

'ABSOLUTELY UNREALISTIC PROPOSAL'

Chrysler Canada offer rejected by auto workers

TORONTO (CP) — A two-day waiting game came to a swift end Wednesday when the United Auto Workers union followed the lead of its U.S. counterpart and rejected a contract proposal by Chrysler Canada Ltd.

The rejection came after two days of silence from the company while negotiators in the United States hashed over a Chrysler proposal introduced in a special round of early bargaining.

But when the Canadian company put its two-year offer on the table, two days after the union presented its proposals and only hours after the U.S. talks broke off, the UAW negotiators rejected it, saying it wouldn't meet the union's main objective of closing the \$2-an-hour wage gap with other automakers.

The offer contained a \$1-an-hour increase next month followed by an additional 28 cents in March, 1984. There would be no additional money beyond cost-of-living increases in the second year of the agreement. The expiry date of the Chrysler proposal was September, 1985.

In addition, the company offered parity with Ford and GM on pensions.

Bob White, UAW Canadian director, said the offer was "an absolutely unrealistic proposal" that will only make bargaining more difficult when the current contract expires Jan. 14.

The rejection means that no further talks will be scheduled until November, 60 days before the contract expires. The company's 9,600 UAW members can't strike as a result of the collapse of the early talks because the current contract must remain in effect.

"Come January, I think the work-

ers will be upset at Chrysler's attitude," said White.

The union had hoped to recover wages lost three years ago through concessions to the then-struggling company, he said. "Chrysler workers in 1980 gave \$3 (an hour) and now the corporation made a proposal that won't get that back to them through 1985."

Owen Bieber, the U.S. UAW president who represents 47,100 Chrysler workers, expressed similar views. "It appears that everybody has the right to share in the wealth of this rejuvenated company except for those people who gave the most."

Bill Fisher, Chrysler Canada's chief negotiator, echoing the exact words of Chrysler Corp. chairman Lee Iacocca following the U.S. union's rejection of the proposal, said the offer "wasn't penny-ante."

Fisher said the Canadian proposal

was similar to the U.S. offer.

He called the rejection unfortunate, but added "we're looking forward to sitting down to negotiate in November."

White said the offer was rejected because Chrysler workers wouldn't gain wage parity with workers at Ford Motor Co. of Canada Ltd. and General Motors Canada Ltd.

Chrysler Canada assemblers earn \$10.25 an hour, \$2 less than their Ford and GM counterparts.

While the proposal offered a \$1-an-hour increase next month, the additional 28 cents in March, 1984, equals an increase already scheduled to be given to Ford and GM workers at the same time, he said.

In addition, said White, the proposed September, 1985, expiry date would provide no money for a full year beyond the expiry dates for Ford and GM.

White also expressed astonishment at a clause in the offer that would make the proposal conditional on acceptance by Chrysler's U.S. workers.

He said that since the U.S. union had rejected the offer earlier Wednesday, the only way the Canadian union could have accepted it was by convincing the Canadian company to delete that clause.

He said the offer was the first time a company had tried to make a contract conditional across the Canada-U.S. border.

Spokesmen for both the union and the company said that in addition to wage parity the other major contentious issue was the length of the new agreement.

Contract length was especially important for Chrysler Canada, which is planning to introduce next

year a new front-wheel drive van-wagon that will start rolling off the assembly line in Windsor, Ont., this fall.

When asked if Chrysler was anxious to have a period of labor peace to ensure uninterrupted production of the new vehicle, Fisher replied: "The fact we were proposing a September, 1985, closing date answers your question."

White said the union also wanted labor peace, "but we don't want labor peace at any price."

Chrysler and the UAW agreed to the special round of talks after the company announced record profits of \$482 million during the first six months of 1983. The economic recovery and a high consumer acceptance of Chrysler products has led to the record profits.

Press council doubtful

VANCOUVER (CP) — Newspaper executives do not believe Multiculturalism Minister Jim Fleming will establish a national press council, says C. W. Davey, publisher of the Vancouver Sun.

Davey and many of his peers think Fleming is merely trying to exert pressure on provinces, such as Saskatchewan and Manitoba, who don't have press councils, the publisher told a meeting of the Vancouver Rotary Club.

"He's just holding (the national press council) out on a stick," said Davey. "He'll probably withdraw that section of the act when it comes right down to it."

A national press council "would represent an intrusion by the government into a place where newspaper consumers, as well as those people in the business, don't think they should be," said Davey, who is leaving The Sun Aug. 1 to become publisher of the Montreal Gazette.

Furthermore, he said, a proposed move to prevent company ownership of a newspaper and a radio or television station in the same market may result in newspaper closures.

"The government's objective is supposed to be diversity of voices," he said. "North America is undergoing massive social changes and governments just don't seem to know how to cope with it."



Sharing a lick

There's nothing like an ice cream cone to cool off a couple of youngsters on a hot Montreal afternoon. Five-year-old David Hochu and his two-and-a-half month pet raccoon Oscar take turns licking the treat.

FEDERAL CONTRACTS

Lower wage plan previewed

OTTAWA (CP) — Federal legislation covering the construction industry will be eased to allow successful bidders on government projects to pay wages lower than the minimum required by law if they can find cheaper labor.

Finance Minister Marc Lalonde announced the move Wednesday at a news conference, saying it reflects concern about recent high wage settlements in the construction industry in Nova Scotia and Ontario that exceed the federal six-and-five restraint program.

Under the new policy, contractors who win federal contracts can be exempted on request from a 1938 law, known as the Fair Wages and Hours of Labor Act, which sets minimum wage levels annually in the construction industry by district for non-union workers.

The wage levels essentially match those considered as fair and current for competent tradesmen in each district.

A Finance Department official said, for example, that if the law says

a plumber hired in Ontario has to be paid at least \$12 an hour and a contractor finds a plumber who will work for \$10 an hour, the contractor can ask to be exempted from the law in order to hire the cheaper worker for the federal project.

Lalonde said the rule

Gregoire won't quit

QUEBEC (CP) — Gilles Gregoire, convicted on morals charges involving seven minor girls, has no intention of resigning from the national assembly as long as there is legal recourse for a review of his trial, his lawyer said Wednesday.

However, Gregoire does not want to accept his government salary — \$44,700 — if he has to complete his sentence, said Pierre Gaudreau.

"Even though Gilles finds that difficult to swallow, because the trial was over so quickly, he told me he would not profit from the situation," Gaudreau said in a telephone interview.

Gregoire was convicted earlier this month on seven counts of sexual immorality with girls aged between 12 and 17. He was sentenced to concurrent prison terms that would run to two

years less a day and was fined \$2,900. He could be released after one-third of his sentence, eight months, is served.

Gaudreau petitioned for an appeal of the conviction, but Superior Court Justice Ross Goodwin rejected the request Tuesday.

Gaudreau said Wednesday he plans to study the case further to determine what other legal steps can be taken.

"In those cases, we would obviously be bound by the provincial legislation," he said.

However, the shift in policy — sure to raise the hackles of the construction trade unions — is clearly designed to put pressure on unionized construction workers to keep their wage demands down.

FIGURES UNCERTAIN

Recovery slowing down

by JOHN FERGUSON
Southam News

OTTAWA — The peak of the recovery may already be behind us, and the economy may only sputter along into next year, the Conference Board of Canada suggested Wednesday.

The respected forecasting agency released new figures which predicted Canada's total output will be stronger than expected this year, but much poorer in 1984 than the Conference Board estimated only three months ago.

And unemployment will remain high this year, about 12.3 per cent, and improve only slightly in 1984, hovering at 11.7 per cent.

The latest growth estimate for 1983 is 2.8 per cent, up from two per cent in the board's last quarterly forecast in April. But it predicts growth of only 2.9 per cent next year, down from 5.4 per cent estimated earlier.

"We're not sure some of the strength we see here will be maintained," said Anselm London, assistant director of national forecasting.

A major reason for the slump is continued weak private sector investment in plant and equipment, which translates into fewer jobs and lower levels of production.

The board's figures show the strongest growth occurred in the first six months of this year and that slower rates of growth are expected for the remaining half-year.

London said government programs and lower interest rates have stimulated home purchases and contributed to a big burst in housing starts. Total housing starts this year are projected at 178,000, com-

pared with 130,000 in 1982. The board projects 187,000 starts for all 1983.

"Housing is very important to this economy," he said. Not only are direct jobs provided in the construction and servicing of a new home, but also jobs are stimulated in the forestry, building materials and home furnishings industries.

Looking through its long-range telescope, the Conference Board also

said it expects inflation to remain below five per cent this year and next, and interest rates to remain low compared to the past two years.

Energy prices, after rising at double-digit levels for the past several years, are expected to increase by less than four per cent this year and next, while food price increases will average 6.4 per cent in the same period, the board said.

Modest increases in

real disposable income (after discounting inflation) will help fuel the recovery this year. But for next year, the board sees a slight decline in real wages.

And the continued high level of "real" interest rates, the difference between lending costs and the rate of inflation, are another burden.

"If interest rates drop further, then the economy really will strengthen," London said.

Poland hopes sanctions by Canada will be lifted

OTTAWA (CP) — Poland hopes for speedy lifting of Canadian sanctions following the end of martial law, especially to enable renewed credit purchases of grain, Polish Ambassador Andrzej Kacala said Wednesday.

The sanctions imposed in February last year in conjunction with other North Atlantic Treaty Organization countries "were, frankly speaking, the least painful for Poland," he told a luncheon meeting with reporters. That gave Poland hope that Canada, despite the complexities imposed by NATO alliances, would initiate the resumption of normal relations after the ending of martial law July 21.

Grain, including lower grades for animal feed, was a top priority, said the former deputy minister of agriculture whose appointment here in May underlines Poland's concern about renewing its traditional purchases of Canadian cereals.

The Polish debt to Canada stands at about \$1.3 billion, mostly for grain, up because of interest from the \$1.2 billion owing at the beginning of 1983. Since the three-year grain-purchasing agreement ended

last year, sales to Poland have been on a cash-only basis.

Kacala indicated no formal negotiations have begun on the overall process of lifting the sanctions. Sales of food products to Poland weren't included in the sanctions but credits for the debt-ridden country were halted because of Poland's generally bad situation.

The Canadian sanctions were announced last year for Poland and the Soviet Union on grounds of "repression of civil liberties in Poland."

A freeze was placed on discussions about restructuring the Polish debt, on the frequency of Polish airline flights to Canada and on extending commercial credits for items other than food — a package representing a diplomatic slap on the wrist.

Kacala said he would like Canada to extend a "full understanding" of Poland's internal situation and schedule detailed talks about its economic and financial situation.

The alternative to continued sanctions from Canada and other NATO countries would be extended reliance on Poland's internal resources and those of its socialist allies.

Crow plans 'no handout'

OTTAWA (CP) — Federal plans to end the historic Crowsnest Pass freight rates for Prairie grain are "not a handout to the railways," Ron Lawless, president of CN Rail, said Wednesday.

Both CN and CP Rail need the money urgently to proceed with expansion plans vital to handle increased shipments of grain and other commodities, Lawless told the Commons transport committee.

The committee is studying a bill to double the 86-year-old grain rates by 1985 and raise them to five times the present rate by 1991.

Maurice LeClair, president of Canadian National, said passage of the bill is crucial to CN's ability to meet its national responsibilities.

FOOD, RESIDENCES

Trudeaus cost \$160,000

TORONTO (CP) — The Star says Canadian taxpayers spent more than \$160,000 in the 1981-82 fiscal year to maintain Prime Minister Trudeau's two official residences and to feed him and his family.

The Star said information it obtained under the Access to Information Act, proclaimed July 1, showed \$102,470 of that amount was spent on labor, material and vehicles used to maintain the grounds of 24 Sussex Drive in Ottawa and the summer residence at Harrington Lake in the nearby Gatineau Hills.

Almost \$29,000 was spent on cleaning the homes, feeding Trudeau and his three children and laundering their clothes. The bill for liquor at the residences was \$3,859.

The other \$25,700 went for heating and electricity at the two homes.

Before the act was proclaimed, Opposition MPs had tried to discover the amounts involved during a Commons committee meeting in April, 1982, but their questions were ruled out of order by the committee chairman, Liberal Jean-Robert Gauthier.

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