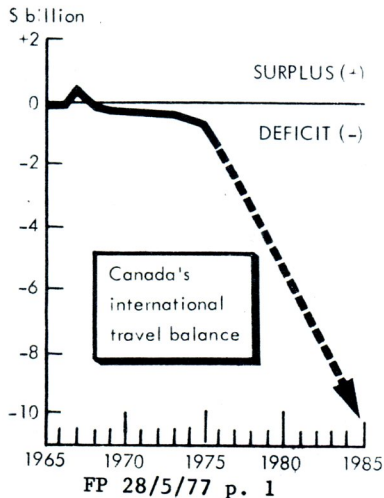
Canada's merchandise trade surplus in May declined to \$57 million, the smallest monthly figure so far this year, Statistics Canada reports. The May figure continues the steady drop from March's revised surplus of \$502 million and April's revised surplus of \$153 million (reported at \$149 million in the accompanying graph). Canada relies on its merchandise trade to generate surpluses to offset part of its big deficit in other international commerce. The declining rate of surplus casts a shadow on earlier speculation that 1977 would register a healthier surplus in merchandise trade than 1976.

In the first quarter of 1977, Canada registered a trade surplus of \$780 million. But this was more than offset by a deficit in service transactions of \$1.75 billion. Major elements of the service deficit were a deficit in the travel account of \$805 million, and a deficit of \$740 million in interest and dividend payments to foreign corporations and banks. As a result the first quarter's current accounts balance was a deficit of \$841 million.

Nonetheless, in the first quarter of the year, the nation's gross national product increased by 5.2% in real terms, in part because of growing export trade spurred on by the declining value of the Canadian dollar on international markets.
OC 27/6/77 p.17; GM 25/6/77 p.B3; HCH 28/5/77 p.30;
GM 28/5/77 p.B13; HCH 16/6/77 p.34; GM 16/6/77 p.B16;
GM 22/6/77 p.B1, W. Cheveldayoff

CANADA AND THE WORLD

Massive travel deficit now in prospect



TRAVEL DEFICIT BIG WORRY

Canada's travel deficit - the amount of money spent by Canadians travelling abroad in excess of that coming into the country by visitors travelling here - is growing at an alarming rate. In the first quarter of 1977, the travel deficit of \$805 million itself wiped out the merchandise trade surplus of \$780 million. If the trend continues, Canada's travel deficit - standing at \$1.2 billion in 1976 - could reach \$10 billion by 1985. MS 28/5/77 p.C2; FP 28/5/77 p.1; FP 25/6/77 p.1

THE GATT NEGOTIATIONS

Since the London Summit meeting of leading western nations, (see CNSP, Vol. 5 No. 5, p.1) new enthusiasm for the current round of GATT (General Agreement on Tariffs and Trade) talks has surfaced. At the summit, the leaders of the major capitalist economies agreed to work towards greater liberalization and growth of international trade. The theory is that greater trade in products and services between nations will lead to more employment and industrial growth for all.

This strategy is highly favoured by the U.S. administration of Jimmy Carter. It should be remembered that the economic system of the post-World War II era was created by U.S. government and corporate leaders with an eye to promoting generally unrestricted trade and, in turn, the profit picture of U.S. - based transnational corporations.

The two major imperial powers of the modern capitalist era - Britain and the United States - both built their industrial foundations upon protectionist policies designed to safeguard fledgling industries against outside competition. Once these industries had matured, in the ascendant stage of each nation's imperial power, "free trade"

sloganeering was trumpeted as the best way for their now pre-eminent industries to take advantage of the rest of the world through trade competition. This in turn extended the boundaries of empire.

U.S. policy-makers - although shaken a bit by the recent experiences of Vietnam, growing competition from Europe and Japan, the OPEC oil-price hike, and calls for a new international economic order from the Third World - are still acting out this free trade strategy, despite a relapse in the late 1960's and early 1970's. Their calls for free trade most directly support the interests of U.S. based transnational corporations, 300 of whom account for fully 28% of all global exports annually. These 300 giants, with some 5,200 subsidiary operations throughout the world, rely heavily on unrestricted intra-corporate transactions between subsidiaries and parent companies in various countries. If trade barriers are erected throughout the world, their profit base would deteriorate.

That the U.S. administration is following the dictates of the transnationals should come as no surprise. The Carter administration, including both Vice-president Mondale and Carter himself, contains many members of the Trilateral Commission, the transnational think-tank and lobby group.

The American bargaining posture at the GATT negotiations in Geneva is magnanimous rather than aggressive. U.S. negotiators are making a great deal out of the fact that their country is running a \$23 billion dollar deficit this year - implying that the U.S. is spending that much more on the products of other nations than it is receiving for sales of its exports, thus giving a boost to the economic recovery of many other nations at its own expense.

The American deficit is, however, not what it appears to be. The huge deficit turns out to be almost entirely due to the insatiable U.S. appetite for energy in the form of oil imports from the Middle East. If U.S. oil imports are taken out of the U.S. trade picture, the bottom line shows a \$16 billion surplus in trade with the rest of the world, mostly in manufactured good. In addition, the U.S. will show an estimated \$15 billion surplus in services this year, largely due to the payment of interest and dividends to transnational corporations by their foreign affiliates. In the end, the U.S. will have a current account deficit of only \$7 billion in 1977. In comparison, Canada's current account deficit will be about \$4 billion this year. Our deficit will be half the size of America's 10-times-as-large economy.



JIMMY CARTER

CANADA AND THE WORLD

The maze of trade statistics explains in part the urgency with which Carter is pursuing his energy strategy and pushing Canada for a decision on a pipeline to transport Alaskan natural gas. He wants to reduce the immense U.S. oil import bill of \$40 billion. It also explains why some European nations are greeting the Carter freer trade proposals less warmly than might be expected. Many of them already feel somewhat inundated with U.S. manufactures, and realize only the OPEC nations, not themselves, benefit from the American trade deficit. Such a deficit, they complain, also fuels global inflation.

The transnational corporations claim only their strategy can allow the American economy to recover, continue to grow and provide the wealth that produces jobs and well-being. What they are saying, in effect, is this is the only course of action to be taken without radically altering the basic structure of American free enterprise. And for the corporations, this condition is dogma.

In contrast, the depression of the 1930's saw the corporate free trade strategy challenged by those who recognized that the country need not be so dependent on the trade imperative. These critics asserted that a more centrally planned economy, in which production and consumption are rationally planned, could diminish the economic monopoly of a small elite of corporate owners and at the same time reduce the trade exploitation of other countries by the U.S. The corporate strategy won the day, but current events are again surfacing the issue.

This issue is immediately relevant to Canada.

Finance Minister Donald Macdonald insists that Canada must support the construction of "an open international trading system" through the GATT negotiations. As a result, Canadian industries must learn to compete in a new international environment, while, at the same time, the government decides which sectors will be protected by the give-and-take of the GATT bargaining. So far, the Canadian government's strategy shapes up like this.

Unless changes are made in the current energy consumption patterns in Canada - and in the practice of exporting Canadian natural gas to the U.S. markets the country will soon be experiencing an energy import bill of staggering proportions. To offset such a deficit, Canada would have to increase its merchandise trade surplus significantly. Thus, the country's exporters need to negotiate in GATT for access to new markets for their products without the impediment of tariff and non-tariff barriers. For its part, the government seems to have decided that the sectors of the Canadian economy most able to meet the challenge of export growth are those related to resources.

At the GATT discussions, Canada's negotiators will bargain to have more processing of our resources done at home in exchange for opening our markets wider to manufactured imports from abroad. A hypothetical example would be with Canada and Japan dealing in copper and televisions sets. Ottawa officials recognize that the Canadian television manufacturing industry (largely foreign-owned) is already loosing out to cheaper imports from Japan despite high tariff walls protecting it. In addition, most Canadian copper shipped to Japan leaves the country

in the form of concentrates, rather than in a more processed form such as copper wire. The Japanese presently use both tariff and non-tariff barriers (other, essentially political instruments for prohibiting the purchase of such items) to inhibit the purchase of Canadian copper in a more processed form. At GATT, Canada would negotiate with Japan for the entry of more processed copper wire in return for opening the Canadian market to more Japanese television sets.

The gist of the matter is that one Canadian industry would be hurt while another boosted. Broadly, resource industries would boom while manufacturing languishes in the decades of the 1980's and 1990's. Such a policy would seem to have a lot to say about the relative weight of different sectors of corporate power in Canada. Just as the U.S. administration is following closely the lead of its most powerful economic groupings of transnationals, it would seem logical to expect that Ottawa officials are simply listening more to the "louder voices" of Canadian capitalism - the resource industries (mining and forestry) - while respecting the political realities of the economic well-being of western farmers (agriculture).

This hypothesis about Canadian positions at GATT will only be proven or disproven in the months ahead. But there is no doubt at least that government structures created for the inter-national negotiations - such as the Canadian Trade and Tariffs Committee - are designed to listen to the voices of the private sector with very little input from or attention to opinions of other voices among the Canadian public.

Finally, the federal government is not beyond throwing this whole question of GATT negotiations into the national debate over Quebec. In an allusion to the Quebec textile industry, Donald Macdonald noted that the new international environment of reduced tariffs will seriously affect many Quebec industries. In such a situation, federally-sponsored assistance or adjustment programmes could mean "the difference between survival and extinction." Macdonald has made a point of noting that a separatist government would lose economic support from Ottawa for its industries at the same time as the new nation would have to adjust to the realities of being a smaller, more isolated market.

Overshadowing the entire question, however, is the fact that some 70 per cent of all Canadian trade is done with the United States. Such dependence severely restricts the meaning of "multilateral" discussion such as those of GATT, and limits the potential for independent policy formulation. Our dependence on the U.S. is also a real impediment to the political option for a radically restructured economy less dependent on transnationals and international trade. In the long-run however, that is the only viable alternative. HCH 26/5/77 p.20; HCH 27/5/77 p.30; HCH 28/5/77 p.29; GM 28/5/77 p.B1; TS 31/5/77 p.C6; GM 2/6/77 p.g? FP 4/6/77 p.6 (ed); Business Week 4/6/77 p.16-17; GM 7/6/77 p.B5; FTC 27/6/77 p.9

CNSP NOTE: *For a discussion of the free trade debate in the U.S. in the context of transnational global planning see: L.H. Shoup and W. Minter, Imperial Brain Trust, Monthly Review Press, 1977.*

THE ECONOMY

GENERAL

MONTHLY STATISTICS				
I CAPITAL				
	First ¼, 1977	Change from previous ¼	Change from year ago	
Gross National Product*	\$199.9 billion	1.3%		
Industrial Corporations' Profits	\$2,157 million	15.6%	16.1%	
<hr/>				
	May	April	Change from year ago	Year-to-date
Consumer Price Index (1971 = 100)	159.2	157.9	7.6%	
Housing Starts		14,961	-15.0%	45,041
Trade (\$ million)				
Exports-customs basis		3,447	14.7%	13,663
Imports-customs basis		3,528	9.2%	13,453
<hr/>				
II LABOUR				
Persons with jobs (millions)	9.82	9.43	2.6%	
Unemployed	824,000	914,000	16.4%	
Unemployment Rate*	7.9%	8.3%		
<hr/>				
Job Vacancies (Mar. 1 - May 31)	42,700	A 10% increase over previous 3 month period, down 20% from March to May 1976.		
*Seasonally adjusted.				

GNP GROWS, BUT PROSPECTS STILL BLEAK

The Gross National Product had a real growth of 1.3 per cent in the first quarter of 1977, after a fall of 0.2 per cent in the previous quarter. If this rate were maintained the economy would have a real growth of 5.2 per cent this year, just as Finance Minister Macdonald predicted. Much of the first quarter strength came from large imports which improved the balance of trade. However, these export dollars came from extraordinary sales of oil and natural gas to the United States during their severe winter. Personal spending in Canada on consumer goods, the real engine of economic growth, actually declined by 0.4 per cent. Capital investment is also weak. These are ominous signs.

Corporate profits are up, but Statistics Canada reports half of the gain came from windfall profits

made by selling goods from inventories at prices higher than when they were produced. While profits were up by 15.6 per cent, wages and salaries only rose by one per cent in the quarter. TS 21/6/77 p.C5 John Honderich; Statistics Canada's INFOMAT

CNSP NOTE: *Once again the apparent growth of the economy is illusory. Canada earned dollars by selling off resources at a faster rate, but fixed investment in manufacturing is still not taking place.*

BOSSES IGNORE WAGE CONTROLS

A Vancouver Sun survey of 21 corporations in the mining, manufacturing and liquor-producing sectors

showed top executives being given raises of over \$10,000 in 1976. Edgar Kaiser of Kaiser Resources Ltd., led the way with an increase of \$60,363. TS 25/5/77 p.A17

A separate disclosure showed the salaries of the top 29 officers of Bell Canada averaged \$102,000 in 1976, up \$13,000 from 1975. GM 26/5/77 p.6

Some other increases were a \$17,250 raise to \$251,600 for the president of Imperial Oil, and a raise of \$20,000 to \$373,833 for the president of Massey-Ferguson Ltd. EJ 11/6/77 p.58

Finance Minister Donald Macdonald said such raises do not necessarily break the Anti-Inflation Boards compensation guidelines. He said all the management of a corporation is treated as one unit, as long as the average increase of the unit did not exceed \$2,400 then the large increases for the corporation's top management were legal.

Edgar Kaiser's firm owns a mine in Sparwood, B.C. In the same year Kaiser took a raise of \$60,363, his Sparwood employees were held to a six per cent increase on their seven dollar-per-hour wage -- a raise of only 42 cents per hour. TS 25/5/77 p.A17

CSNP NOTE: While the *Toronto Star* did indeed report the AIB's double standard about wages and salaries, the story was printed on page A17, effectively "burying" the news. Once again it is shown the press is not a neutral party, but plays an active role in defending the interests of the corporations and the government.

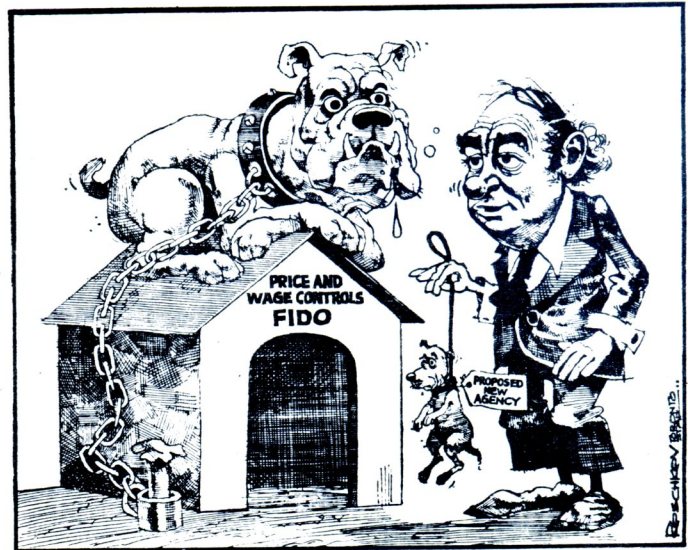
GREEN PAPER ON POST-CONTROL PERIOD

The federal Government has released a green paper called, "Agenda for Co-operation." The paper contains its proposals for controlling inflation and planning the economy after the expiry of the anti-inflation legislation. The 63-page paper does not announce a date for ending controls, but contains several proposals:

- establish a group called the "consultative forum" made up of 50 representatives from business, labour, farmers, fishermen and professionals. The government wants this forum to be "a focus for broadly-based public input to government thinking on major policy questions." The various interest groups would be invited to send delegates to the forum, which would meet twice a year to advise the government.
- abolish the Anti-Inflation Board and replace it with a "watchdog agency" to monitor prices. The new agency would not have the power to roll back wages or prices. It would limit itself to obtaining information and publishing reports. Its influence will depend on "voluntary co-operation."
- end controls over a period of time rather than all at once.

The government seems to favour freeing the various groups on the anniversary of their becoming subject to controls. TS 27/5/77 p.A1 John Honderich

CSNP NOTE: Many commentators have claimed Ottawa seems to be just admitting its failure to deal with the problems facing our economy. The apparently bland and inoffensive talk about "consultation" and a "watchdog agency" have inspired this mistake.



THE REALITY OF FIDO IS NOT HERE WILL BE A LITTLE MORE LOVEABLE AT ELECTION TIME.

The reality is quite different. Controls allowed the corporations to strengthen their profit picture by curbing the workers' share of the national income. The government also used this time to widen the spread of the corporations and to tighten their grip on the economy. When controls were introduced, Prime Minister Trudeau caused a lot of distress with his musings about a "new society." Controls were established, according to the government, to give Canadians time to discuss what kind of economy and society we want in the future. This discussion has been muffled, and any future "consultation" or "input to government thinking" will take place after the fact. The Liberals' strategy is now very clear. The redefinition of the Foreign Investment Review Agency and the new combines legislation make it clear just how the government wants our "new society" to look.

EMPLOYMENT SHRINKING IN GOODS PRODUCING SECTOR

The Canadian economy has experienced a shift from goods production to service production. Goods-producing (i.e. primary and secondary) industries now only employ 33.8 percent of the work force and account for only 40 percent of the Gross National Product. Secondary industries (manufacturing and construction) have not grown as fast as the economy as a whole, and thus now employ an ever-smaller proportion of the work force. The primary industries - farming, fishing, forestry and mining - now employ only 7.3 percent of the work force. FTC 30/5/77 p.6 Don McGillivray

CSNP NOTE: Corporate apologists point to such data as the above to blame government taxation policies for the decline of the primary sector and an unproductive workforce for our small manufacturing. Service industries don't create new wealth, but, as the name says, provide the services in our advanced society. Since no new wealth is produced, critics employ more and more people are living off the work

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of others. However, the above facts point out the central weakness of the Canadian economy. Because of the high degree of foreign control, Canada's role in world trade is still thought of "hewer of wood and drawer of water." McGillivray reports that goods production accounts for 40 per cent of the GNP. His analysis is unclear since he does not break this down into primary industry and manufacturing. In fact manufacturing is only 21.4 per cent of the Gross Domestic Product and since GDP and GNP are roughly equivalent, then primary industry produces almost as much wealth as manufacturing. But primary industries only employ 7.3 per cent of the work force because they are capital-intensive. Canada's major foreign earnings come from the sale of raw and semi-processed natural resources. We are called upon to export ever-increasing amounts of raw materials to maintain the balance of payments. This requires more capital investment to introduce the latest high-

volume methods of extraction. The capital for this is borrowed on foreign money markets, using future resource deposits as collateral.

The manufacturing sector remains weak because of foreign control. Head offices outside of Canada make all the production and investment decisions, making sure our manufacturing never grows strong enough to threaten the transnationals' trade system. This foreign control means only Canadian resources can find a market while manufactured goods are shut out. Primary industry is capital-intensive and the manufacturing sector is deliberately kept weak, so neither are hiring enough workers. This means that only the service sector is growing. This sector does not create new wealth, so our standard of living is maintained through the quick sale of our resources and through heavy foreign borrowing.

OIL AND GAS

INTRODUCTION: *The announcement by the National Energy Board, as Synthesis goes to press, that it favours the Alaska Highway or Alcan pipeline route over the Canadian Arctic Gas plan is a vital support for the Berger recommendation to avoid the Mackenzie Valley proposal. It does however place considerable pressure on Native groups and environmental concerns in the Yukon territories in the path of the Alcan route. It also makes virtually impossible a credible and thoughtful evaluation of the opinions and evidence now being presented to the Lysyk inquiry. This inquiry has been forced to investigate the Alcan route's implications in a very short time-span. Some newspapers cited the dangers of a too-quick and easy decision by the Federal Government. (see Globe and Mail June 18 editorial below), but few stressed the fact that the big rush is not to meet Canadian needs or Canada's "national interest." The Alcan pipeline will only serve American companies and an American definition of need. For these, a Canadian government could overrule the concerns of Yukon natives, environmentalists and others. Far too little attention has been paid to the added financial burdens and inflationary pressures that will be placed on every Canadian-taxpayer. We hope that Canadian citizens are more probing and more vigilant than their press in defending their real interests.*

THE LYSYK INQUIRY

"It would be very unjust if the rights of the native peoples of the Yukon were overlooked because of the rights of the native peoples of the Mackenzie Valley had been given more publicity." Berger had three years and a great deal of publicity. Law Dean Kenneth Lysyk had from May 1st until August 1st to complete his inquiry and report on the Yukon, an impossibly unfair assignment. Mr. Lysyk has commented on the short time, and has had to drag the Dempster Highway spur proposal in by the ears because it was constantly mentioned as a means for taking Canadian gas down the Alcan route. As yet, despite the credence given it by the N.E.B., no formal application for the spur had been made. A Dempster pipeline would involve an area where Judge Berger stated no pipeline should go. The Council of Yukon Indians has recommended a ten

year delay on the Alaska Highway pipeline. A satisfactory settlement of Indian claims will take time and care. Some claims are simply not negotiable, but are absolute. Nothing will be fairly settled by September 1st, when the Government will make its pipeline decision. There is a great danger that the Government will do to the Yukon Indians precisely what Judge Berger said should not be done to the Mackenzie Valley natives, "and do it so quickly that most of the public won't notice". GM 18/6/77 p.6 editorial

Energy Minister Gillespie, on a visit to the Yukon, told reporters that Canada must face the urgent need to develop its northern natural gas resources. Bob Sharp of the Yukon conservation society told him that indications are the social and environmental costs of an Alaska Highway pipeline outweigh any benefits. Daniel Johnson president of the Council for Yukon Indians stated that Indian land claims must be

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settled and implemented before any pipeline is built.
HCH 16/5/77 p.17 CP

Formal hearings of the Lysyk inquiry will be adjourned from May 24 until June 27, while Dean Lysyk and the other two members hold informal hearings in 17 Yukon communities. The Yukon Conservation Society told the inquiry the Foothills Pipe Lines Ltd. proposal for the Alcan route lacks substance and abounds in inaccuracies. It also warned a rapid growth rate resulting from construction of the pipeline would remove many benefits for which people reside in the Yukon. Yukon Association President Ted Kent advocated construction to broaden the base for northern construction firms. Meanwhile, Government House leader Allan MacEachen indicated that no decision will be made on a pipeline until August, when the Lysyk report is due.
EJ 24/6/77 p.30 CP

Joe Paul Jack, a native rights adviser, told the Lysyk inquiry of the proud tradition of northern chiefs from which he comes, and of the end of the culture and tradition that came with the arrival of the whites. He and other speakers told the inquiry that the native people need time to reassert their society and gain a foothold. Native spokesmen told of their relationship with the land, saying they did not need any title to prove it. Local business spokesmen felt that the pipeline would hurt no one, but would help solve global energy problems. EJ 3/6/77 p.34 John Ferry

Dawson City is split on pipeline proposals, the Lysyk hearings discovered. Steve Taylor, Dawson representative on the Council for Yukon Indians, told of the Gold Rush days, and their legacy of abandonment, inflated prices, and ghost towns. The Dawson City Council brief was pro-pipeline, but wanted the line to enter the Yukon further north than proposed and come closer to Dawson. A long time resident said the pipeline could work profitably if it is put under heavy controls. It is possible to control the companies and construction personnel to make sure they do not "pillage and rape the country," stated Bill Shaw, who remembered the dislocation caused by the construction of the Alaska Highway during the Second World War. HCH 16/6/77 p.3] CP

A five-member environmental assessment group, has cited dangers of both the Arctic Gas and the Alaska Highway routes, in a report to be submitted to the Lysyk inquiry. The panel was funded by Foothills Pipe Lines Ltd. of

Calgary. It stated the Alaska Highways route is much preferable to the Arctic gas route. It does admit, however, the Alaska Highway route has certain problems, including: high seismic risk and land slide potential; thaw settlement and river and lake sedimentation; interference with Dall's sheep; and a greater risk of damage to local wildlife because of the greater access afforded by the heavy highway paralleling the route.
GM 22/6/77 p.B16 Jeff Carruthers

Foothills Pipeline's President Bob Blair exuded unprecedented confidence before the Lysyk inquiry at Haines Junction in the Yukon. Lee Carrthurs, a hunter in the area, lashed out at the dollar-hungry mentality of the local chamber of commerce and other pro-pipeline groups. He said he was insulted at the "Mickey-Mouse" style of the Lysyk inquiry, and defended the Yukon as a wilderness retreat. At Destruction Bay, Yukon Terr., most of the residents of the predominantly white service centre on the Alaska Highway expressed very pro-pipeline views to the inquiry. EJ 1/6/77 p.33; EJ 4/6/77 p.6

CNSP NOTE: *Gattfly*, an inter-church project for global economic justice, also appeared before the Lysyk inquiry. *Gattfly's* position is that either pipeline will drastically worsen Canada's debt problems. See enclosed flyer, *How Northern Pipelines Harm Southern Canadians*.

NATIONAL ENERGY BOARD

All northern pipeline proposals before the NEB are absurdities, Osgoode Law Professor, Ian McDougall stated at a public meeting of the Alberta Energy Coalition, a public interest group which advocates delay in pipeline construction. Neither the Mackenzie Valley nor the Alaska Highway route are in the national interest. More time is needed, but the NEB is not prepared to wait. OC 15/6/77 p.28 CP

The two rival groups at the NEB presented written summaries of the evidence given over the last two years. Foothills maintained Canada will not need Delta gas until 1984 at least, and said Canada can take more time to decide on an all-Canadian pipeline. Canadian Arctic Gas asserted, however, that Canada will need the frontier gas by 1982 and should move immediately.
TS 7/6/77 p.C5 Helen Henderson

The withdrawal by Foothills Pipe Lines of their proposal for an "All Canadian" Mackenzie Valley route, leaves the choice between CAGAL's Mackenzie Valley route and Foothills' Alaska Highway route. Canadian Arctic Gas is in trouble, having been set back by Berger's report. According to the Financial Post, the Dempster route linking the Delta with the proposed Alaska Highway route is only vaguely outlined and costed and is not even, as yet, a formal proposal. To rule against Arctic Gas would be to rule against a known quantity vs an unknown and vague hope.
FP 18/6/77 p.6 edit.

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Ronald Anderson, a Globe and Mail business columnist, stated the Canadian investment community assumes one of the two main routes will go ahead. But the evidence on which to base a choice will not be all available for a fair and open debate in August. An understanding has been given that before proceeding with an Alaska Highway pipeline, a study further to the preliminary Lysyk report expected in early August, would be undertaken, on the environmental matters and the specific terms and conditions for the construction and operation of the line. The most that could come out of a Parliamentary debate in August, therefore, is approval-in-principle for such a route. The government can overrule the Berger report if it can demonstrate there is an urgent short-term need for delta gas in Canada, but so far it cannot. Reserves have been augmented more rapidly in Alberta than was expected. It is the United States that needs gas. GM 24/6/77 p.B2

WHAT PROTECTION DO WE GET FROM THIS DOME?

The federal Government has approved the resumption of drilling for oil and natural gas in the Beaufort Sea this summer by Canadian Marine Drilling Ltd. (CANMAR), a subsidiary of Dome Petroleum of Calgary. Dome did not obtain the five-year go-ahead it had requested. The Government stated it considered environmental risks but **felt** the overriding concern was the need to find out what, if any, petroleum reserves exist in the area. The Government feared lawsuits from the companies if it delayed drilling. To counter fears of damage to the environment, the Cabinet approved more stringent monitoring and regulation of the drilling. Prior to the North Sea blowout, the Department of Indian and Northern Affairs has recommended only a 14-day safety no-drilling period at the end of the season. Late in 1976 the the period was extended to one and one-half months. At the present time, Dome Petroleum is compelled to post a \$10 million bond with the federal Government to compensate for any environmental damage to U.S. territory in the case of an oil spill. A spokesperson for the Canadian Arctic Resource Committee and the Committee on Original People's Entitlement (COPE) said they were not surprised by the decision to overrule their environmental concerns, but they were surprised by the lack of safety procedures. GM 31/5/77 p. B1 Jeff Carruthers; MS 31/5/77 p.A1 Jeff Carruthers; TS 31/5/77 p. C6 Ross Howard

The 2,400 Inuit living along the western Arctic Ocean plan to take Ottawa and the Dome Petroleum company to court over oil and gas drilling in the Beaufort Sea. The suit amounts to the claim that the Inuit own the Beaufort Sea oil and gas. Their decision was triggered by the Federal announcement of resumption of drilling. Sam Raddi, president of COPE stated for over a year they had tried to avoid the court action, but the Government refuses to be reasonable. GM 3/6/77 p.8 CP; TS 2/6/77 p.A3 Ross Howard

CANMAR encountered difficulty coping with the normal underground pressures in the Beaufort Sea area, and had two blowouts of water and some small amounts of gas in 1976. Neither of these blowouts was brought under control by the end of the season and one well had to be abandoned. Canada is the first nation to undertake exploratory drilling in its high Arctic waters. OC 7/6/77 p.3 FTNS

The town of Tuktoyaktuk, NWT, near the Beaufort Sea has been declared off limits to employees of CANMAR following complaints about the workers' behavior. Baggage of departing employees is searched to prevent theft of company tools. CANMAR has established a company security force to enforce rules on behavior of employees, and supervise visits to the town. The men earn \$700 to \$1,200 a week with free room and board. There are problems of isolation and alcoholism. 16/6/77 p.B8 CP; OC 16/7/77 p.22 MS 20/6/77 p.B11 R.G. Gibbens

Gordon Harrison, president of CANMAR, states that the Beaufort Sea hold as much oil and gas as the Prudhoe Bay discoveries in Alaska, 12 billion barrels of oil, and 20 trillion cubic feet of natural gas. He stated that the political climate in Canada will change dramatically in two or three years in the face of the energy crisis. In Ottawa, it has been learned that Imperial Oil of Toronto, the company with the largest gas reserves in the Mackenzie Delta, has prepared secret contingency plans to launch a major development in Alberta's oil sands, should the Mackenzie River Valley gas pipeline be turned down. OC 16/6/77 p.22 CP; MS 16/6/77 p. 12 MSNS

Dome/CANMAR drilling will have its first full summer season in the Beaufort Sea this summer, permitting each drilling vessel to sink two or three wells to the full depth of about 12,000 feet during the next 100 days. CANMAR President Harrison states that the probability of a blowout and potential pollution is very very small, and that an oil spill "would be the equivalent of dropping an empty cigaret package on a ball room floor." The CANMAR executives now contemplate winter drilling as well. They face limited interest in investment circles in their controversial drilling programme, but have been encouraged by the depletion allowance of 66 per cent for expenses above \$5 million incurred in frontier wells, allowed by the recent Federal budget. Given the reluctance of other actors to get involved Petrocan is expected to step in to insure a continuing high level of exploration in the Beaufort Sea. GM 25/6/77 p.B1 Thomas Kennedy

CNSP NOTE: Editorial views on the Federal Beaufort drilling decision included the Montreal Star (2/6/77 p.A9) comment that the Government had struck "a reasonable balance" between risk and opportunity, by emphasizing new safeguards, and moving to find out for Canadians what lies beneath the ocean. The Ottawa Citizen (4/6/77 p.6) emphasized that the National Energy Board's indication that Canadians could be forced to use imported oil instead of their own within four years, had an effect on Energy Minister Gillespie and others. It has put the north at risk in order to give security to the south.

NEW EXPLORATION

Ottawa is ending a five-year freeze on making more than one billion acres of land available to exploration and development in the north and offshore, Energy Minister Alastair Gillespie has announced. The moratorium went into effect in 1972 with the Government taking time to prepare new legislation and regulations. But this work is incomplete and cannot be completed during this parliamentary session. In spite of this the Government is releasing the Crown land for exploration around August 1. TS 21/6/77 p. C5 CP

BERGER REPORT: FURTHER REACTIONS

CNSP NOTE: For initial reactions to the Berger report, see the Synthesis for May, 1977 pages 6-8.

During May and June the reactions to the report's recommendations for a moratorium against the Mackenzie Valley route continued. The Canadian Arctic Gas consortium and its spokesmen led the counter-attack. Vernon Horte, president of CAGPL, stated in Yellowknife that the North needs the opportunities offered by the pipeline. Meanwhile, his colleague William Wilder told Torontonians that southern Canada needed northern natural gas and soon. They charged that Berger had gone beyond his terms of reference, and had tried to establish Canada's energy policy and national priorities. GM 6/1/77 p.B2 Roderick Oram; EJ 11/6/77 p.58 Jon Ferry; EJ 7/7/77 p.10 CP

Some northerners accused Berger of being a "showy southern socialist," and the Northwest Territories Council, in an emergency session, condemned the report by an 8 to 1 vote. FTC 6/6/77 p.8 Les Whittington

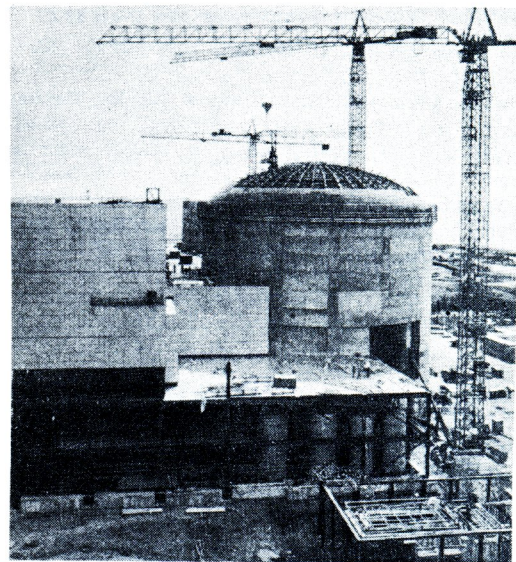
Former Alberta Premier Senator Ernest C. Manning called for major new tax and royalty incentives to oil companies and flayed Berger for raising false hopes among natives for a 10 year moratorium. EJ 17/6/77 p.8 Paul Jackson

The Toronto Globe and Mail, in a major editorial (27/5/77), noted the orientation of the Northwest Territories Council regarding the Berger report, and pointed out that the representation of natives on the Council is in doubt because of resignation and the orientation of the natives toward making the Dene nation work as an alternative. The Globe states that it is amazing, given the impact of modernization and development that the native people have "retained the strength to protest. But they have. The decision raises directly a major doubt about the N.W.T. Council. "Does the Council speak for them?"

NUCLEAR ENERGY

AECL FAVOURS PLUTONIUM PLANT

Atomic Energy of Canada Ltd. wants to build a pilot project that would convert uranium into plutonium and thorium. The uranium would be taken from nuclear power stations after its usefulness in generating electricity in CANDU reactors is finished. AECL needs a place to store the uranium, and had planned to keep it all at a site near Madoc, Ontario. The plan also called for building a processing facility that would convert uranium to plutonium and thorium. These materials can be used in "breeder reactors" which convert non-fissionable material into useable nuclear "fuel". However, plutonium is the most radioactive substance known to the human race. It retains its toxicity for 240,000 years. This means it must be stored in isolation from all forms of life for that entire period. President Carter's energy plan in the United States called for the construction of more nuclear plants, but he spoke against the use of plutonium and "breeder reactors". The Federal Cabinet says it has yet to be convinced that "breeder reactors" are harmless, yet AECL officials are proceeding with their plans. The Government's fears seem to centre around the possibility that uranium from CANDU reactors could be transformed by other nations into plutonium for use in bombs. The social and environmental costs in Canada are not under serious consideration.



construction at Pickering nuclear plant.

In response to strong local opposition, AECL apparently has dropped its plan to build the conversion and storage facility in Madoc. However, the plutonium-thorium method is still at the heart of its strategy. The CANDU method, which uses natural uranium, will exhaust Canada's uranium supply in twenty years. The plutonium or thorium methods could cut uranium consumption by up to 90 per cent. Ontario Hydro and AECL

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are strongly promoting nuclear power. Toronto Star columnist Jonathan Manthorpe points out that once the uranium is exhausted, Governments will be unable to resist the pressure to use plutonium. Energy Probe called the AECL proposal "absolutely shocking in every aspect", especially at a time when other nations were backing away from the dangers of plutonium. TS 25/5/77 p.A1; TS 28/5/77 p.A4; GM 26/5/77 p.B4 CP EJ 31/5/77 p.14 CP; TS 27/5/77 p.A2; TS 24/5/77 p.D1 TS 30/5/77 p.C6; TS 26/5/77 p.A3; HCH 1/6/77 p.3 TS 4/6/77 p.B5; TS 8/6/77 p.B4; TS 18/6/77 p.A2

Ontario Hydro's building program totals \$10 billion

Location/fuel	Installed capacity —kilowatts'000—	In-service target	Cost —\$ million—
Fossil fuel plants			
Nanticoke (coal)*	1,000	1978	787
Wesleyville (oil)	2,295	1981-83	1,053
Thunder Bay extension (lignite)	300	1980-81	305
	<u>3,595</u>		<u>2,145</u>
Nuclear plants			
Bruce "A"	3,200	1977-79	1,836**
Pickering "B"	2,160	1981-83	2,497**
Bruce "B"	3,200	1983-86	3,750**
	<u>8,560</u>		<u>8,083</u>
Total	12,155		10,228

NOTE:

* Six units supplying 3 million kilowatts already in service.

**Includes heavy water costs.

Proposed but not approved projects include Atikokan coal plant to cost \$800 million and a Darlington nuclear plant to cost \$3.4 billion.

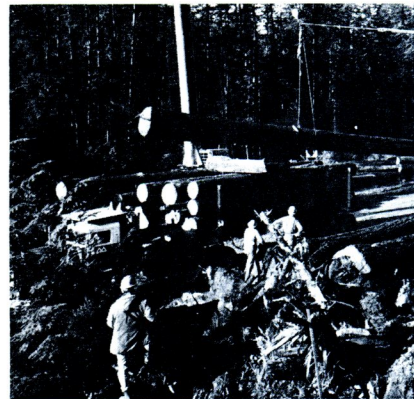
FORESTRY

REED INTERNATIONAL: PROFILE OF A TRANSNATIONAL CORPORATION.

Transnational corporations are engaged in a fantastic centralization of controls over world resources and production. This eight page broadsheet documents some of the negative aspects of this development. Also included in this profile is a history of Reed International and a corporate map of its world holdings.

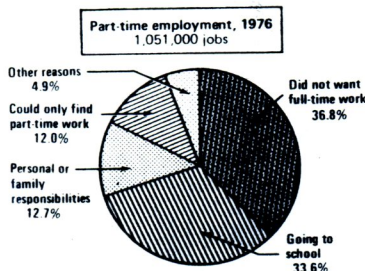
Available from: OPIRG,
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GENERAL

INTRODUCTION: *Statistics, comment, and personal examples of frustration continue to flow in articles on the plight of unemployed people in Canada. A series of editorials in the Montreal Star, Globe and Mail, and Toronto Star in particular urge effective action be taken to create jobs. They point out the basic human right to a job, and also indicate the huge social costs of persistent and permanent unemployment in certain areas of the country and among certain sectors, especially young people. There is a growing consensus in Canada that unemployment, not inflation, is the major problem. There are increasing demands for action as the awareness grows of the present and future implications of this problem.*



JOBLESS RATE WILL BE VERY HIGH UNTIL 1986

Statistics Canada population projections show that Canada's population in 1986 will be 27.8 million with high immigration, 26.3 million with medium immigration, and 25.4 million with low immigration. Estimated GNP, in 1971 dollars, will be \$183 billion, \$173 billion, or \$167 billion respectively.

Employees needed to produce this will be 11.5 million, 10.8 million, or 10.15 million. Estimated labour force will be 12.9 million or 12.6 million. The number of unemployed, as percentage of the labour force will be 11.3 per cent, 14 per cent or 16.9 per cent.

The forecasts show that high immigration would hardly affect unemployment. The significant difference in the projections is the fertility rate. If people have larger families, they buy more to support these children, thus raising demand, thus increasing employment. On the evidence so far in the 1970s, the most probable projection is the last, with low immigration and low fertility. That is the projection that gives the highest unemployment rate.

OC 2/5/77 p.7, John Kettle

INACTION OVER JOBLESS 'MAY LEAD TO UNREST'

Joe Morris, speaking at the close of the two-day meeting of the executive council of the Canadian Labour Congress, said nothing divides the country more than unemployment and the regional disparities "resulting from the government's lack of initiative and action."

Seasonally adjusted figures released in mid-May by Statistics Canada showed 8.3 per cent of the work force was unemployed, the highest jobless level since the government started compiling monthly unemployment figures in 1953.

Morris pointed out that the economic costs of such high unemployment are staggering, and "as to social costs, these will show later when a whole generation of Canadians reacts to the discovery that they are considered no use to society and forced to live on unemployment benefits or welfare instead of being part of the productive forces of the nation."

The CLC executive also stated corporate and investor tax cuts have not been effective in creating jobs in the past. Also, "the attempt at direct job creation, through increased government expenditures in Canada Works and Young Canada Works is pitiful." The CLC has proposed a one-month moratorium on tax collection and a subsequent five per cent tax reduction for low and middle-income earners -- those earning less than \$15,000.00 per year. It also proposed direct government spending in such areas as housing, food and energy. MS 12/5/77 p.A14 CP

NORTH YORK FIRES 200 TEACHERS... "MORE NEXT YEAR"

Two hundred public school teachers were fired in North York, in Toronto. They may be only the first of more than 1,000 to lose their jobs in the borough in the next five years. The prospect in the rest of Metro Toronto is just as grim. More teacher layoffs are being predicted because of declining student enrollment. TS 31/5/77 p.A1, Louise Brown

T.S. 3/5/77 PB PROVINCE BY PROVINCE

PROVINCIAL UNEMPLOYMENT RATE FORECASTS

Province	Unemployment Rate (per cent)		
	1976-77	1977-78	1978-79
Newfoundland	14.4	16.4	17.4
P.E.I.	10.2	10.4	10.1
New Brunswick	11.5	11.8	11.4
Nova Scotia	10.4	10.8	11.3
Quebec	9.0	9.4	9.8
Ontario	6.2	6.1	6.2
Manitoba	4.6	5.0	5.4
Saskatchewan	4.2	4.6	4.5
Alberta	3.8	4.0	4.4
B.C.	8.7	8.5	8.4

Source: Department of Manpower and Immigration.

LABOUR

WORSE UNEMPLOYMENT FORECAST FOR TWO YEARS

Canada's bleak unemployment situation will continue to get worse for the next two years, according to secret government forecasts.

The latest Statistics Canada survey shows 914,000 Canadians out of work. Unemployment is expected to increase for all age groups and sexes with the exception of men over 55 years of age. The forecasts, prepared by the Department of Manpower and Immigration were leaked by Ed Broadbent, the leader of the New Democratic Party.

The figures project an annual unemployment rate of 7.6 per cent by 1979. The rate for 1976-1977 is 7.3 per cent.

Manpower Minister Bud Cullen verified the existence of the projections, but added, "there was no authority to make this kind of information public." Later, he said that such figures would not be released in the future.

Cullen told the Commons he has no plans to deal with rising unemployment rates. The government is relying on incentives in the March federal budget and increasing export business to make more jobs. TS 31/5/77 p.A1, John Honderich; EJ 31/5/77 p.1; GM 31/5/77 p.10 CP

ECONOMIST SEES NEED TO DOUBLE FACTORY OUTPUT

Canada must adopt radically new measures to encourage more employment in manufacturing or risk 500,000 additional unemployed over the next 10 years, according to Douglas Peters, vice-president and chief economist of the Toronto Dominion Bank.

Speaking to the annual convention of the Canadian Manufacturers Association, Peters said manufacturing productivity must rise by an average of four per cent annually, and also double its employment growth to 2.6 per cent a year. This would virtually double its output in 10 years.

It would solve three pressing problems. These are high unemployment, expected to be 7.5 per cent of the labour force for 1977; high unused plant capacity; and the fact that Canada imports \$10 billion more in manufactured goods per year than it exports. TS 6/6/77 p. B9

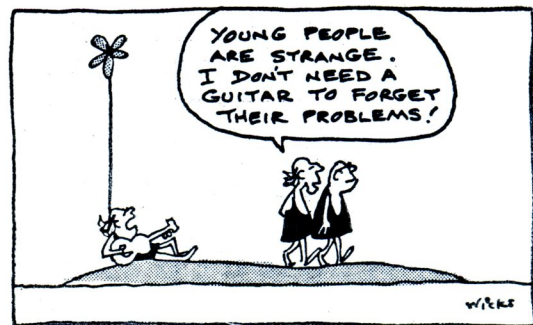
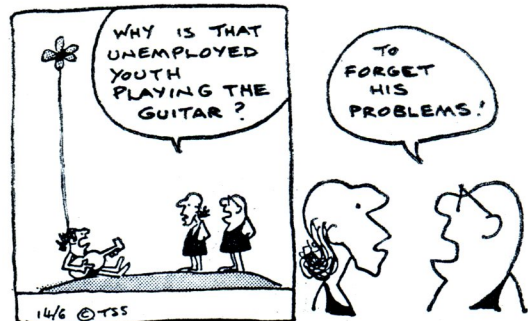
NOTE: *An employment strategy cannot take place in a vacuum. The liberals want Canada to concentrate on resource extraction and on preliminary processing. These are capital intensive industries. Canadian manufacturing is mostly controlled by foreign corporations who do not want the sector to grow strong, since it would threaten profits elsewhere. Full-scale manufacturing, bringing high employment with it, will not take place until Canadians regain control of their economy.*

EMPLOYMENT

644,000 HOMES DIRECTLY HIT BY JOB LOSSES

More than 644,000 Canadian families were directly hit by unemployment in May. A quarter of those - 170,000 families - had no member working, according to Statistics Canada. This took place despite the first drop of the unemployment rate in four months to below eight per cent. TS 14/6/77 p.A1, John Honderich

THE OUTCASTS by Ben Wicks



UNEMPLOYMENT DROPS TO 7.9% FROM 8.3%

The unemployment picture brightened during May, as the number of jobless eased to 824,000 from 914,000 a month earlier, Statistics Canada reports. Actual unemployment was down from 8.8 per cent in April, but still ahead of the 6.9 per cent in May a year ago.

Seven provinces, including Ontario, had lower unemployment rates in May than in April, with only Quebec, Saskatchewan and Prince Edward Island showing increases. Quebec's rate now stands at 10 per cent. GM 15/6/77 p.B7 CP; TS 14/6/77 p.A1, John Honderich

FULL EMPLOYMENT SHOULD BE A BASIC RIGHT

Although unemployment insurance removes some of the sting for Canadians who don't have jobs, it doesn't take away the urgent need for employment in the country. Ottawa's plan for the economy isn't working: 824,000 Canadians are out of work and its time to make full employment a top priority. Finance Minister Macdonald's hope that a resurgence in the U.S. economy will stimulate Canada's has been dashed by continuing weakness in the economy.

The case for full employment was explained recently by British economist Thomas Balogh:

"The knowledge that a man fulfills a role in the community, that he has a positive function to perform is surely in itself of great importance, which no system of social security, on however lavish a scale, will provide. Full employment is not merely a means to higher production and faster expansion. It is the greatest engine for the attainment by all of human dignity and of greater equality, and not merely in terms of incomes and consumption, important as these may be."

In other words, a commitment to full employment shows that a society places high value on human dignity and the need for individuals to participate in their society through work. TS 16/6/77 p.B6, Editorial



WORKERS' STRUGGLES

INTRODUCTION: *An unusually clear description of union-busting tactics was given at a recent seminar by the annual convention of the Graphic Arts Industries Association. (see OC 11/5/77). A major victory in unionization was achieved when the Canada Labour Relations Board ruled that bank employees may unionize on a branch basis. The newspaper industry is the focus of several labour disputes reported this month. Finally new postal contracts are coming up and negotiations promise to be difficult.*

CNSP NOTE: *Last month the CNSP reported on the Griffin Strike involving the CAIMAW union in Manitoba. One of the issues involved is 'voluntary overtime'. One of our readers has informed us that CAIMAW gave up the voluntary overtime clause when it bargained with Canadian Rodgers and A-1 Steel (Vancouver). CAIMAW denies the allegations in this reader's letter. They will prepare a statement for our next issue.*

UNION BUSTING TACTICS

Mr. Bill Treadaway, executive secretary of a U.S. printing industry association addressed a group of delegates to the Graphic Arts Industries Association convention on the issue of unions. "Use anything that works to keep unions out of your businesses even if it teeters on the edge of the law". He cited an example of a trucking firm that scuttled a union before it got started by firing its organizer by falsely accusing him of theft. In an audio-visual demonstration designed for employees on the eve of a certification vote, Treadaway showed slides of a man bleeding from a head wound received during a strike, lists of companies that had gone bankrupt after being unionized and newspaper stories about corrupt union practices. An official of the Canada Labour Relations Board was noncommittal about the legality of the methods proposed by Treadaway. "There's obviously intimidation on both sides--its all part of the game. The distinction between illegal and legal practices can't be made until they are actually committed and then it's up to the Labour Relations Board to decide." OC 11/5/77 p.43

BANKWORKERS WIN RIGHT TO UNIONIZE

The Canada Labour Relations Board has ruled that a branch of a bank is an appropriate bargaining unit. The decision has been called "precedent-setting," "historic" and "the biggest union breakthrough in years." The decision specifically affects two unions, the Canadian Union of Bank Employees who are currently organizing Bank of Nova Scotia workers in southwestern Ontario, and the United Bankworkers Union of Vancouver who are organizing at seven branches of the Canadian Imperial Bank of Commerce in B.C. However, it opens the door for a much wider movement to unionize the country's 100,000 bank employees. A 1975 study showed that 56 per cent of female employees earned less than \$8,000.00 a year. There are more than 7,000 branches of federally chartered banks across Canada. The banks have the right to appeal the labour board's decision to the Federal Court of Canada and then the Supreme Court of Canada; they are expected to do so. Meanwhile the two unions are moving ahead with plans to expand. The Canadian Union of Bank Employees is an offshoot of the Canadian Chemical Union while the United Bankworkers Union is a branch of the Service, Office and Retail Workers Union of Canada. Both are small, independent labour organizations. The Labour Board decision could provide an incentive for the Canadian Labour Congress or its larger affiliates to move into the banking field. GM 15/6/77 p.B1; EJ 15/6/77 p.15 FTC 20/6/77 p.1; OC 15/6/77 p.29; HCH 15/6/77 p.3

LABOUR

NEWSPAPER WORKERS

Toronto Star

The council representing four craft unions at the Star decided not to sign a new contract with the newspaper until further negotiations can be held to deal with complaints from dissatisfied machinists and electricians. The majority of Star employees have already voted to ratify the two year contract, but the signing of the contract is to be delayed. TS 26/5/77 p.A3

Ottawa Journal

The Ontario Labour Relations Board is expected to reach a decision mid July on the Ottawa Journal's seven month labour dispute. It centres on technological innovations. GM 26/5/77 p.16

Montreal Star and Gazette

The Anti-Inflation Board has reduced the rates of increase won by the employees of the Montreal Star and Montreal Gazette. The former had their one year agreement reduced from 9.94 per cent to 8. The Gazette workers' 18 month contract was reduced by .6 per cent in the first year with no reduction for the second part. HCH 11/5/77 p.5

POSTAL WORKERS

On May 18, contract talks between the Post Office and the Canadian Union of Postal Workers (CUPW) were broken off because the Government is bypassing the union in going directly to the members. The unions major demands concern the issue of technological change and grievance procedures. The 1975 agreement was signed by a narrow margin after a bitter seven week strike in which the union thought it had won control over the implementation of technological changes. Since then, the Post Office has continued to impose the changes without adequate consultation with the union. 10,000 grievances have been filed by CUPW's 23,000 members. 88 per cent of the membership is backing the initial set of union demands. Contracts for CUPW (inside workers) and the Letter Carriers Union (outside workers) expire on June 30, 1977. HCH 19/5/77 p.1; EJ 20/5/77 p.10; EJ 21/5/77 p.57; GM 23/5/77 p.4

QUEBEC LABOUR

ECONOMIC SUMMIT

The leaders of the CSN and the CEQ make fighting speeches attacking the Parti Quebecois at the opening of the economic summit. Robert Rodrigue of the CSN stated, "You are not, you don't want to be a workers' party; therefore you appear very fragile in front of the employers."

Charbonneau of the CEQ was as pointed: "To escape being in an economy where we are just porters of water requires political will, a clear political

strategy. Genuflecting before New York financiers or courting the Montreal Board of Trade doesn't make sense." LD 25/5/77 p. 1

The P.Q. labour relations policy includes:
-tightening of health and security standards,
-government backing for the establishment of unions for poorly paid workers,
-legislation to discourage the use of scabs.
TS 27/5/77 p. A3

IRON WORKERS OCCUPY KENNECOTT SUBSIDIARY

Quebec Iron and Titanium Corporation is a subsidiary of Kennecott Copper. Workers occupied the plant following the announcement that the company intended locking them out. At issue in the current negotiations are pay raises and better health conditions in the plant. TS 3/6/77 p. A11

About 30 security guards have been hired to provoke the 1,200 workers occupying the plant, say union leaders. TS 10/6/77 p. A3

Workers are maintaining their occupation of nearly three weeks. The company refuses to negotiate until the workers vacate the plant. TS 20/6/77 p. A4

EFFORTS TO CLEAN UP THE PLUMBERS "LOCAL 144"

A small group within Local 144, calling itself the unionized league of plumbers, has committed itself to cleaning up the union and getting rid of the present leadership, including the notorious Dede Desjardins, of Cliche Commission fame. At the same time, trustees in charge of the union have submitted a plan to the Quebec government for the same purpose. The trustees propose clearing out the present leadership and initiating a new system of placement (the process of job allocation is handled by the union). The trustees have also decided to send in the dues to FTQ Construction. They had been held back for months by the union's business agent, Normad Lacasse, longtime friend of Desjardins. LD 25/5/77 p. 8; LD 26/5/77 p. 3; LD 16/6/77 p. 8.

ROBIN HOOD

CNSP NOTE: See *Synthesis Vol. V, #2*, for background information on this strike.

Robin Hood has begun an advertising campaign to find new employees to replace workers currently on strike (since February). It is a public admission on the part of the company that it is firing the striking workers. The union has not yet responded to the company move. LD 21/6/77 p. 8.

MINIMUM WAGE: \$3.15

From July 1, the minimum hourly wage in Quebec will be \$3.15. The Quebec government has decided to fix the minimum wage at 50.4 per cent of the average industrial wage. The rate will be reviewed on each January and July 1st. GM 3/6/77 p. 8; HCH 4/6/77 p.5

IMMIGRATION

INTRODUCTION: The Immigration Bill is still before the Standing Committee on Labour, Manpower, and Immigration. Pressure brought to bear by various groups seems to be having some effect. This month, Bud Cullen introduced some amendments to the bill and some MPs of all three major parties have committed themselves to changing the bill before its passage. Cullen had been hoping for quick passage of the bill -- perhaps this will not be the case.

CRITICISMS OF THE BILL - QUEBEC CIVIL LIBERTIES ASSOC. A REPRESSIVE FORM OF LEGISLATION

The Quebec Civil Liberties Association spokesperson, Fabian Leboeuf demanded the withdrawal of the bill. The proposed law is "repressive and dangerous" because it would permit the government to deport or prohibit entrance to foreigners for secret reasons in the name of national security. Leboeuf contends this constitutes "excessive powers." The government says it is meant to keep out subversives, organized crime and terrorists. The provision would allow two Cabinet ministers, on the basis of information supplied by the RCMP security services to sign certificates stating that a foreigner is inadmissible or deportable. The person would not be told the reason and the ministers would not have to make any public explanation.

Leboeuf and Paul Copeland, spokesperson for the Law Union of Ontario, both expressed distrust of the RCMP security service. They cited the recent disclosures of an illegal break-in at a news agency by the RCMP.

The Law Union of Ontario and the Toronto Student Legal Aid Society presented a 76 page document containing dozens of proposed amendments to the bill. They said the proposal to direct immigrants to certain areas amounts to requiring "an entrance fee or a head tax for the opportunity to come to Canada". Directing immigrants to designated communities will leave employers with "no incentive to offer competitive wages or decent working conditions for they will know that they have a captive labour force."

The two groups also said setting annual immigration levels was unnecessary because "there is no evidence to suggest that immigrants have a significant negative impact on the Canadian economy. Canada is not doing the immigrants a favour by accepting them. The country needs immigrants."

Leboeuf said that Bud Cullen has implied that the bill will be passed unrevised. However, MPs from the three major political parties promised unspecified amendments. OC 8/6/77 p.17 CP; GM 8/6/77 p.9 CP

CLARIFICATION NEEDED

University of Toronto law professor, Richard Gathercole said the section of the immigration bill empowering federal officials to deport immigrants on grounds that they are likely to engage in criminal activity is open to abuse. He said if the section is aimed at those involved in organized crime, as Immigration Minister Bud Cullen claims, it should say so, and the legislation should define what the government means by organized crime.

TS 16/6/77 p.B3

The major Christian churches have presented a brief calling for changes in the Immigration Bill, which they claim would put "our entire judicial system in jeopardy by opening the door to a repressive form of legislation." The government, they feel, is avoiding necessary social and economic reform by imposing population control and trying to eliminate regional disparities by redistributing "people on the map of Canada." The brief calls for the elimination of a proposal to empower immigration officers to direct immigrants, under the threat of deportation, to regions designated as under-populated or in need of workers. This proposal violates a UN population plan and the declaration of human rights, which guarantees freedom of movement.

The Inter-Church Project on Population and the Inter-Church Committee on Human Rights in Latin America, with the endorsement of the Canadian Catholic Organization for Development and Peace are the groups which presented the brief. They represent the Anglican, Christian Reformed, Lutheran, Presbyterian, Roman Catholic, and United Churches, the Society of Friends and the Canadian Council of Churches.

The brief also called for the elimination of two other proposals. One could require some persons to report to Immigration authorities before leaving the country. The other would require some immigrants to be fingerprinted or photographed. OC 2/6/77 p.12 CP

REFUGEES PLIGHT

Amnesty International says the proposed immigration bill does not make adequate allowances for the special conditions of refugees. The government waives economic criteria in cases of emergency movement of refugees into the country, but it still plans to apply economic criteria to persons and families who continue to trickle in.

Amnesty International, a human rights organization, hopes to persuade MPs to simplify the refugee admission process and to separate refugee criteria from criteria used to select other immigrants. The brief said that the government continues to see claims for refugee status as "a peculiarity of certain immigrants and not the essential characteristic of a special kind of applicant." The UN convention generally defines a refugee as someone who, if sent back to his or her native country would face a threat to life or freedom "on account of race, religion, nationality, membership in a particular social group or political opinion". Amnesty International said a section of the bill would permit deportation of refugees claimants believed likely to engage in

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"subversion by force of any government". Most claimants would be viewed as subversive by their home government, no matter what they do, the organization claims. GM 2/6/77 p.36 CP; TS 6/6/77 p.A2

Representatives of four major churches called on the House of Commons Committee on Labour, Manpower, and Immigration to advocate an overhaul of the government's system of letting refugees into the country. "We want refugees dealt with on their own terms, not just as a somewhat different immigrant," said George Cram, Toronto representative of the Inter-Church Committee of Human Rights in Latin America. The groups recommend a refugee claims board to deal exclusively with persons who want to come to Canada or stay in Canada as refugees. They also want a wider definition of refugees to include those claiming refugee status from the country of their last fixed home. TS 2/6/77 p.B3

CULLEN'S AMENDMENTS

Immigration Minister Bud Cullen introduced a large number of amendments to the government's proposed Immigration Law. These included the right to a second hearing before the immigration appeals board in cases where there is fresh evidence. Another amendment removes the immigration prohibition against persons who have admitted to a criminal offence. People who have been convicted of an offence which would be illegal in Canada - except violations of the Immigration Act - would still be barred entry.

The government proposed to modify the section dealing with deportation of landed immigrants, following the recommendations of the Canadian Civil Liberties Association. Permanent residents would be removed only for serious criminal activity. As it is presently stated in the bill, landed immigrants who have been convicted of an offence under any act of Parliament for which a prison term more than six months has been imposed may be deported.

Cullen also said he would be prepared to remove a section of the bill which "provides regulation-making power to require any person to report to an immigration officer on leaving Canada" if the committee recommends it. The minister said, "an effective system to monitor departures from the country would be expensive administratively and I do not see one implemented for many years to come".

Cullen agreed with recommendations that persons seeking refugee status should be guaranteed a full hearing. He said improvements to the refugee appeal system will be announced, but will not be put in the act. A refugee status advisory committee will be established.

The government still will have the power to direct immigrants away from certain areas requiring them to settle for six months in communities with labour shortages.

Cullen acknowledged the opposition to the proposal to require fingerprints and photographs of non-citizens but, he made no move to take it out of the act. He said, "It is most unlikely that these provisions will apply to a permanent resident."

Cullen also defended a provision for secret security certificates which would apply to persons considered to be a threat to national security or involved in subversion, organized crime or terrorism. Explanatory notes with the bill say in some cases immigration officials come across sensitive, confidential information. This information cannot be released at a public hearing and so unless there are other grounds to base removal on, people who may pose a threat to public order or national security must be allowed to come into or stay in Canada. EJ 17/6/77 p.8 CP; MS 17/6/77 p.A10 CP; HCH 17/6/77, p.1 CP; GM 17/6/77 p.10 CP; OC 17/6/77 p.14 CP

CANADA RAISES REFUGEE CEILING

Canada will accept an additional 1,000 Latin American refugees, raising its commitment under the Special Chilean Movement to 7,000. Current cases would fill the current 6,000 quota. HCH 15/6/77 p.24 UPI

COUTURE AND CULLEN REACH AN ACCORD

Quebec and Ottawa have reached an agreement on how to select immigrants for Quebec and on the teaching of English to those immigrants. Bud Cullen, Federal Immigration Minister, and Jacques Couture, Immigration Minister of Quebec, made the announcement at different news conferences. Their interpretations of what the agreement means, particularly on the powers of provincial officers in the selection of immigrants, differed slightly.

A special Committee will be created to study provincial immigration officers' roles in selecting new immigrants to Quebec. The Committee is to report at the end of this summer and Cullen and Couture are to meet again in September to negotiate further the sharing of powers.

The two governments have agreed English courses will continue to be given by the province's Centres d'orientation et de formation des emigrants (COFI). Mr. Couture had announced in January that COFI would discontinue English courses. EJ 28/5/77 p.6 CP; MS 28/5/77 p.A1, Richard Daignault Jr.

NATIVE PEOPLE

QUEBEC CREE AND INUIT EXEMPT FROM LANGUAGE BILL

Cree Indians and Inuit of Quebec have been given assurances by the PQ Government that their rights as established by the James Bay Agreement will be adhered to. Camille Laurin, Cultural Development Minister, has promised both groups they will be exempt from many provisions of the proposed language bill; and amendments would be made to this effect.

Billy Diamond, Chief of the Grand Council of the Cree, says the Cree have agreed to work with the government on these amendments and feel happy that the PQ government is committed to them.

However, Charlie Watt, president of the Northern Quebec Inuit Association, is not satisfied with the promise. "We feel there should be a recognition of our right to speak our language and a second language which would not necessarily be French." The NQIA has called for a moratorium on the bill until studies to measure the impact of francization programmes on the Inuit are carried out. They have also asked that complete language and cultural rights for the Inuit be written into Bill 1. GM 1/6/77 p.8 CP; OC 1/6/77 p.12 CP; MS 4/6/77 p.All, Linda Diebel



"When they let us speak our own language, in exchange for taking our fish."

CONFERENCE LAYS FOUNDATION FOR INTERNATIONAL INUIT ORGANIZATION

Inuit leaders from around the world met for the first time in Barrow, Alaska to discuss common problems and plan for an International Inuit organization. The purpose of the proposed body is to lobby for such things as environmental protection, preservation of culture and improvements in transportation and communication. The over 300 delegates adopted a resolution declaring the Inuit of Greenland, Alaska and Canada "one indivisible people with a common language, culture, environment and concerns."

The conference also called for an end to "any measure of military activity" in the Arctic and recommended an Arctic population policy, Eskimo-controlled technology assessment, international Arctic coastal zone management and locally controlled wildlife management. EJ 16/6/77 p.1, Gloria Goliger; TS 20/6/77 p.B9 (Reuter)

OJIBWAY TO SUE OVER MERCURY POLLUTION

Northwestern Ontario Ojibways have announced plans to sue the Ontario and federal governments over the mercury pollution problem. The suit will be directed at the governments' refusal to close the mercury-contaminated English-Wabigoon-Winnipeg river systems to all fishing. Last year, Grand Council Treaty No. 3, representing treaty Indians in Northwestern Ontario, formed A-MOG (Anti-Mercury Ojibway Group) to research possible court action. John Kelly, president of the Council, states "I would like to emphatically stress that our governments have shirked their duty regarding public health, and we don't intend to let our governments get away with their irresponsibility."

A-MOG also plans to sue Reed Ltd., the international company whose Dryden, Ontario, pulp and paper plant has been blamed for contaminating the system. The case is expected to be similar to one begun by the Cree against fourteen companies in northern Quebec. OC 8/6/77 p.13 CP

SUPREME COURT RULES ON INDIAN HUNTING RIGHTS

The Supreme Court of Canada has ruled that provincial boundaries are not to be imposed on Indian hunting rights. The court reversed a decision of the Alberta Appeal Court and acquitted Alex Frank, a Saskatchewan Indian who had been charged with illegal possession of moose meat in Alberta. Alex Frank's lawyers argued that he was exercising his right to kill wildlife for food within Treaty No. 6 boundaries which includes most of the territory from the Manitoba - Saskatchewan border to the Rocky Mountains.

In a separate judgement, however, the court ruled that provincial game laws do apply to non-treaty Indians who hunt off the reserve and on unoccupied Crown lands. In doing so it upheld the illegal hunting convictions of B.C. Indians Jacob Kruger and Robert Manuel. EJ 1/6/77 p.11 CP

MIREX: A CHEMICAL POLLUTANT IN FISH

A long-lasting poisonous chemical called Mirex has been found in fish in the Niagara and St. Lawrence Rivers and Lake Ontario. Persons who eat large amounts of the fish face a health hazard according to a study headed by Mike Gilbertson of the Environmental Protection Service. The St. Regis Indian band near Cornwall is one group facing a risk from Mirex.

The chemical, used as a pesticide and as a fire retardant in plastics, was dumped into Lake Ontario from the American side. It is extremely long lasting, does not break down easily in the environment thus, it tends to accumulate in the body. A recent Canadian study links Mirex and other contaminants to increased thyroid problems and tumors in fish in Lake Ontario and raises the question whether the pollutants might inflict similar damage on humans. The study recommended that various studies be carried out by the government to look at disease patterns of people exposed to the chemical. OC 9/6/77 p.12 CP

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HIGH MERCURY BLOOD COUNTS IN NORTH

Federal testing has discovered further cases of higher-than-normal levels of toxic mercury in the bloodstreams of some people living in remote parts of the North. It has been found in communities in Arctic Quebec as well as Arctic Bay, NWT on the north tip of Baffin Island. The toxic mercury comes from eating fish and sea mammals that have picked it up in the food chain. Researchers are uncertain how the mercury reached the Arctic. GM 3/6/77 p.9 CP

METIS RECEIVE \$ FOR LAND CLAIM RESEARCH

The federal government is to give two Metis groups \$500,000.00 to do research on land claims, says Harry Daniels, president of the Native Council of Canada. The grants will be used to investigate Metis and non-status Indian land claims having either legal or moral foundation. Mr. Daniels describes his people as landless since the defeat of the 1870 Man-

itoba rebellion and says they have to establish a claim to the country in order to be on an equal footing with the rest of Canadian society. One of the main principals they will follow in doing the research is that under no circumstances should the council extinguish its aboriginal title to the land. MS 15/6/77 p.A14 CP

NOVA SCOTIA METIS

The Nova Scotia's Non-Status Indian and Metis Association has called on the provincial government to establish special policies and programmes to deal with the unique problems of the 4,500 members. Because they are not recognised by the department of Indian affairs, they are a forgotten people and need help from the province. The nine-point proposal they have presented to the government deals with housing, education, courts and job training. HCH 28/5/77 p.21, Jon Handforth



POLITICAL

ONTARIO

INTRODUCTION: This month the major stories covered the Ontario provincial election. In any election the press has significant influence upon the voter. In this case it seemed the press greatly downplayed the position and platform of the Liberals and particularly their leader Stuart Smith. However, the Liberals managed to regain the status of official opposition over the NDP. The press questioned the credibility of NDP leader Stephen Lewis in downplaying basic party policy. A special point of controversy was Lewis's remarks on nationalization of the resource sector. He stated he had "no intention of nationalizing anything", and would find other ways of control. He also ran into trouble trying to dodge his party's commitment to raising the minimum wage to four dollars per hour.

The press generally supported Premier William Davis, and much of the Conservative campaign was run on the strength of his popularity. His party made a basic miscalculation, however, since the voters again returned a minority government. This is the interesting point; essentially nothing has really changed. Ontario evidently was satisfied with the previous arrangement. The Liberals' share of the popular vote declined since the last election, and they lost two seats. They only regained the opposition status because the NDP lost six seats, despite retaining its share of the popular vote. The Conservatives failed to dislodge the NDP's backing despite a vicious smear campaign. The Liberals can afford satisfaction since they did well in the face of many predictions that they could lose up to half of their seats. Some stories mentioned the most notable event was the resignation of Stephen Lewis as Leader of the NDP.

After alot of money was spent, important legislation, including the budget, postponed, and many promises made (and probably forgotten), one could conclude that this election was really terribly unnecessary.

WON'T NATIONALIZE RESOURCES

The Ontario NDP "has not the slightest intention" of nationalizing the natural resource industries of the province, but would exert more public control over them in other ways. Party leader Stephen Lewis said this during a leaders' television debate.
GM 25/5/77 p.1



JOBS: THE NO. 1 ELECTION ISSUE

Unemployment was by far the greatest concern to the Ontario electorate, according to a Toronto Star survey. Sixty per cent said it was the most important problem the provincial government should be tackling. In addition, 36 per cent were concerned about inflation, the voters' second major worry.
TS 24/5/77 p.1

DAVIS HEADS ANOTHER MINORITY GOVERNMENT

Ontario gave Premier William Davis' PC government a third term but denied him a majority for the second time in 21 months.

The standing: PCs 58, Liberals 34, NDP 33, for a total of 125. The results after the 1975 election were PCs 51, Liberals 36, NDP 38.

Of the 11 seats that changed hands, the PCs won nine, six from the NDP and three from the Liberals. But they lost one to each of the opposition parties.
EJ 10/6/77 p.1

OPPOSITION ROLE FOR LIBERALS SAID TO AID BUSINESS

Ontario businessmen betting on a strong majority government saw their hopes collapse as the provincial election returns rolled in.

Another session of minority PC government is "a little like being in a car without a steering wheel. You never know where you're going" said developer Lawrence Shankman, president of Consolidated Building Corp. Ltd.

Other businessmen said they were encouraged by the strength of the Liberal leader Stuart Smith,

whose party took over the role of official opposition from the NDP.

"I don't think the last minority session presented any real problem but I do feel that this session, with the Liberals as the opposition, will be better for business", said Edmund C. Bovey, chairman of Norces Energy Resources Ltd.
TS 10/6/77 p.D5

PC'S BANKED ON DAVIS' DRAW

The basic miscalculation in the Conservative campaign was the belief that William Davis' overwhelming personal popularity would draw enough support to give them their majority.

But instead of being bowled along by their admiration for Davis, the voters went solidly for the incumbent candidates and elected only 21 newcomers altogether.

"The other thing was that where the Liberal vote shattered, we won the seats from the NDP", said Eddie Goodman, Davis' chief political aide. Enough fleeing Liberal votes went to the Tories to enable them to beat the NDP. TS 11/6/77 p.A3

SMITH: THERE'LL BE NO MORE TAKING IT ON THE CHIN

No more taking it on the chin, said Liberal leader Stuart Smith. No more "massive, unfair stereotyping", by the media that made him out to be an indecisive fumbler, and no more backroom grumbling about separating him from his job.

All parties will have to live with a minority situation for some time now -- three years, if everybody cooperates, according to Smith. The electorate has told Premier Davis "in the plainest possible words that he is not to be free to govern as he pleases." Dr. Smith said he is ready to compromise. In the last House, he was seen as indecisive because the Liberals voted with the Government to prevent an election, while opposing many of its policies. But now Davis and Lewis "will just have to get used to voting for things they don't much like. I'll compromise, but I won't be the only one." GM 11/6/77 p.4

NOW QUEEN'S PARK CAN CHANGE BUDGET

The first priority facing Premier Davis in this session of the legislature will be to square his promise to create 100,000 new jobs and 90,000 new homes a year with Treasurer Darcy McKeough's do-nothing budget.

The budget still awaits the legislature's approval, but its proposals will fall far short of meeting the campaign promises of jobs and affordable homes.
TS 11/6/77 p.B2

LEWIS TO QUIT AS NDP LEADER

Stephen Lewis plans to step down as leader of the NDP as soon as a replacement can be chosen. He will remain as a member of the legislature after the leadership convention.

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There is no obvious replacement among the 34 members elected. However, party sources suggest Ian Deans, who was first elected in the riding of Westworth in 1967, Michael Cassidy, MPP for Ottawa centre since 1971, and Jim Foulds, MPP for Port Arthur since 1971, are likely contenders. TS 13/6/77 p.A1

The 1977 provincial election wrought little changes in the political balance of the Ontario legislature, little enough that the withdrawal of Mr. Lewis from NDP leadership may be remembered as the most significant consequence. Some PCs and Liberals may even be persuaded that it was worth the trouble after all just to see him assume a lower profile.

It is worth taking note, however, that Mr. Lewis made it clear that "this is not my obituary". GM 14/6/77 p.6

UNION LEADERS SHOCKED AT LEWIS'S DECISION

The decision by Stephen Lewis to step down as Ontario leader of the NDP sent shock tremors through the hierarchy of the labour movement that had backed his 1970 leadership campaign against Walter Pitman.

Labour has no candidate yet for the post. "But, as candidates emerge, labour may coalesce around one of them", said Clifford Pilkey, president of the Ontario Federation of Labour. "My guess is that some people outside the caucus may seek the leadership."

None of the members of the NDP caucus were as close to the leadership of the trade union movement as was Mr. Lewis.

While there recently has been sharp criticism within labour of the position adopted on some issues by NDP governments in Western Canada and less than enthusiasm displayed for the federal party, Mr. Lewis has received high marks from the labour movement for his leadership and policies. GM 14/6/77 p.5

ALBERTA

ALBERTA LAND BILL "SHOCKING"

Author Pierre Berton urged 300 people to picket, march and protest against the Albertan government's Bill 29.

Speaking as a director of the Canadian Civil Liberties Association, Mr. Berton attacked the bill which would make it illegal to file a caveat (statement of interest) on untitled Crown land.

He said he was shocked that the bill had been introduced in the middle of court case to determine the legality of a caveat filed by the native people of the isolated communities of northern Alberta.

The government was criticized for introducing "retroactive legislation" to close a loophole which would have allowed Alberta Indians to file a caveat on much of northern Alberta's 33,000 square miles, including the area containing the Athabasca oil sands. MS 5/5/77 p.B16

ONTARIO 'TOO SLOW' OVER BILINGUALISM

The Ontario government should stop throwing a number to francophones, and take honest steps to make the province officially bilingual within the next five to 10 years, said Keith Spicer, federal official languages commissioner.

Ontario should do as the federal government has done -- introduce bilingual services where there is significant demand and where it is feasible, Spicer said. It could begin with bilingual services in northern and eastern Ontario and the Windsor region.

Spicer's remarks were prompted by a recent provincial government decision not to allow Quebec businessman Gerard Filion a Supreme Court trial in French. TS 11/6/77 p.A2

NEWFOUNDLAND

PC'S, LIBERALS SPLIT NEWFOUNDLAND BY- ELECTIONS

The Conservatives of Premier Frank Moores and the opposition Liberals each won a seat in two Newfoundland by-elections in June. The NDP came within 41 votes of putting its first member in the House of Assembly.

Standings in the 51 seat House are; Conservatives 29, Liberals 19, independent Liberal one, independent one and vacant one.

Twillingate was left vacant by the resignation of former premier Joseph Smallwood. GM 17/6/77 p.10

QUEBEC

INTRODUCTION

This month we focus on the PQ's recent general convention and the continuing debate over the language bill. Three other papers (M.S. O.C. and E.J.) reprinted the T.S. series, What does Quebec Really Want? which was reported on last month. Of particular interest are the editorial by Evelyn Dumas and the series on head offices. The federal government appears to be adopting a more conciliatory approach to Quebec over language rights. We also include some data about the Quebec economy.

PQ Sixth General Convention

The Parti Quebecois has 150,000 members. They chose 1,527 delegates to represent them at the party's sixth general convention. The last one was held in 1974. The following is a break down of the delegates by age, sex, type of work and long term political affiliation.

Age:
18-24 25-34 35-44
11% 41% 28%

Sex:
male 74.7% female 25.3%

Work:
white collar 434 blue collar 258 teachers 249
students 145 professionals 217 managers 64

Sixty-five per cent of delegates were participating for the first time in a general convention.

Former Political Party:

RIN (a separatist party of the '60s) 30.7%
 Liberal Party 25.6% UN 16.5% NDP 12.2%
 LJ 3/6/77 p.10

Delegates adopted a resolution changing the composition of the 15 member executive of the party. The number of councillor's positions reserved for members elected to the Quebec national Assembly was raised from two to four. The number open to the membership at large was reduced from nine to seven. In addition the position of president is open to National Assembly members. Levesque was re-elected. Positions of vice-president and treasurer were filled by acclamation, Robert Lussier and Philippe Bernard respectively. The elections for the executive produced a clear majority of moderates, with the radical wing maintaining a foothold. TS 30/5/77 p.A1; EJ 28/5/77 p.6

The convention gave the Levesque government the authority to set the timing of the referendum, the question to be asked and the type of economic association to be negotiated with Canada. TS 30/5/77 p.A1; EJ 30/5/77 p.1; HCH 1/6/77 p.1

LANGUAGE POLICY

The language legislation is primarily aimed at solving the economic rather than the cultural problems of French speaking Quebecers, according to Cultural Development Minister Camille Laurin. GM 2/6/77 p.8

A poll taken by the PQ revealed 65 per cent of Quebec's Francophones support Bill 1 as it now stands. LD 28/5/77 p.3

The party's general convention voted its support for Bill 1 and called for its adoption without changes. HCH 1/6/77 p.1

THE LANGUAGE OF BUSINESS

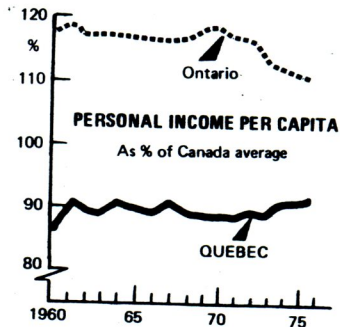
Despite recent progress, statistics show almost all the senior positions in Quebec's largest companies are held by English-speaking executives. Anthony Abbott, federal corporate affairs minister, told this to a meeting of the International Centre for Research and Studies in Management. TS 10/6/77 p.A3

It is not only a question of replacing an anglophone business elite with a francophone one, according to an editorial in Le Jour. More important is redressing a whole situation of segregation founded on language. The affirmation of French as the language of work and of economic life must be seen in this perspective. In Quebec, 77 per cent of the anglophones work in tasks requiring writing and oral skills, while 51 per cent of the Francophones work in manual labour. Businesses demonstrate daily their ability to quickly introduce technological change without regard to the repercussions on their employees. They have learned how to adapt to the regulation imposed on them by many states. Why is it suddenly so difficult to introduce French into business in measured steps? LJ 10/6/77 edit. E. Dumas

A report prepared by the Office of Planning and Development of Quebec (OPDQ) warns the PQ government that the movement of head offices out of Quebec could hurt the province's development. It could remove an important market for such services as marketing consulting, advertising, law and communications. The report recommends the government communicate regularly and in detail its policies that affect businesses. OC 12/5/77 p.37

A study prepared by the Societe d'Etudes et de Changement Organizationnels (SECOR) has outlined the costs of implementing the francization program of Bill 1. It recommends changes to reduce the costs and identifies certain types of companies deemed likely to move rather than adapt. They are: large firms that sell less than 25 per cent of their production within Quebec and have less than 50 per cent bilingual head office management. (Of 41 firms surveyed 28 were judged likely to move.) LD 11/6/77 p.1; GM 13/6/77 p.1

Using the SECOR study, the Quebec Chamber of Commerce has prepared a brief requesting three major changes in the language bill. They are; a reduction in the powers of the Office which will oversee the francisation of business, a more prolonged period in which to introduce the programme, and a clarification of the directives that will issue future regulations. LD 11/6/77 p.1



INCOMES in Quebec run below the national average, and there has been little progress in closing the gap over the past 15 years (see chart). Quebec's personal income per capita, at 92% of the Canadian average, is, however, well ahead of all the Atlantic provinces, where the range is 70% - 80%.

CNSP NOTE: *The GM plant at St. Therese Quebec and the companies which now make up Hydro Quebec were identified in two lengthy articles as having Francization programmes that were 'success stories.' Both authors made the same point. In the beginning, the same concerns and objections were made about the difficulties or impossibility of introducing French as are being made today, but these companies managed to make the transition with little discomfort. (OC 17/5/77 p.25 and LD 31/5/77 p.5) A four part series in LD (7-10/6/77) analysed the head office question. Among the facts it points out were: -there are between 230 and 240 large head office in Quebec, each employing over 500 people. -total employment in these head offices is 50,000. -the annual outlay for salaries is \$800 million (an average of \$16,000).*

POLITICAL

-these companies control the hiring of between 500,000 and 600,000 persons in Quebec.

-some estimate that for every job in a head office two are indirectly created.

-since 1960, only four of 144 large companies have completely left the province of Quebec.

-the regional directors of financial institutions, who control lines of credit worth several million dollars, and directors of purchasing and supplies, who handle hundreds of millions of dollars in contracts each year, are particularly influential people.

-a study done by M. Maurice Sauve for the years 1975 and 76 surveyed 105 companies with more than 1000 employees. Of these, only 15 were French-Canadian, only seven had a French-Canadian president, 44 companies had no French-Canadian directors, another 23 had only one, 11 had only two and 12 more had between three and seven directors. One had eight directors.

-officers and senior directors of a head office tend to stay in Quebec for long periods (many for 20 or 30 years), while professionals come and go more frequently.

-professional groups, like engineering firms, law firms and accountants' firms, tend to be more flexible with regard to language. An example, is SNC, an engineering, construction and supply multinational that operates in 37 different countries. Its engineers are called on to use Spanish in Cuba, English in Nigeria and French in Algeria.

Prime Minister Trudeau said while he remains committed to the principle that parents have the right to choose the language in which their children are taught, he will for the moment accept Quebec's right to limit enrolment in English schools. He argued time is needed to reassure some Quebecers who perceive their language is being threatened. It is obvious, he said, the freedom of choice of a French speaking parent in some parts of Ontario is not absolute. The principle is there, but it will take some time to provide the schools and the teachers. TS 23/6/77 P.A2

Statistics Canada reveals the percentage of French speaking Ontarians has dropped from 6.8 in 1961 to 6.3 in 1971.

POLITICAL PARTIES

Quebec's commission of Human Rights has issued a report condemning certain clauses of the PQ Bill 2 on political parties. They are:

-the clause that requires a party to field 55 riding associations and 55 electoral candidates before it is given recognition as an official party. Mr. Burns said the number will be reduced to 10.

-the clause that would have given the director general and his staff the right to search without a warrant. Mr. Burns said this would be amended so that a search warrant would have to be obtained from a Superior Court justice. EJ 16/6/77 p.92 Peter Cowan

COMMISSION ON NATIONAL UNITY

Former Ontario premier John Robarts and former AIB chairman Jean Luc Pepin have been named as co-chairmen

of a special government commission on national unity. The commission is to recommend political responses, including constitutional changes, to the present crisis of Confederation. It will also "inspire and orchestrate" the work of private grass roots groups that have sprung up since November 5, 1976 to try to keep Canada united. The Commission will advise the PM directly instead of issuing a public report. TS 4/6/77 p.C1

ECONOMIC INDICATORS

Alcan plans to build a new aluminum smelter near Le Baie, Quebec. (Saguenay region) It will provide 400 permanent jobs. GM 31/5/77 p.B5; LD 31/5/77 p.19

Standard & Poor has joined Moody's in maintaining a double A rating on Quebec bonds. It cited the economic conservation of the largely middle class francophone community, long term economic development of the province, and the fiscal policies of the PQ government. GM 3/6/77 p.1

Capital Spending in Quebec is expected to total \$10.6 billion, an increase of 12.3 per cent. This total is the second highest in the country after Alberta. However, 75 per cent of the increase is accounted for by one project, James Bay. FM 11/6/77 p.12

AGRICULTURE

Although Quebec has a large livestock industry it has to import nearly a hundred million dollars worth of Western grains; wheat, oats, barley and Ontario grain corn. The province is only 36.9 per cent self-sufficient in grain production. Jacques Lebaeu, a writer for 'Farm Economics' estimates that Quebec's producers lose \$21 million annually by not growing their own grain. HCH 30/5/77 p7

POLICE

INTRODUCTION: This month the press was flooded with evidence of police break-ins in Toronto and Montreal. In the House of Commons MPs questioned the power of the RCMP and a possible cover up by police and government officials. MPs also criticized new proposed wiretap legislation which would give more power to the police to use electronic eavesdropping equipment.

TORONTO BREAK-IN

In the House of Commons opposition members demanded to know if the RCMP were involved in the 1970 break in of the Toronto Offices of Praxis, a research organization dealing with problems of poverty. Material taken from Praxis was used in making up then-Solicitor General Goyer's "blacklist" of 21 "subversives". (See CNSP Vol. 5 No. 1)

Justice Minister Basford denied the RCMP were involved in the break-in but confirmed that an investigation was being carried out. TS 25/5/77 p.A14; TS 23/5/77 p.A2

MONTREAL BREAK-IN

The evidence of RCMP involvement in a break-in at the offices of the left wing news agency Agence Presse Libre in 1972 caused an even greater disturbance in the House of Commons.

Outlined briefly below is the series of events that has led to the serious questioning of RCMP and government integrity.

- October 6, 1972 - Chief Superintendent Donald Cobb of the RCMP, Inspector Jean Contellier of the Quebec Provincial Police (QPP) and Det. Captain Roger Cormier of the Montreal Police authorized a break-in at the Agence Presse Libre du Quebec. (APLQ)
- October 9, 1972 - APLQ sent telegrams to the assistant Commissioner of the RCMP, the Chief of the QPP and Chief of the Montreal Police asking whether their forces were involved in the break-in. APLQ also sent letters to Jean-Pierre Goyer, then Solicitor-General of Canada and Jerome Choquette, then Minister of Justice of Quebec asking whether the three police forces had been involved in the break-in.
- October 10, 1972 - Senior officials of RCMP found out about the details of the break-in.
- October 11, 1972 - Goyer's office staff received APLQ letter but sent it on to RCMP for reply.
- October 12, 1972 - Choquette said he was told that the three police forces were not involved in break-in and that Montreal police were investigating.
- October 26, 1972 - The RCMP wrote to Goyer's assistant recommending that no acknowledgment be made of the APLQ letter. Goyer never replied to letter.
- March 16, 1976 - A RCMP constable confessed that he had taken part in illegal raid. The deputy solicitor general of Canada found out for the first time about RCMP's involvement in the break-in.
- May 26, 1977 - The three officers who authorized the break-in were charged with and pleaded guilty to carrying out an illegal raid. Cobb was suspended from the RCMP.
- June 16, 1977 - Judge Roger Vincent granted the three officers an absolute discharge. Cobb was fully reinstated with RCMP. Quebec government closed the investigation by the Montreal police and appointed a Quebec City lawyer to investigate the break-in.
- June 17, 1977 - Francis Fox, Solicitor General, reported for the first time to Parliament on the break-in. TS 18/6/77 p.A2

The defence lawyer representing police officer Cobb stated the break-in took place because the police had evidence there would be an "anniversary celebration" of violence by the FLQ in October, 1972. He said the break-in was inspired by concern over reports that the FLQ would again seek to free imprisoned colleagues. It was established in court that a group of five or six policemen working for the Combined Anti Terrorist Squad (CATS) broke into the APLQ and made off with 10 cases of documents. The judge who gave the three who authorized the raid a complete discharge praised their "noble motives" in trying to crack the terrorist plot.

NDP party leader Ed Broadbent said the judge's action "almost compliments police officers who break the law of Canada". Tory MP Elmer MacKay said the charge should have been breaking and entering rather than the lesser charge of failing to obtain a search warrant. GM 17/6/77 p.1,8; EJ 10/6/77 p.41

Opposition MPs voiced amazement at Goyer's inaction and "lack of curiosity" in finding out who was responsible for the illegal break-in. Frank Oberle (PC) wanted to know how many more of these break-ins were on record. Oberle also asked about the involvement of a special intelligence group in the Solicitor General's office called the Police and Security Planning and Analysis Group. The group is an outgrowth of a security and intelligence coordination group which Goyer was involved with during the October, 1970 FLQ crises. Another question that concerned conservative MP Allan Lawrence was that the three who authorized the break-in may have pleaded guilty for "ulterior motives" to avoid public testimony. MS 7/6/77 p.A6; GM 9/6/77 p.8

Opposition parties clamored for a full inquiry into the RCMP. Both conservatives and NDP MPs charged that the RCMP is beyond the control of the government. Broadbent called for an inquiry, saying "we have law-breaking and concealment by the RCMP. We need a public inquiry to determine the exact amount of wrongdoing by the RCMP." NDP MP Andrew Brewster told Prime Minister Trudeau "At the very top of our national police force there are people who will conspire to suppress evidence or suppress following up matters as important to the administration of justice at this." TS 22/6/77 p.A20; OC 21/6/77 p.7, John Gray

Prime Minister Trudeau ruled out public inquiry into the coverup of the illegal break-in by the RCMP saying the issue is one of political responsibility which has been fully debated in the Commons. GM 23/6/77 p.1

An editorial in the Toronto Star claimed Trudeau's reasons for refusing an investigation are so weak they can only leave the suspicion that the government has something to hide. Although Trudeau says that the issue is one of ministerial responsibility, and that it has been fully debated, it has been suggested that the debate was based on limited knowledge of fact. The issue really encompasses the whole area of police accountability before the law. TS 24/6/77 p.B4

NEW WIRETAP LEGISLATION CRITICIZED

This month members on the Commons Justice Committee questioned Justice Minister Ron Basford's proposed new wiretap legislation, under 1974 privacy provisions, a judge decides whether or not derivative evidence from wiretaps would be admissible without question. Mark MacGuigan (Liberal MP) said that it was "highly incongruous" that the government would return a bill with the criticized wiretap provisions intact but the gun controls weakened "to the point of embarrassment". Earlier the Advocates Society of Ontario said the proposed legislation would create a society where literally everyone would be liable to

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have his conversation listened to, taped and filed.

Despite the criticism, Basford advocates increasing police power to engage in electronic eavesdropping. Basford was responding to a CBC television documentary focusing on the extent of organized crime in Canada. Basford turned down requests for a federal Royal Commission to deal with the problem of organized crime. He said instead of statements we would have legislation. Conservative justice critic Eldon Woolliams commented it was "a strange coincidence" the documentary was shown just as the committee debate on the provision had started. He argued that if organized crime is as bad as the documentary said, a Royal Commission would be more appropriate.

A week later Basford made a last minute charge to the amendment with a provision that would enable a judge to refuse derivative evidence when he felt it "would bring the administration of justice into disrepute".

MacGuigan, who had threatened to vote against the original proposal, hailed the new amendment as a great victory.

Eldon Woolliams said he would continue to fight against the clause since it would erode civil rights.

Stuart Leggatt (NDP) said the new proposal may encourage police to risk illegal wiretaps in cases they consider important. GM 8/6/77 p.5; EJ 10/6/77 p.29; TS, GM, EJ, 14/6/77 CP; GM 22/6/77 p.3

PRISONS

SAINT JOHN PRISON FIRE

Charges may be laid in a fire that took the lives of 20 prisoners in police lockup said Mayor Samuel Davis of Saint John, New Brunswick. He also said a fire department report four years ago recommended a sprinkler system be installed in the Saint John City Hall, but it never was.

Two separate investigations are under way -- one by city police and the RCMP into the possibility of criminal charges. The other is by the fire department and the N.B. Fire Marshal's Office into the fire's cause.

The fire started in a padded cell and when the door was opened the air rushing in caused an explosion. Premier Richard Hatfield said the rash of fires in area jails had prompted him to ask the provincial Supply and Services Department, construction unions and a contractor to speed up work on renovation of the county jail. GM 23/6/77 p.10

COMMONS SUBCOMMITTEE CRITICIZES PRISON SYSTEM

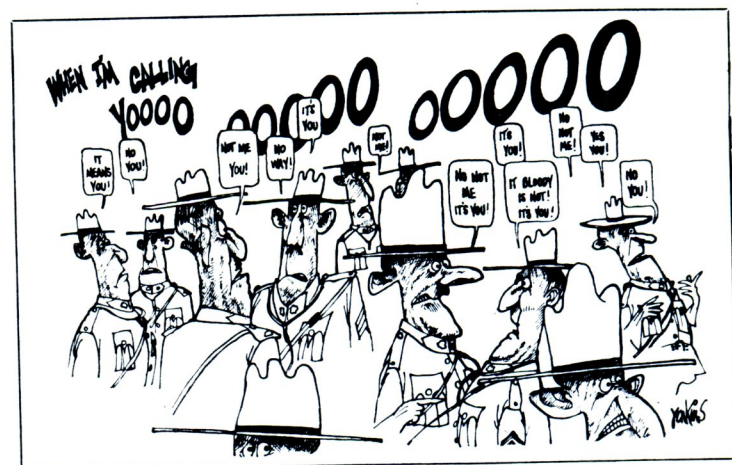
The House of Commons subcommittee has produced a report that finds fault with almost all aspects of the Canadian penitentiary system and proposes major changes in the way prisoners are treated, from the decision by a judge to imprison them to the time they are put on parole. Some of the recommendations include wider use of probation and parole, more highly trained, educated and paid guards, an independent Penitentiary Service which is an agency of the government with discipline and professionalism similar to

the RCMP, and payment of wages near the federal minimum to inmates working in prison industries.

The subcommittee noted that most prisoners are not dangerous but "cruel lockups, isolation, and harassment deliberately inflicted on prisoners unable to fight back makes non-violent inmates violent and those already dangerous more so". The subcommittee said it costs \$17,515 a year to keep a male maximum security inmate in prison while it costs a comparable \$1,400 to maintain an offender on parole. The failure rate for paroles is 40 per cent compared with a repeater rate of 60-80 per cent in prisons. Other recommendations include restricted use of tear gas to times of large scale disturbances, standardization of federal and provincial prisons so that there is equal treatment from province to province, and the correctional investigator, the prison ombudsman should report directly to Parliament not to the Solicitor General. GM 8/6/77 p.1

Reactions to the report came from both prison guards and the Solicitor General Francis Fox. A spokesman for Canada's federal prisons guards union said he accepted most proposals for reform but thought the report made the guards into "fall guys" for the current mess. The union particularly rejects one suggestion that some senior guards should lose their union rights. "We don't feel our staff has been responsible for the mistakes of management", the spokesman said. The guards similarly rejected the idea that collective bargaining rights be taken away in some cases. The MPs urged that the guards' right to strike be replaced by compulsory arbitration.

Solicitor General Francis Fox said the report was too harsh, and he rejected the view "that a crisis exists in the Canadian penitentiary system". Fox said many of the proposals appeal to him but believes the situation is under control. Fox rejected one of the subcommittees' key proposals -- that it be allowed to continue as a watchdog to ensure the reforms were carried out. Fox said "That goes against the parliamentary system. It is now my responsibility to look at the report and take appropriate action". Fox said he plans to meet with senior management in the prison service, prison directors, the parole board and the RCMP. TS 8/6/77 p.1; TS 9/6/77 p.A1; LJ 8/6/77 p.1



HEALTH

INTRODUCTION: *The Economic Council of Canada claims that federal and provincial governments should agree to link their expenditures to the growth of the economy. If real GNP grows by three or four percent, with an annual inflation rate of between 6 and 7 percent, this would mean holding spending to ten percent. Dennis Timbrell, the Health Minister, said Ontario will move in the direction of home care services rather than institutional care. Timbrell is awaiting results of three pilot projects directed by the Victorian Order of Nurses in the Thunder Bay, Kingston and Hamilton areas. The new scheme should serve the needs of the growing over-65 age group who require more health care.*

The Medical Profession has lost its position at the top of the salary scale to lawyers and dentists. The 1977 average taxable income for doctors is \$43,000. The Deputy President of the Canadian Medical Association (CMA) has said that doctors should together try to persuade other groups in society to control demands for profits and higher wages instead of trying for big gains themselves.

DOCTORS' UNREST

Family physicians warned that if the Ontario Medical Association did not support their demands they might turn to the College of Family Physicians in Canada. The OMA retiring President, Dr. Todd, was concerned about increasing unrest in the profession and incipient fragmentation. In Quebec, specialists and family doctors have split for purposes of negotiation with the government. The salary gap is the bone of contention. GM 13/5/77 p.5 Joan Hollobon.

Ninety of the 120 physicians in the Sudbury region closed their offices to issue complaints at a meeting about the Ontario Health Insurance Plan (OHIP). The doctors claim the province's fee schedule for services and prescription-drug programmes interferes with their professional freedom.

In Ontario, doctors may opt out of OHIP and charge more than OHIP pays. About 1,000 of the 11,000 doctors in the province have already done so. HCH 31/5/77 p.11 cI-2; TS 23/6/77 p.AI.

BILL 139: HEALTH AND SAFETY IN THE WORK PLACE

The Ontario Employees Health and Safety Act, 1976, has become law. The main points of Bill 139 are:

- workers have the right to refuse any job which they believe is unhealthy or unsafe;
- joint union-management health and safety committees have been given power under the law;
- the position of worker health and safety representatives has been established;
- the Ministry of Labour is responsible for health and safety on the job.

This act does not apply to workers in hospitals, nursing homes or schools. Federal government employees are not covered and provincial government employees' coverage is questionable. Only individuals are given rights by the law, not groups. If however, used to its fullest potential, this law will increase workers' power. Health and Safety Newsletter of the Labour Council of Metropolitan Toronto, Vol.I No.7 March '77.

TORIES PULL OUT OF PUBLIC HOUSING

The Ontario Housing Corporation (OHC) started construction on 494 public family housing units in all of Ontario during 1974. The figure for 1975 was 474 units. The 1976 total dropped to 212. These figures stand in shocking contrast to Metro's 1969 request for the construction of 4,000 units of Toronto public housing every year through the seventies. More and more responsibility for housing is being channelled through the so-called "third sector" - cooperatives, neighbourhood groups and municipal non-profit housing corporations.

As the Conservatives cut back on public housing construction, they are also trying to squeeze a few more dollars out of the tenants lucky enough to secure government units. Tenants are charged between 16.7% and 25% of their gross incomes. The higher the income, the higher the percentage. Because of inflation, a 1977 wage does not go as far as the same amount six years ago. But residents are still billed as if they were earning 1971 dollars. The province is also skimping on maintenance and security according to Toronto Ward 7 Alderman Janet Howard. The Don Mount project, for example, carefully documented their need for additional protection but their request has been refused. Toronto Clarion, June 1-14, 1977 p.12; M.S. 26/4/77 p.A17 CP.

INCOME SUPPLEMENT FOR WORKING POOR URGENT

Close to 1,500,000 Canadian wage-earners, or 60 percent of poor people, work but are unable to make a decent living from their efforts. This was the conclusion of a recent report from the National Council of Welfare. The N.C.W. recommends a supplementation program which will guarantee at least a poverty-level income. Statistics Canada defined this in 1975 as \$8,422 for a family of four. The Council also asserts that existing minimum wages are too low. OC 14/6/77 p15 Nicholas Hills.

CULTURE

MEDIA

LAMARSH COMMISSION REPORT

On June 15, Ontario's Royal Commission on Violence in the Media gave its report to the Lieutenant Governor. Here are some of the main items included in the report:

-Violence in the media is not the only cause of violent crime, but it is a cause, and is the largest single cause most open to correction. The report states that the commission is opposed to censorship but feels that media should have an accountability "beyond the balance sheet."

The report makes some sweeping recommendations:

- A public agency should be set up to combine all television networks into one national network with specialized channels (i.e. one for sports, one for drama, one for music, one for comedy, etc.) The agency would be called Television Canada and would provide "an independent service in the enlightened public interest." Violent content would be strictly limited.
- The senior management of Television Canada would be appointed by the Federal Minister of Communications and its budget would be approved by Parliament.
- Television sets should be required by law to have a locking device to allow parents to control their children's television viewing.
- Another public agency would be set up to encourage Canadian film production. It would set standards, help with financing and buy the Famous Players theatre chain for distribution. It would be called Film Canada and would absorb the National Film Board and the Film Development Corporation.
- Films shown in Ontario should be classified according to a system suggested in the report which takes violence into account as well as sex and language.
- There should be a national Media Council or Provincial Media Councils to write and enforce a code of ethics for the media.
- An act should be drafted called the "Freedom of Expression Act" which defines "the limits of free expression--libel, obscenity, breach of the Official Secrets Act, matters affecting the defence of Canada, treason, sedition or promulgating information that leads to incitement of crime or violence."
- The Media Council would be headed by an ombudsman who has "the power to order publication or broadcast of retractions or corrections with a prominence equal to the original item when such action is found appropriate." TS 16/6/77 p.A10 and A11; TS 18/6/77 p.B2

The response has been strong and mixed:

Twenty students interviewed by the Toronto Star:

All watch more than four hours of Television a day, find violent shows "exciting", don't take violence seriously because "it's fake" and object strongly to parental and government control of their television viewing.

Paul Morton, President of Global T.V.: It is "1984 seven years early."

Jeanne Sauve, Federal Minister of Communications:

She was surprised that a Provincial Commission made so many recommendations that come under the jurisdiction of the Federal Government.

Don Coyle, President of CTV: It is a danger to a free society.

Publishers of the three major Toronto newspapers:

Strongly opposed to political control of the media.

Allan Borovoy, Canadian Civil Liberties Association:

The Freedom of Expression Act is chilling.

Al Johnson, President of the CBC: The report has big practical problems.

Buffalo Television Executives: Overjoyed because their Canadian market should boom if violence is removed from Canadian television.

Stuart Smith, Ontario Liberal Leader: It's a waste \$1.25 million. Any responsible parent would have come to the same conclusion and the recommendations are not desirable or practical. TS 16/6/77 p.A10 and All

Editorials in the Edmonton Journal and Ottawa Citizen: Strongly opposed. EJ 16/6/77 p.7; OC 17/6/77 p.4

Editorial in the Toronto Star: Sweeping recommendations based on very weak research. TS 16/6/77 p.B4

Bordon Spears, Toronto Star Writer: The research included in the report concludes that violence in the media indicates potential harm to society, but the recommendations are based on the statement that there is a definite connection between media violence and violence in society. TS 18/6/77 p.B2

Jonathan Manthorpe, Star Columnist: The report does not look at the deep causes of violence. The report sets up media violence as the cause of violence in society and then says that the solution is the banning of media violence. The roots of violence in both media and society lie deeper than that, Manthorpe says, in our culture's admiration of toughness rather than humanity.

CNSP NOTE: *The Lamarsh Commission Report is frightening to anyone concerned about civil liberties in Canada because of its implications for free speech. By focusing on violence for entertainment in the media as the cause of social violence, it avoids looking any deeper into the inequalities, exploitation, injustice and corruption which are actually the root causes of violence.*

By saying that violence is imported with American produced T.V., the Commission avoids looking at the violence that is built into our own political and economic system.

By suggesting measures to limit the exploitation of violence for entertainment, the Commission report describes all the machinery necessary to repress freedom of speech altogether. The Freedom of Expression Act is especially frightening in this respect.

The Commission defines violence as "any action that intrudes painfully or harmfully into the physical, psychological or social well-being of persons or groups" and then deals only with violent criminal acts, totally ignoring harm caused to the physical, psychological and social well-being of individuals and groups by business and government well within the law. The Commission also says it doesn't support censorship and then goes on to recommend severe and repressive censorship measures. Action such as restricting information in the media and locking T.V. sets are violent by the commission's own definition!

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Bordon Spears, Toronto Star Writer: The research included in the report concludes that violence in the media indicates potential harm to society, but the recommendations are based on the statement that there is a definite connection between media violence and violence in society. TS 18/6/77 p.B2

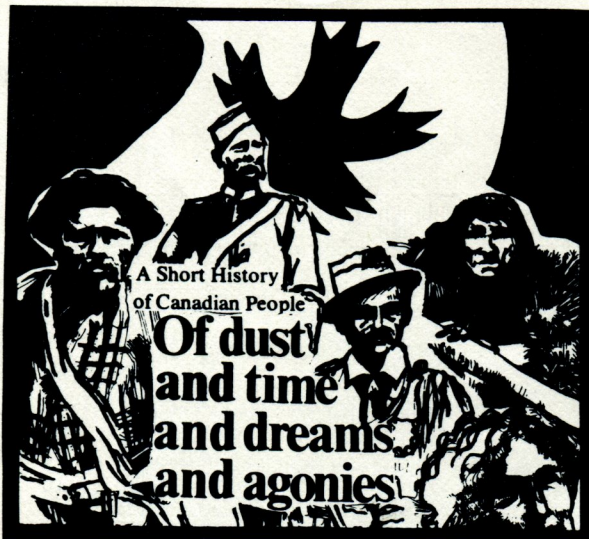
Jonathan Manthorpe, Star Columnist: The report does not look at the deep causes of violence. The report sets up media violence as the cause of violence in society and then says that the solution is the banning of media violence. The roots of violence in both media and society lie deeper than that, Manthorpe says, in our culture's admiration of toughness rather than humanity.

CNSP NOTE: *The Lamarsh Commission Report is frightening to anyone concerned about civil liberties in Canada because of its implications for free speech. By focusing on violence for entertainment in the media as the cause of social violence, it avoids looking any deeper into the inequalities, exploitation, injustice and corruption which are actually the root causes of violence.*

By saying that violence is imported with American produced T.V., the Commission avoids looking at the violence that is built into our own political and economic system.

By suggesting measures to limit the exploitation of violence for entertainment, the Commission report describes all the machinery necessary to repress freedom of speech altogether. The Freedom of Expression Act is especially frightening in this respect.

The Commission defines violence as "any action that intrudes painfully or harmfully into the physical, psychological or social well-being of persons or groups" and then deals only with violent criminal acts, totally ignoring harm caused to the physical, psychological and social well-being of individuals and groups by business and government well within the law. The Commission also says it doesn't support censorship and then goes on to recommend severe and repressive censorship measures. Action such as restricting information in the media and locking T.V. sets are violent by the commission's own definition!



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