

## CW UPDATE

### THE MONTH IN REVIEW

by Michael Rutherford

#### TURMOIL IN QUEBEC CONSTRUCTION

The Quebec government tabled legislation on November 11 that would partially deregulate the province's construction industry. Bill 142 would legalize the use of non-unionized and out-of-province workers on residential construction sites. The legislation touched off province-wide illegal strikes and altercations on construction sites. On December 14, the Quebec government introduced emergency back-to-work legislation. Bill 158 was passed by a 64 to 20 margin over the protests of the opposition Parti québécois.

#### REPRODUCTIVE TECHNOLOGY REPORT

The Royal Commission on New Reproductive Technologies submitted its long-awaited report to the federal government on November 15. The \$28.2 million report recommended strict regulation for many reproductive procedures.

#### CUPE AND OFL SNUB ONTARIO NDP

On November 18, delegates to the Canadian Union of Public Employees' national convention in Vancouver voted to sever ties with the Ontario NDP. Four days later, at an Ontario Federation of Labour convention in Toronto, delegates voted in favour of a motion to withhold support from the Ontario NDP unless it repealed its social contract law.

#### BLOOD INQUIRY OPENS

Canada's tainted blood tragedy will be the subject of a public inquiry that opened in Ottawa on November 22. Leading the investigation is Mr. Justice Horace Krever of the Ontario Court of Appeal.

#### PROVINCIAL BY-ELECTIONS

Liberal candidate Bruce Crozier won an easy victory in the riding of Essex South in an Ontario by-election on December 2. Parti québécois candidate Serge Menard took a seat from the governing Liberals in a December 13 Quebec by-election in Laval-des-Rapides.

#### PEARSON PRIVATIZATION CANCELLED

The Mulroney government's contract to privatize two terminals at Toronto's Pearson Airport was cancelled by the Chrétien government on December 3. The move followed a scathing review of the deal by investigator Robert Nixon, who said that the public interest was not served by the contract.

#### MINIMUM CORPORATE TAX IN ONTARIO

Ontario has become the first province to introduce a minimum corporate tax. On December 8, Finance Minister Floyd Laughren announced that the tax would apply only to large corporations and would be phased in over three years, reaching a level of 4 percent of profits in 1996.

#### NATIVES CAN LOG IN CLAYOQUOT

The B.C. government reached a two-year agreement with native groups on December 10 that allows native logging in Clayoquot Sound. The Nuu-chah-nulth Tribal Council, representing five native groups that have land claims pending in the area, will be allowed to cut about 70,000 cubic metres of trees annually.

#### NEW QUEBEC SOVEREIGNTIST PARTY

A group led by former Liberal Jean Allaire announced on December 13 that it was forming the Parti Action Québec and would field candidates in the upcoming provincial election. The party will campaign on a conservative economic platform and push for a sovereign Quebec to maintain some form of political association with the rest of Canada.

#### CANADA YIELDS AT GATT TALKS

The federal government announced on December 13 that it would replace import quotas protecting Canada's egg, dairy, and poultry producers with tariffs to be gradually reduced over 15 years. Canada's concession came at the world trade negotiations, which took place in Geneva under the auspices of the general agreement on tariffs and trade.

#### CHAREST REPLACES CAMPBELL

Jean Charest became interim leader of the federal Progressive Conservative party following Kim Campbell's resignation on December 13.

#### NEWFOUNDLAND PROPOSES NEW INCOME SCHEME

On December 14, Newfoundland Premier Clyde Wells proposed a new system of guaranteed annual incomes that would be coupled with much stricter rules on collecting unemployment insurance. Newfoundland awaits federal approval for the scheme.

#### CHRÉTIEN SHUFFLES DE CHASTELAIN, NEPHEW

The federal government announced on December 15 that Admiral John Anderson, Chief of Defence Staff, would be replaced by his predecessor in the post, General John de Chastelain. De Chastelain was to be recalled from his posting as Ca-

nadian ambassador to the United States. **Raymond Chrétien**, the former No. 2 official in the Department of External Affairs and the prime minister's nephew, was to take over as ambassador to the United States.

#### **MORE FISHERIES CLOSED**

On December 20, federal Fisheries Minister **Brian Tobin** closed all but one of the major Atlantic cod fisheries and cut quotas for other species. Canada and the United States reached an agreement on January 2 for a five-month shutdown of the Georges Bank fishery off Nova Scotia.

#### **FIRST MINISTERS MEET**

Prime Minister **Jean Chrétien** had his first formal meeting with provincial premiers in Ottawa on December 21. They reached agreement on the formula for allocating spending under the \$6 billion national infrastructure program and re-committed themselves to a June deadline for an interprovincial trade agreement.

#### **LIBERALS REPLACE CROW**

The federal government replaced Bank of Canada governor **John Crow** with the bank's senior deputy governor, **Gordon Thiessen**. In making the announcement on December 22, Finance Minister **Paul Martin** said that the Liberal gov-

ernment remained committed to keeping inflation low.

#### **ONTARIO AND QUEBEC REACH TRADE DEAL**

Ontario and Quebec reached an agreement to open their borders to out-of-province construction workers, companies, and materials. The accord, signed in Hull on December 24, brings to an end a construction trade war between the two provinces.

#### **PWA REJECTS AIR CANADA OFFER**

On December 26, **PWA Corp.** turned down **Air Canada's** latest offer to buy the international routes of PWA's subsidiary, **Canadian Airlines International Ltd.** Air Canada wants to block a proposed alliance between PWA and **AMR Corp.** of Fort Worth, Texas.

#### **NAFTA COMES INTO FORCE**

The North American free-trade agreement between Canada, the United States, and Mexico came into force on January 1. Prime Minister **Jean Chrétien** announced on December 2 that "significant improvements" to NAFTA had been negotiated and Canada would proceed with the deal. The side deals to NAFTA included a non-binding pledge by the three countries to establish a code on subsidies and anti-dumping measures as well as a clarifying joint

statement on water exports. Canada also issued a unilateral declaration on energy security.

#### **U.S. ACCEPTS LUMBER TARIFF RULING**

The **U.S. Commerce Department** announced on January 6 that it will eliminate border duties on Canadian softwood lumber exports. The announcement came in the wake of a December 17 Canada-U.S. trade panel ruling that found no "rational basis" for the tariffs.

#### **CANADA WILL DEBATE PEACEKEEPING**

Prime Minister **Jean Chrétien** will not make any assurances that Canadian peacekeepers will stay in Bosnia past April. He told UN Secretary-General **Boutros Boutros-Ghali** on January 9 that a renewed commitment of soldiers will only be made after a full parliamentary debate.

#### **JOHNSON NEW PREMIER OF QUEBEC**

**Daniel Johnson** became premier of Quebec on January 11, replacing the retiring **Robert Bourassa**. Johnson had been acclaimed leader of the Quebec Liberal party on December 14.

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