

Mr. Gilchrist, Canada's Arms Salesman; Where taxes come from; Robert Bourassa and the Quebec financial elite; United Appeal: the money maker; Report On Business

**LAST
POST**

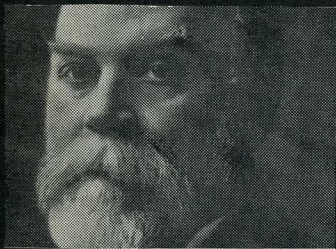
THE LAST POST Vol. 1 No. 2 Price 50 cents

**LAST
POST**

In 1869,
the T. Eaton Co.
took on the country
with a mail-order
catalogue.

In 1957,
a thousand workers
took on Noranda
Mines for the right
to unionize.

Recently, Senator
Keith Davey took
on Canada's big
bad press barons.



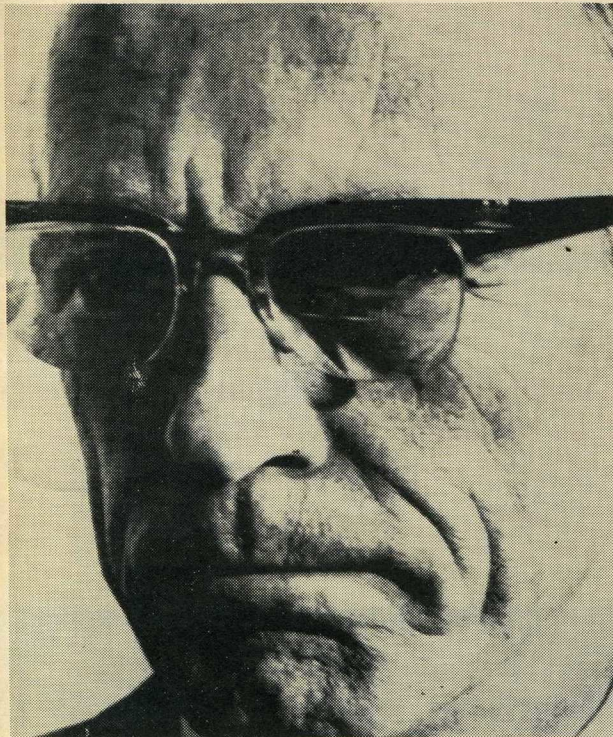
It won.
(But no one
told us how.)

Now, the Supreme
Court of Canada is
forcing every worker
to pay the price.

'Curse you,
press barons.'

At last!: The movie that tells it like it used to be

See!: Honest Ed Schreyer open up the West for more of the same
Thrill!: As Big Chuck Taylor disintegrates before your eyes
Laugh!: As evil trapper LaPierre gets his



with

DAVE LEWIS
ED SCHREYER
Tom Berger

and introducing
M.J. COLDWELL
as The Warden

Hear Fabian sing!:
"Point of Order",
"Count your Soapflakes",
and many, many more!

Directed by Doug Fisher
from an original
screenplay by
Frank Underhill

Costumes by Eaton's basement
Make-up: United Church Ltd.
Grip: Tom "Tiger Milk" Douglas



CELEBRATING
50
IN 'SEVENTY

THE MILD BUNCH

Passionate moderation bursts onto the screen!
Canada's most *responsible* movie

"Berger's portrayal of a militant working-class agitator is subtly underplayed. . ."
— AFL — CIO Newsletter

"Bit-player Zolf handles himself just beautiful. . ."
— Andy Warhol



THE LAST POST Vol. I No. 2 February 1970
a radical Canadian newsmagazine

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The Last Post was created by a group of journalists, photographers and cartoonists across the country to unearth and publish facts which are omitted, ignored or obscured by the commercial press.

The Last Post is published by an editorial co-operative. Production this issue: Peter Allnutt, Anne Boody, Drummond Burgess, Robert Chodos, Terry Mosher.

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NEWS BRIEFS

LAST POST

Michel Cote gives the cops a political mission

Citing the "tons of documents found in many, many searches," Mr. Cote said he would draw no conclusions. **The Montreal Star**

Michel Cote was perhaps unduly modest when he appeared before the parliamentary committee investigating the Company of Young Canadians, although anyone who was forced to sift through "tons of documents" belonging to every segment of the left and patriotic forces in Quebec would be hard put to reach any solid conclusions.

But Mr. Cote isn't anyone.

Mr. Cote is not the most powerful man in the country. But his exercise of power is probably felt more than that of any other official in Canada. He's the chief legal advisor to the City of Montreal and in that capacity advises the police, especially the city's little known SS squad. He's the faceless man, the *eminence grise* behind the administration of police power in Montreal. Cote represents the growing politicization of the police force in the gradual transformation of a traditional police force into a political police geared to meet the social upheavals with which the Montreal and Quebec governments are being confronted.

A former Crown Prosecutor, he joined the city's legal staff at the end of 1966. His advice concerning Montreal's now defunct voluntary tax — lottery — won praise from Mayor Jean Drapeau and City Executive Chairman Lucien Saulnier. The City did pay \$5,000-plus for outside legal advice, but it generally conceded Mr. Cote did most of the work and made the decisions. Brilliant legal advice which led to Montreal's anti-

mingling law in bars added to his reputation.

As chief legal advisor to the City, he prepared the case for Saulnier's attack on the CYC as well as Montreal's laws to ban and control demonstrations (during the CYC inquiry, Mr. Saulnier smiled and committee members laughed when Mr. Cote read this paragraph included in his tons of documentation: "the day's fast coming when the establishment will forbid demonstrations — and this is absolutely normal").

At the age of 38, Mr. Cote, a balding man almost totally lacking in humor, is very close to the SS, the most powerful group within the Montreal Police Department.

The Esquade de Securite Sociale (or Social Security Squad for those who want to be bilingual and hiss) is a unique feature among Canadian police forces.

The SS is primarily concerned with undercover work. According to a police officer, the SS occupies itself with "confidential" investigations such as: big-time gambling (the poor-cousin morality squad looks after the petty sort), crooked cops, "infiltration", and "underground politics" (The SS squad didn't make a name for itself when it filed a lengthy report on corruption and shady dealings in connection with Expo '67; the bureaucrats filed it under "F" for Forget it.)

In the past few years, the Montreal police have, they boast, collected "tons" of material pertaining to subversive activities. Some of it has been collected by the Combined Anti-subversive Squad, but lately, most of it has ended up in the secret files of the SS. The express purpose of the SS is not to bring about convictions, but to build files. This is what undercover work is all about.

Former Montreal Police Director Jean-Paul Gilbert was a traditional cop. Proof. Arrests. Convictions. Not necessarily in that order. But as Mr. Cote's power and influence rose, Dir. Gilbert's declined.

"Problems and agitation continue to

plague Montreal," as the newspapers say, and the "old-fashioned cop" was out. Mr. Cote's legal bent more closely fits in with the Drapeau-Saulnier concept of "disciplined democracy." The politically-minded Mr. Cote is better able to run a political police force — Dir. Gilbert was not, and he resigned at the end of the calendar year. Chalk one up for Mr. Cote.

Conveniently, the Montreal hierarchy's vision of "disciplined democracy" coincides with the Neanderthal views of Quebec's Justice Minister, Remi Paul, or Rempol as the revolutionary handbills call him. (The late Adrian Arcand, who was the Canadian Nazi leader in the 1930s and spent the war years in an internment camp, was a close friend of the Hon. Mr. Paul. When the latter was accused last year of having been a member of the Nazi National Unity Party, he denied it but told the National Assembly: "but if I had been, I wouldn't be ashamed of it.")

As the political stability of the province becomes more and more uncertain, it becomes more and more obvious to these men that the police will have to become increasingly politicized. If the police, as citizens, were left on their own, there's no telling what direction this politicization might take. Perhaps the police strike last October illustrated this. Messrs Paul, Cote et al are determined that the politicization should be headed in the Right direction.

In fact, the SS squad has already been assigned to make an investigation into political activists and separatists on the Montreal Police force. Mr. Paul and Mr. Cote uncomfortably recall the Arthur Vachon affair of 1966. Arthur Vachon organized the Quebec Provincial Policeman's Union. At the time he was a Corporal in the anti-subversive squad, but during the 1966 Quebec elections, former Premier Jean Lesage called him a security risk. Cpl. Vachon was fired and he joined the Communist Party for a short spell. Today he's a

militant Maoist.

The SS investigation, coupled with Remipol's inquiry into the police strike, has left the police in fear of a purge. Chief Attorney Cote's own staff of 36 lawyers are also very uneasy. In an effort to "inject more dynamism" into the legal department, Mr. Cote attempted to pilot a bylaw through the city council allowing him to weed out "inefficient" undesirables.

The lawyers rejected in an unprecedented manner. They elected to form a trade union and filed a motion signed by 20 of the 36 staff members before the Quebec Labor Relations Board. Unfortunately, certain "pressures" forced four men to withdraw their signatures.

Clearly the general discontent and malaise of Quebec society has been felt in the ranks of the province's police forces. The cop on the beat is also a Quebecois. Unfortunately, such sentiments interfere with the efficiency of a police force, especially one with a political role.

Quebec authorities, including Drapeau and Saulnier, are determined that this role be filled as efficiently as possible. Ergo, Mr. Cote. In those areas of Canada where the social contradictions are becoming maximized, Mr. Cote is the pattern of the New Cop, uniform or no uniform. In Montreal, the pattern of marshalling the forces of order suggests the things to come.

As Mr. Saulnier told the Commons inquiry into the CYC, "Quebec is the base of revolutionary activities in Canada. We need the tools to fight it."

— by Nick Auf der Maur

The expert on pollution

Omont McKillop Solandt has the dirtiest wash water in town.

And like Mrs. Plain Jane of Roarora, Ont., Omont is mighty proud of it.

But when it comes to soap suds, Omont doesn't pick favorites. He likes them all. Because he helps make them all.

Not only is his laundry stained with dirt and run-of-the-mill bloodstains, but it's also a trifle radioactive.

Dr. Omont M. Solandt's wash and bank account are blacker than black partially because he is vice-chairman of the Electric Reduction Company of

Canada, ERCO to its friends.

ERCO, Canadian subsidiary of Britain's chemical giant, Albright and Simpson Ltd., has lost a lot of friends in the last couple of years. Count among them Newfoundland fishermen with dead fish, Ontario farmers with dead land and housewives across the country who have taken dead aim on the company.

Dr. Solandt is also chairman of the Science Council of Canada. One of the Council's functions is to advise the government on pollution control.

Dr. Solandt, who has a complete alphabet beside his name, is also chancellor of the University of Toronto.

Positions in his past include chairmanship of the Defence Research Board from 1946 to 1956. Under his reign, the Board helped Canada make the big leagues in the fields of chemical and biological warfare. (See CBW in Canada, Last Post, December 1969)

In 1945, he was designated to travel to Hiroshima and Nagasaki to "evaluate" the effects of the A-blasts.

It appears that he was so pleased with what he saw that in 1952, he participated in Britain's first atomic tests in Australia.

But more later.

ERCO makes phosphates. In fact, ERCO is the only manufacturer of phosphates in the nation.

But the firm got greedy. On January 12, it was fined \$40,000 for "maintaining a monopoly against the public interest." ERCO, it turned out, had bought out the opposition, set its own prices and ended up the sole supplier of phosphates to three detergent corporations — Lever Bros., Procter and Gamble, and Colgate-Palmolive-Peet.

Justice Alexander Stark said ERCO entrenched its position by a series of agreements with suppliers which gave the company almost exclusive rights to raw material.

Phosphates do to lakes and rivers what phosphorus did to the people of Hamburg during World War II. It kills them.

But as well as being one of the major indirect contributors to pollution, ERCO has managed to poison the air and water directly.

Last year, herring fishermen in Placentia Bay off Newfoundland began to notice dead fish. Lots of dead fish floating belly upwards, their scales colored a bizarre red.

Slow to anger, the fishermen began pointing shaking fingers at the ERCO phosphate plant in Lone Harbor, 70

miles away. ERCO had been lured to Lone Harbor by Joey Smallwood, with his penchant for opening Newfoundland's thighs to the corporate studs of the world.

The company refused to accept responsibility for the dead fish. When federal scientists came down and said toxic effluent from the plant was killing the fish, they shut down the plant for a month, but still refused to accept responsibility. And when 200 brawny Newfoundland fishermen blocked the main access road to the ERCO plant, the company set up a compensation fund — but still disavowed legal responsibility. Eventually they settled out of court.

It was not ERCO's first encounter with angry and frightened people. In 1967, the CBC broadcast a program called Air of Death. On it, Dr. G.L. Waldbloot of Detroit, a leading U.S. lung-disease specialist, said chemical fallout from the ERCO plant near Dunnville, Ont., was killing cattle and crops. He also spun a major uproar by charging that the fallout was slowly poisoning human lives. Farmers in the area described how their crops were being decimated.

A subsequent government inquiry reported no evidence of people dying of poisoning from the fertilizer plant, but acknowledged that crops were taking a hell of a beating. Meanwhile, the company was quietly paying out thousands of dollars in compensation. The government promised "pollution controls."

You will probably hear about ERCO again. The polluter has another phosphate plant in Varennes, Que. Almost day and night, the company complex is enveloped in a cloud of chemical dust. It is likely also doing interesting things to the St. Lawrence river.

But the last thing the Quebec government wants to do these days is be nasty to industry by mentioning trifling things like destruction of the environment.

Were the federal government and Dr. Solandt embarrassed by all this?

Dr. Solandt was almost proud. He even told a reporter he was something of an expert on pollution. So what better man to advise the government?

As for Ottawa, they admitted there was something of a conflict of interest, but after all, gentlemen:

"I think in any instance where we as a country endeavor to secure part-time services of a distinguished citizen of Canada," said Treasury Board president C.M. Drury, "some incidence of conflict of interest in bound to arise."

It has to be a classic line.

Immediately afterwards, Solandt made a little-noticed speech to the crusty old St. James Literary Society in Montreal. He advised government not to be too hasty in rushing in some substitute for phosphates.

The vice-chairman of one of the largest phosphate manufacturers in the world said "we must not leap out of a tolerable frying pan."

Solandt has used his clout as Chairman of the Science Council in other ways. Last year he had a little help for a friend. He came out roundly supporting Bell Canada's application for a rate increase.

In 1956, when he quit the Defence Research Board, he moved on to become vice-president of the CNR. From there, he went on to direct research and development work for those friends of the Vietnamese people, the De Havilland and Hawker-Siddeley Aircraft Corporations.

In 1967, he became the first chairman of the government Science Council.

In November of that year, he advised Canada in a major speech to get into the lucrative business of developing and selling military hardware.

Thar's gold in them there hills, eh Omont.

— Brian McKenna

They patrol the streets of Regina in silent secrecy

"The people behind the new law and order drive ought to know well enough what really makes people steal. They ought to understand, because basically they're the culprits."

— The Prairie Fire

The economic ills that are plaguing the wheat farmer have hit the prairies' struggling cities as well. The people of Regina, provincial capital, university town and nexus of what little industry Saskatchewan supports, are taking the brunt.

With little development taking place, jobs are scarce, costs are rising, and, to increase the insecurity, so is the crime rate. The process is not unusual, but it is frightening to people who came out of the worst of the Canadian depression to now see it all coming back.

Police Chief Arthur Cookson is known outside Regina as the head of the Canadian Police Chiefs Association. But his own ship is not running through

smooth waters: in October 1969 he said that if the armed robberies continued, "we will have to review our policy of issuing gun permits and start issuing them to businesses for their protection."

A month later the **Prairie Fire**, a local community newsweekly, broke the story of an RCMP investigation into the alleged beating of 23-year-old Carl Harris by four Regina policemen. The four were charged but later acquitted.

Citizens recalled an incident two years ago when a member of the police Criminal Investigation Branch was found guilty of assaulting a milkman. He was fined \$50; the milkman left town.

But criticism of the cops only mounted; on December 8, a Regina youth was shot and killed while running from police. Nick Mjasyk was suspected of having taken part in an armed robbery at Safeway's; he ran when police approached him outside a house under surveillance. They fired; he fell, got up, and ran again. This time he was brought down for good.

Later it was discovered Mjasyk could not possibly have been in the robbery; the most he could have been charged with was possession of stolen goods. Cookson says "this wasn't known when the incident took place.

"In 9 cases out of 10 there would only be a wounding and everything would be all right...But then there's a death and there's a hue and cry," added the leader of Canadian police chiefs.

The immediate response to the shooting was an angry demonstration by 100 young people in front of the police station. Many of them knew Nick Mjasyk and they wanted the cops to pay. The two policemen were later exonerated of any blame.

Many previously apolitical "street people"—youths displaced by the west's economic sluggishness—began to agitate to fight what they termed "the imminent police state in our city". Two citizens' briefs were prepared for a city council meeting. Council refused to hear them. The demonstrators vowed to start direct action and put out a paper, "The Plain Wrapper", to seek support.

Reaction on the other side began too. Soon an ad appeared in Regina's commercial paper, the **Leader-Post**, stating:

"It's Time to STOP CRIME

"What are you — Mr. and Mrs. Average Citizen — doing to help Regina

law forces stop crime?

"The people who support this advertisement are concerned about the following points:

"1. Should Regina citizens support a larger police force backed by the proper facilities to do a proper job?

"2. Why are the offenders with previous criminal convictions given suspended sentences by the courts?

"3. Why are criminal offenders with more than one, sometimes several charges against them, repeatedly released on ridiculously low bail by the courts?

"4. How much is added to the cost of consumer goods and services to cover the losses through shoplifting and pilferage?

"5. How long will the 'silent majority' permit radicals, anarchists and seditionists in this community to harass and defame our law enforcement bodies?

"6. How much longer will the 'silent majority' permit elements in Regina to recommend indulgence in immoral acts and the use of drugs to the young people in our schools and community?"

The Responsible Citizens' Committee had been formed (no accident that it bore the name of the "citizens committee" which fought the Winnipeg General Strike). It asked for people to call in tips (anonymously if desired) about anyone doing anything suspicious.

The committee especially wants those with car radio transmitters to report on movements of "suspicious characters" as they pass through the streets.

The RCC has the same mailing address as three other "concerned" groups — the Saskatchewan Employers' Association, the Saskatchewan Industrial Relations Association, and the Free Citizens' Association — and it is run by the same man, Ralph J. Purdy.

Behind Purdy is a wealthy businessman and member of the University of Saskatchewan Board of Governors, Stan Atkinson. Atkinson, who has the same address as Purdy's four organizations, also works through the national right-wing organization, the Canadian Intelligence Service, according to the **Prairie Fire**. The paper reported that he mailed out the CIS "Trudeau is a Communist" pamphlet during the Liberal leadership campaign in 1968 and the viciously anti-semitic Protocols of the Elders of Zion after the Arab-Israeli war in 1967.

Purdy told the **Carillon** (student newspaper in Regina) that he did not see

unfair labor practices as a concern of the group. He talked of the silent majority, the immoral acts that come from using drugs, and — the cause of all the robberies, it would appear — the need to steal to buy marijuana.

The group has some 25 members and support from another four to six hundred. Anonymous tips will be filed, Purdy says, but they will not be open to the general public. He thought they may be useful, however, if a man is fired for drinking or a suspected illegal act without the police being informed; this information would help a future employer concerned with the man's rehabilitation.

In some ways, the RCC, with its ties to the Employers' Association, has strengthened the very groups it is trying to put right. Students, street people, "immoral youths" are being publicly attacked by the same group which has been fighting labor and see it as the cause for an alliance against a common enemy.

Both sides are vying for support of the public, but the lingering ignorance and mistrust between workers and youth only add to the uncertainty of a depressed and very anxious city.

And from Regina police one has come to expect anything at anytime. They could provide the fatal spark.

Research centre for the people

When the administration at Simon Fraser University smashed the democratic structures that were set up last summer by the PSA department (political science, sociology, anthropology), it seemed that authoritarian reaction had won another victory.

In a sense it had — but those who sought to make teaching and research serve the people have won a victory of their own by carrying on their efforts off campus.

The result: a Community Educational and Research Centre formed in Vancouver early in January at a meeting of over 150 professors, students, trade unionists, unemployed and women's caucus members.

The new centre stresses the need to work together in research and discussions. "The centre is not a political party," says Mordecai Briemberg, former chairman of PSA and chairman

of the meeting. "It will provide the facilities for those affected by a problem to discuss and study it and learn how to deal with it better; the centre itself will not adopt a policy for each problem."

"It isn't a free school," Briemberg says. "It isn't a place to go for a while and study and then return to your work place. It's a place to study a problem while you're involved in it and bring those together who are affected by it."

Students and professors act as resource personnel, rather than themselves defining what is to be studied or researched.

The centre is located at 434 West Pender in Vancouver — a second storey flat including two meeting rooms and an office-library. Those wishing information can contact Mordecai Briemberg at 298-9638 in Vancouver.

Family compact gets its way in Quebec

For years, the powerful Simard clan of Quebec businessmen has stood almost omnipotent in the backroom of the Quebec Liberal Party, federal and provincial.

If there was ever any doubt of the clan's power, it vanished Saturday, January 17 when Robert Bourassa, favorite son of the Simard family, slid effortlessly into the leadership of the provincial party against the manifest will of grass-roots Quebec opinion.

Radicals who have long claimed the traditional parties run at the beck and call of millionaire interests saw any last lingering doubts dispelled.

It has been claimed that not all of Mr. Bourassa's campaign was financed by Simard money, and that is doubtless true. The very rich never have to dig too deep into their own fortunes. Others rally to the cause.

Mr. Bourassa claims that the independent fortune of his wife, Andree Simard, allows him to be independent — in other words the best rulers are the very rich.

He is not entirely wrong. Mr. Bourassa has managed to be supremely independent of the traditions of the "quiet revolution", when the Liberal Party appeared a little more democratic. He has returned from the early-sixties era of social welfare and state initiative to the ideas of the old and discredited Taschereau Liberals when free enterprise and

business acumen were the order of the day.

But Robert Bourassa, friend of John Meyer, conservative editor and financial columnist of the Montreal Gazette, vaunts his business contacts and has nothing to say about welfare except the need for penny-pinching and means tests.

His ubiquitous, expensive billboards, plastered around the province — and far outdoing publicity for other candidates — promised security through prosperity. He is to run the economy of the colony on a sound basis so that foreign investment will be secure.

At 36, Mr. Bourassa was boosted as the candidate of youth, although he had generated less youth enthusiasm outside his own party than even Jean-Guy Cardinal, challenger to Jean-Jacques Bertrand at the last National Union convention.

The young scion of the Simards had one other claim to being leadership material. He was billed as a financial genius. True, he had never come out with anything strikingly original, and his solution to Quebec financial woes revolved largely around a promise to introduce modern business budgeting methods, but he was a graduate of those two institutions which can be used to play upon any colonial inferiority complex — Harvard and Oxford.

Pierre Laporte was the one who knew about running government departments and leading a party in the legislature. Pierre Laporte was the one who had his roots in the great movements of Quebec politics, but Pierre Laporte got nowhere in the leadership campaign.

Claude Wagner was the one who wielded obvious electoral support, but Claude Wagner got nowhere.

Robert Bourassa had performed in the house with all the acumen of a high school debater — nobody knew him before the campaign; he didn't even have the charisma and the finesse of a Trudeau; but big money was with him all the way.

Mr. Bourassa's wife, Andree Simard, brings him into the major leagues of North American capitalism. Stunningly wealthy herself, Andree is the cousin of Arthur, Jean and Leon Simard, who hold presidencies, vice-presidencies and directorships in about seventy companies.

The family fortune centres around Marine Industries Ltd. of Sorel, but it by no means ends there.

Among the companies in which the Simards hold or held major posts are:

Reynolds Aluminum of Canada Ltd., the Provincial Bank of Canada, Royal Petroleum Corporation, Consolidated Bathurst Ltd., Engineering Products of Canada Ltd., Chemcell Ltd. and the Canadian Advertising Agency Ltd.

If that is not impressive enough, Arthur was appointed a director of Power Corporation—the Pierre Desmarais holding company which owns *La Presse*, the largest French daily on the continent, and a slew of other Quebec press and broadcast outlets. (The influence is significant enough to have provoked a government enquiry into freedom of the press last year.) It also owns Canada Steamship Lines, Provincial Transport Ltd., and numerous other companies.

Jean Simard, a member of the Liberal Reform Club, also became a director of Warnock Hersey Co. Ltd.—a direct line into the largest centres of U.S. capital. Warnock Hersey shares control of the Power Corporation group.

If, as provincial premier, Mr. Bourassa were seeking more outside investment, he would not be without friends. Nor are these the only ones.

Another Simard family member is Gerard Filion. His mother was Philomena Simard.

Today Mr. Filion is president of Marine Industries. Under the Lesage Liberal government he managed Sidbec and the General Investment Corporation, key Liberal-initiated crown corporations.

On another front, Claude Frenette of Power Corporation is President of the Quebec section of the federal Liberal Federation. A Trudeau supporter at the federal convention, Mr. Frenette left no doubt whom he supported this time around.

And within the Prime Minister's Office in Ottawa, the man who runs the "Quebec desk" obviously does more than merely "report" on events. Jean Prieur came down to work as chief organizer of Bourassa's campaign.

Meanwhile Jean Lesage—the man brought in from Ottawa (where he was Minister of Northern Development and Natural Resources) when it looked as if a renovated Liberal Party might rise to power in 1960—boosted the Simard candidate. Alcide Courcy, an old-time politician if ever there was one, used his post as provincial organizer to knot the last threads of a sewn-up convention and with the unstinting support of the English, Robert from Harvard rode to power.

— by David Dent,

Report On Business



INCO

From early July to mid-November, in the private suites and board rooms of Toronto's drab Park Plaza Hotel, two giants pitted their strength in a battle that shook heavy industry throughout the world.

The International Nickel Company of Canada (INCO), American-controlled producer of half the West's supply of crucial nickel, locked horns with the largest labor union local in the country—the 16,000-man Local 6500 of the United Steelworkers of America.

They had battled before in violent strikes and wildcats. But through this late summer, they fought with briefs, papers and statistics across the board tables.

The muscle on each side was imposing: INCO, with its mines, smelters and refinery strewn through the barren Sudbury Basin, with its annual production of 450,000,000 pounds of one of the world's most vital industrial elements, with its profits last year of close to \$140,000,000; and 6500, backed by a long-nurtured strike fund estimated at between \$10 and \$20 million and the ill-concealed itch of its members to hit one of the most hated corporations in the country.

The effects hit world industry hard. In London, *The Economist* sniffed: "A ludicrous situation has developed in which, every three years, at the end of Canadian labor contracts, the union involved, the United Steelworkers of America, goes on a lengthy strike and the rest of the world is left helpless."

The men of Local 6500 do sit on a near-monopoly of a critical industrial ingredient, but they don't have triennial blackmail parties. Instead, they pay the staggeringly high price of sitting on the bull's eye, of being the focus of a vast international machine that exploits a Canadian resource with an abandon that has left the Sudbury Basin a pillaged land.

Three huge smokestacks dominate the sky over the flat company town of Copper Cliff, just outside Sudbury.

Twenty-four hours a day, every day of the year (unless there is a strike), the three giants belch grey-white columns of smoke that hang over Sudbury like a nuclear mushroom cloud.

The wastes spewed by these stacks, together with those spewed by open-pit furnaces in past years, have left the area for miles around Copper Cliff looking like, in the words of one politician, "the other side of the moon." Blackened rock, grey soil, and sterile land have made this area unfit to support any vegetation higher than bush and fungus without heavy chemical treatment. For an eight-to-ten mile radius around these stacks, the effects on vegetation are starkly evident—low, stunted bushes, brown-spotted trees, lakes with abnormal acid levels. Almost 25 miles away, the sensitive white pine trees have shown effects of pollution. Report after report by private agencies and government departments has been shelved by the Conservative government of John Roberts, and only recently have the first token gestures towards mitigating the ecological murder been taken.

On the edge of Copper Cliff is a vast complex of buildings, surrounded by a 300-foot high mountain range of slag—waste rock and iron—and a high fence. This is the heart of INCO's machine, the Copper Cliff smelter that feeds the three stacks. Here, the union charges, the workers are being kept in Industrial Revolution conditions, working in extremes of heat and dangerous gases. The company has denied these charges as "exaggerated and irresponsible" more times than anybody would care to count.

On December 9, 1968, New Democratic MPP Morton Shulman read the following segments of an article by a *Toronto Star* reporter, who had sneaked into the smelter, into the Record of the Ontario Legislature. The next day the reporter's story also appeared in the *Star*:

"... We approached the group of men who worked by the furnaces.

"The heat grew in intensity at every step and it was like breathing with your head in a hot oven. The heat pounded you and you felt the veins in your head... I was streaming sweat, and trying to walk towards these stoves of hell was like walking against some big, soft hand that was pushing you back. I could see the men better now—like automatons performing their tasks, their eyes half-closed by the heat, moving silently... He said the heat reached 150 degrees at times..."



"...The east side was immersed in a shiny blue pall. In that pall I saw the silhouettes of men working.

"...We donned our masks and goggles and moved toward the pall. After 50 feet, the acrid smell was penetrating my gas mask, and my mouth and throat felt suddenly as if I had gargled in kerosene. As we moved in deeper, the pall became a milky cloud, and I could only see a few feet ahead.

"My eyes began stinging unbearably, and I struggled to keep them open to see. They watered so much the tears formed inside my goggles. A feeling of nausea began to grow in me, and I began gasping for air, which gave me acute chest pains. I pressed the gas mask to my face, but I could not shut

the gas out. I held my breath and tried to pull my camera out. But I began coughing, and unwittingly breathed a gulp. A sharp pain in my chest doubled me over, and the nausea overwhelmed me. I pulled off my mask and began to retch. As I groped for something to grab hold of, I felt very suddenly dizzy. Then I collapsed.

"I wasn't unconscious for long — 45 seconds to a minute said the worker who was with me. He had been right behind me and dragged me to a window when I passed out...

"After a few minutes, I pulled out the Grager meter (a gas-measuring device), held my breath, and moved back into the gas cloud. I loaded the long, grey tube into the instrument. According to its content, the tube turns white from one end, up a scale towards the other. The maximum reading on the scale is 200...

"...I moved quickly to the window, gasped air, and looked at the Grager meter tube. It was completely white. Off scale.

"The air contained over 200 parts of sulphur dioxide (the gas in question) per million. The guidelines said five was the recommended safe limit."

Although the Mining Act of Ontario requires that inspections of mines and plants be carried out on a regular basis by inspectors from the department of mines, this has been a standing joke in Sudbury. The inspections are supposed to be surprise ones — the company is not to receive warning of certain types of inspections so that it cannot clean up its conditions in a hurry. In the Legislature, presenting supporting evidence of instances, Shulman said "the department of mines repeatedly tips off INCO on safety inspections. There are areas that mining inspectors have never seen, huge drifts where men risk their lives and work in water up to their knees."

"This is contrary to the Mining Act, of course. But the government does not enforce the Mining Act when it comes to INCO." Shulman speculated on the reasons for this, and quoted an INCO official telling the same newspaperman that "It is probably true" that INCO contributed \$100,000 to the Conservative Party before the last provincial election, though the Liberal Party had been contributed to as well.

He added later: "This is the reason men cannot breathe in Sudbury — it is the government's fault."

But it's generally known that large corporations make contributions to

political party coffers at election time, and the direct financial contributions are only a manifestation of a more fundamental alliance — particularly in the case of the Robarts government, which has been a friend of long standing to the mining industry.

And much more relevant is the case of a corporation, which is administered from New York, and a majority of whose shares are owned in the United States, that has been given a laissez-passer of unmatched generosity to the human and natural resources in a Canadian province. It leaves behind millions of dollars in taxes annually to Queen's Park and Ottawa, which is no doubt appreciated. It takes out substantially more than the \$140 million that is its net profit.

The needs of western industrial corporations — especially defence industries — happen to concentrate much on one resource that the once-lush Sudbury Basin possesses. And like a magnifying glass concentrating a diffuse light into a scorching beam, that need has focussed into a corporation, and onto the people of Sudbury. Other countries in our hemisphere have found themselves in similar positions with sugar, and tropical fruit, and the results have been similar too.

Far from a situation where Canada controls a resource that it can provide to the world, a foreign corporation owns the resource and hires the indigenous population to work it. It is only natural that on February 1, the Undersecretary of the Navy in Lyndon Johnson's administration, Charles F. Baird, became a resident of Canada when he joined INCO as vice-president of finance.

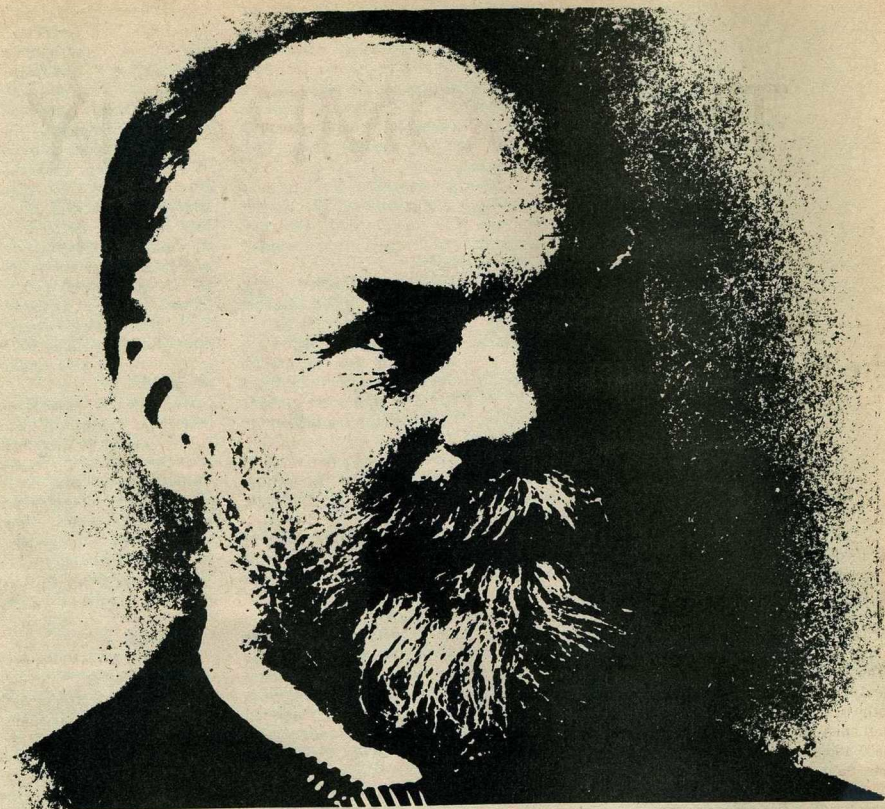
With the demand for nickel high, and the supply frozen by the strike in Sudbury, the pressures of industrial interests around the world were colossal, by INCO's own admission, during the four months of the 6500 strike.

And so in the rooms of the Park Plaza late last summer and early fall, without too many Canadians being aware of anything more than just another strike, a revealing struggle was taking place.

Local 6500 got \$1.25 an hour increase across the board, giving the average worker a salary of \$7,000 to \$8,000 a year. Workers began returning to the job November 15. On November 24 INCO raised the international price of nickel 25 cents a pound.

But nothing has really changed. †

P.Q.J.



When the T. Eaton Company, one of the most powerful financial empires in Canada, celebrated its 100th anniversary in 1969, the Canadian press indulged in one of its more outstanding campaigns of glorification and omission.

Because the record of this empire, and the power it wields, is buried in the myths the company has created and the press has accepted, the Last Post belatedly celebrates the 100th anniversary of this silent mammoth.

THE COMPANY

I — Timothy comes to the Big Town

Early to bed
Early to rise
Never get tight
And — ADVERTISE!
— methodist preacher's slogan.

It's doubtful that even an Eaton's publication today would write of Timothy Eaton the way a company history wrote of the founder in 1919:

"He reminds one of Cromwell smashing into the effete Parliament of Charles I; or of Cecil Rhodes founding a commonwealth among savages."

The Cecil Rhodes and the savages part would have application to the attitudes of some of his later heirs, but Timothy was a rather straightforward, even dour Presbyterian-turned-Methodist who arrived in Toronto in 1869 with \$6,500 and settled down to the business of making money.

He paid the \$6,500 for Jennings' dry goods business on Yonge Street and embarked on what was, to his just credit, a revolution in Canadian retailing.

The money he brought with him came from seven years' partnership in a store with his older brother in St. Mary's, near Stratford. Timothy had always earned his money by hard labor in the best Presbyterian tradition.

Since he had gone through a hard, seven-year apprenticeship in a store in Ulster before he emigrated to Canada, he had an appreciation of what it meant to work hard for a trying employer. As a result, he was to be an understanding, if strict, employer himself, concerned about his staff's welfare.

He would lead the country in introducing shorter working hours for his staff, and paid welfare and pensions before most employers had heard of these terms. But he could not abide labor unions, when they arose toward the latter part of his life — that interfered with the intense paternalism and strict authority with which he ran his store. That much, his heirs learned from him.

The retail revolution Timothy Eaton launched in Canada was based on two tenets:

- cash only, instead of the credit and running charge system that most retail stores in Canada then worked on.
- one price only, which wiped out the dickering over prices that was the accepted shopping method in Canada.

Later, "satisfaction guaranteed or money returned" was to be a slogan that shook some of Eaton's competitors. Then Timothy learned the values of advertising, and that became another ingredient of the rise of the Eaton empire: constant, saturation advertising.

His rural ingenuity extended to paying the horse-drawn streetcar drivers to cry out "Everybody out for Eaton's" when they pulled up before the store — a modern day equivalent being the curious way Eaton's has direct access to the Toronto and Montreal subways, so that a large part of the passenger traffic can't get out without walking through the store.

But the major revolution was the Eaton's catalogue. In a fragmented country where vast numbers of people had no access to modern products, this was the only way to shop. In the early parts of this century, the Eaton's catalogue was an integral part of the culture, an indispensable text that was used not only to shop, but also to learn English.

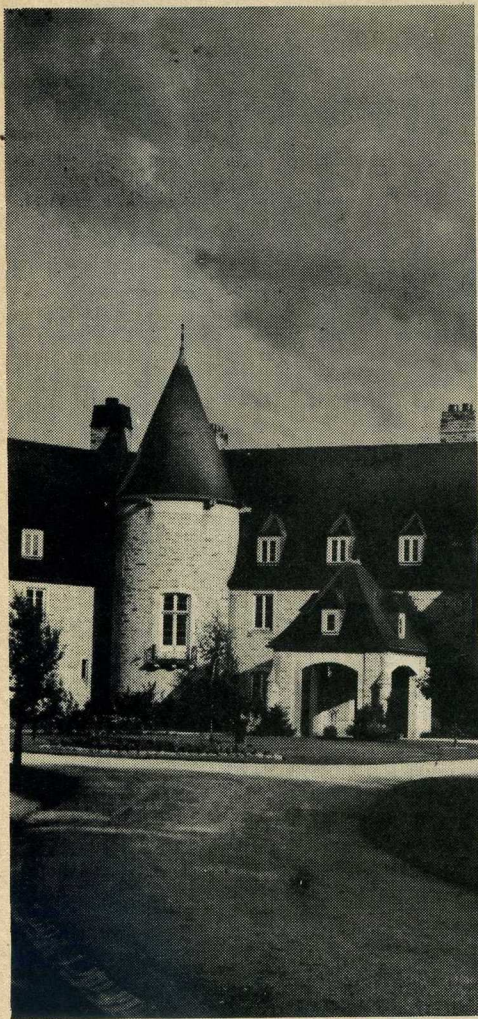
When Timothy died in 1907, the massive Winnipeg branch had been opened, Mail Order was a separate unit, and the firm had its own buying offices throughout the world and employed 9,000 people. He left his heirs a personal fortune estimated at anywhere from \$3,000,000 to \$15,000,000. Sales that year totalled over \$22,000,000.

Jack Eaton, later to become Sir John Eaton, an unreconstructed reactionary, took over the firm. He and his wife Flora became the unofficial First Family of Canada — patrons of the arts, mansion builders, owners of yachts, villas, private railroad cars, horse stables.

Under Jack Eaton, and later Robert Y. Eaton and John David Eaton (current head of the clan), the empire grew to become the third largest employer in Canada after the federal government and the railroads. Its 50,000 year-round employees are supplemented by 15,000 part-time workers over Christmas. The Eaton family is the sole owner of 48 department stores across Canada, five warehouses and service buildings, factories, 352 catalogue sales offices, large tracts of strategic downtown land, and the personal Eaton's estates and fortune. The tag on the Eaton empire is estimated at \$400,000,000. When John David's home in Toronto was robbed over a year ago, the jewels stolen were valued at \$1,000,000.

The Eaton empire is more than that.

It is one of the most powerful concentrations of wealth, economic power and political influence in Canada, ranking



Eaton Hall

with E.P. Taylor's Argus Corporation, the Canadian Pacific Railway, Power Corporation. It is also an empire that wields this imposing power whenever something stands in its way.

It is a structure whose history and methods reveal much about the country itself, and the financial and political elite that ran it through Eaton's boom years. It is a firm that has

cowed newspapers into silence, ordered municipal governments around, and maintained a large reservoir of political influence to this day.

While propagating the mythology that it was only interested in serving the interests of the country and its people, it wrote a history of reaction, manipulation and entrenchment, erecting a tower of wealth on a mountain of low salaries, poor working conditions, and arbitrary management.

Yet in periods it led in pensions, shorter hours, and welfare benefits to employees, and in the play of these seeming contradictions it erected an institution that has had a profound effect on Canadian life, and reflected much of this country's history — not all of it laudable.

It begs examination, because that is precisely what it has always successfully stifled.

II — All that glitters

*"How ya gonna keep 'em down on the farm
After they've seen Paree?"* — Post-war song.

"After the sweet came the dessert of fruit and it was at this luncheon that I learned, from the example of the Duchess and the Princess, how to eat a fine ripe peach with a spoon. They used a knife to cut the fruit open, removed the pit with knife and fork, and then picked up the dessert spoon and ate the two halves from the skin, in the same way as melon is eaten. This is now one of my mealtime habits, and one doesn't have the messy business of peeling the fruit."

— from the memoirs of Lady Eaton.

Canadians have always been a straightforward folk, aware of their place in the order of things, and not given to assuming postures patently beyond their class standing. The British were always more cultured and commanding, the Americans smarter and richer — the Canadians were, as the French say, "Nes pour un petit pain."

Nothing was more revealing of our secret longing to scrape the dung off our boots, however, than that curious period when Canada tried to produce its own aristocracy, heaped adulation on Lady Eaton as Mrs. Canada, and sent her on a tour of every Rotary Club west of Yonge Street. And we have very few more revealing glimpses into the nature of that Canadian ruling class she symbolized, the principles and ethics they espoused, the social system they sought to erect (successfully for a while), before they gently gave their seats away to the pleasant young men from New York with the blueprints.

Flora McCrea, born in Omemee, Ontario, married John Craig Eaton in 1901, and from the Twenties onward became the matriarch of the family — "A great traveller and social leader... a staunch patron of the arts..." hails the official Eaton's history.

In 1915, when John Craig Eaton, president of the firm until his death in 1922, was knighted for his service to the war (he paid for a machine-gun battery) she became Lady Eaton.

In her "autobiography", entitled *Memory's Wall* and published in 1956, Lady Eaton writes to her clan so that "you will be enabled to know me better", but lets the public peek into the lives and times of this vice-regal family. One of the undiscovered gems of Canadian literature, it is an

exercise in name-dropping, in recalling all the great parties that were held and who attended them wearing what, a literary rattling of jewels that borders on the arriviste. Here is a home-grown empress dowager, mooning publicly over the loyalty of servants, over the lovely people of the Toronto elite, recalling with thrills the times she was presented to the Court in Buckingham Palace, and allowing the great unwashed masses to derive inspiration and pride by peering in on these idyllic moments.

The attitudes of this matriarch from Omemee also reflect the ideas of the Eaton family and their concept of divine mission, and bring us closer to understanding the roots and nature of the paternalism that is the bedrock of the Eaton empire.

In a diary she wrote on a Maritimes fishing trip, and which she published privately for distribution to her friends, she makes these observations on the Quebec conscription crisis of 1917:

"We went on past the new park overlooking the River Valley and around the Plains of Abraham, and back through the New St. Louis Gate to the Chateau. We had dinner and afterwards walked up and down the Dufferin terrace where so many have walked through many years — where so much of the history of Canada has been cradled; and now in another crisis of our country we walk amidst it, our own countrymen speaking a foreign tongue; through misunderstanding and ignorance evading the responsibilities of the country whose advantages they enjoy; and one wonders what eventually will be the outcome. They are sheep without a shepherd, without even a sheep dog to keep them straight; but they are a simple-living people, and we cannot help feeling that if the present question of conscription is handled with care and explained to them (for it is largely that they do not understand it) then there will be no trouble." — September 1917, "Rippling Rivers".

The Eatons at that time owned a private railroad car, a yacht, palatial mansions, and a villa in Florence. Lady Eaton frequently travelled to Italy to get away from it all, and fondly recalls her travels in her book. But she omits recalling some of her more interesting impressions of that happy land in her book. Fortunately, they were recorded by The Toronto Daily Star, October 19, 1927:

**ITALY NOW HAPPIEST LAND
SAYS LADY EATON RETURNING
PRAISES MUSSOLINI'S RULE**

**Found Whole Country Improved, People Happiest in World —
Admires Signora Mussolini for Her Domestic Qualities —
European Countries Unprogressive in Caring for Sick**

In the article she is quoted as saying how nice it was that "no more do the beggars in the streets and around the cathedrals annoy everyone" and laments that "Mussolini is not really in good health, he suffers intense pain and the only relief he gets is in distracting his thoughts by playing his violin."

She also pronounces herself on womanhood:

"I may be called antiquated for some of my ideas," Lady Eaton said, "For I am not one of these 'votes for women' women. I do not see that women have gained much by the vote — it has merely complicated the problem because the vote is not restricted to intelligent women. I think the vote is rather a nuisance myself."

"Lady Eaton considers that a woman can find no greater sphere of endeavor than in her own home. 'I may sound old-fashioned in saying that,' Lady Eaton said, 'but I believe



Lady Eaton

that women have lost sight of that fact to a certain extent and that they are coming back to it."

On November 16 she sang at Massey Hall for Toronto's elite, and the Toronto Star burred:"

**VOICE OF RARE SWEETNESS
CHARMS TORONTO AUDIENCE**

The flavor of the fawning review is not to be missed:

"Luigi Von Kunitz tapped with his baton on his desk. The orchestra paused from its overture. A slender figure came from under the curtained archway and advanced quickly though the maze of chairs and music stands. The conductor left his platform to meet her and escort her to the footlights. . . The artiste. . . bowed to left and right gracefully but not lingeringly. . . Her deep toned 'Helas', with which she began the aria's change from interrogation to regret, was a true cri de coeur."

Of her preparations for Court presentation, Lady Eaton leaves us this account of London manners:

"We had taken instructions in the Court curtsy from Miss Violet Vanbrugh, one of London's well-known actresses, and she had been an excellent teacher. She would say, 'Walk up to me,' then, after making us sink back on the supporting foot, she would order us to do it again, 'and remember the earth will hold you up, and don't be afraid to step up firmly.' It was important that we lift our heads after the moment of the full drop of the curtsy. . . There was some difference of opinion in London about the matter of lifting one's face and smiling when presented to one's sovereign, but Miss Vanbrugh insisted on it. . . How Their Majesties managed to retain their gracious composure during an evening of eight hundred presentations was a mystery, but also a lesson for the rest of us."

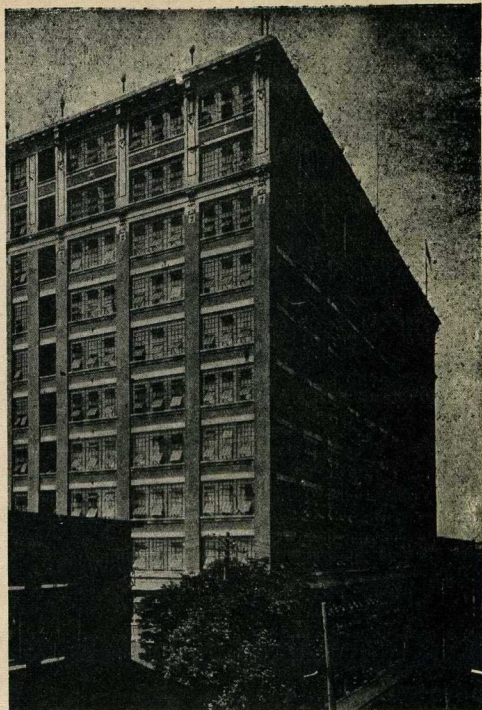
On one of her visits to the Winnipeg store, she made "a morning tour" of the Mail Order buildings with Eaton's chief in that city, H.M. Tucker. Here she recounts how she gave the unfortunate Mr. Tucker a lesson in employee

relations: "When we returned to his office, I looked at him, and said, 'Mr. Tucker, that was just useless.' He asked what I meant. 'Well,' I said, 'our people were looking for some friendly contact with us, and neither of us gave it to them. Neither one of us smiled.' His reply was, 'But I don't smile readily.' And to that, I said, 'You'll have to learn, and we're both going to do better this afternoon.' After lunch we continued our tour, going this time through the Store, and I'm glad to record that Mr. Tucker smiled and I smiled too. I'm positive our afternoon's activities netted infinitely better results than the morning's."

The temptation to quote more of Lady Eaton's gems of managerial wisdom and passing observations on the problems of wealth and station is hard to resist, but suffice it to point out that her memoirs are available from any public library in this country and come highly recommended.

Thus for more than 20 years, the newspapers glittered with mentions of Lady Eaton, with descriptions of her residences, of her charitable donations, of the gala events she attended. John Craig Eaton was Sir John, and with Lady Eaton they were "Canada's first family." They were met by flocks of reporters when they disembarked from the luxury liners after their sojourns abroad. Lady Eaton's pronouncements on the passing scene were dutifully recorded, her attire and grace spread over the social pages of the Toronto and Montreal papers. And though Jack Eaton was a more hard-headed sort who shied away from this sort of publicity, Lady Eaton played her role well.

Here was an Edwardian Canada, a native merchant family that sought the splendour and status of a colonial aristocracy. Here was the highest ornamental development of an indigenous capitalist elite.



An Eaton factory in Toronto

III — "The beggars around the cathedral"

Excerpts from testimony by Eaton's factory employees before the Royal Commission on Price Spreads, 1935

By Mr. Bullen (Lawyer, ILGWU)

Miss Nolan:

Q. Miss Nolan, were you employed by the T. Eaton Company, Limited, of Toronto?

A. Yes, I was...

Q. And when you first went there what was your basis of pay?

A. \$11 was guaranteed (per 44-hour week on piecework).

Q. And after that did it ever change?

A. Yes, I got \$12.50. Toward the end of 1928, it was raised to \$12.50.

Q. And what was the result, first of all, physically, from this drop in rates? (Piece-work rate of \$3.60 for making a dozen voile dresses, which was dropped in 1933 to \$1.75 a dozen for same dresses and same work.)

A. Well, you had to work so hard, you were driven so fast that, it just became impossible to make \$12.50, and you were

a nervous wreck. The girls cried. I was hysterical myself. It almost drove me insane.

Q. Was that condition general or did it only happen to you?

A. It was general. All the girls were the same.

Q. And did you break down by reason of it all?

A. Yes, I went into hysterics several times and I had to go to the hospital and the nurse said, "What is the matter? You girls are always coming here."

* * *

Mrs. Annie S. Wells:

Q. You were going to tell the Committee about the material. You said it was inferior. In what way?

A. The cotton goods were full of starch — we called it starch. You know, they fill it with something to make it appear thick and strong. The manufacturer did; we did not, and of course when you turned the dress you were just smothered in starch, and the particular fault of that starch was that it raised sores on your arms.

Q. Did it hurt your breathing at all?

A. Sure. It made your throat sore and your nose stuffed up and you felt a wreck. That was easy.

Q. Was that a very prevalent condition?

A. Yes, very prevalent.

* * *

Mrs. Wells continuing:

Q. Would you mind indicating to the Commission from

your standpoint as a worker why you disputed the pay for this dress? Please describe the dress, what you got per dozen for making it, and why you objected to that price?

A. Well, this dress was a cotton crepe, and we had to make the blouse with double fronts, and a frill in between on the one side. It had a raglan sleeve. That is a sleeve that is not set in; it came up to the neck here. We had to make the skirt, which consisted of three straight lengths in the front, and two pleats let in, and this had to be stitched down on the outside and finished off with a little stitching. That was that. I forget now whether the back had a pleat in it or not; I think it had one; anyway, we had to make that skirt, and then we had to join it to the blouse, and we had to sew that bow that is on the shoulder but sewn in such a position that the bow could be threaded through a button-hole. It had to be put into the right side. It was not just the trimming. Then we had to make the belt loops.

Q. How many?

A. Two belt loops and put them on the waistline for the belt to thread through. And you got \$1.15 a dozen.

Q. How much?

A. \$1.15 for that amount of work.

By Mr. Sommerville: (Member of Committee)

Q. That is about 9½ cents for a dozen of these dresses?

A. For that amount of work.

Q. You get 9½ cents for doing what you have described?

A. 9½ cents.

By Hon. Mr. Stevens: (Member of Committee)

Q. What does the dress sell for?

A. The selling price is \$1.59 each. It is marked here. (Later) ... It took an ordinary four and a half to five hours to make a dozen.

* * *

Miss Amy Tucker:

Q. It has been stated here that Eaton's do countenance and recognize Unions. Have you anything to say about that?

A. When we tried to organize, Mr. Clendining said "You girls can join a Union if you please but that does not mean to say that this firm will recognize a Union. This firm will not recognize a Union."

Q. Who told you that?

A. Mr. Clendining.

Q. Anything else?

A. And then he went on to say "Of course we recognize Unions." And I said "You do in the printing, because it happens to be government work and it must have the Union label on it. But otherwise you do not recognize Unions." And in all our talk he would try to bring in racial question, about the Jewish people, telling us we should not belong to the Union at all that was controlled by Jews.

* * *

In 1934, a remarkable figure in Canadian politics took aim at the big companies in Canada and went on a private reader and pamphlet campaign to expose the conditions of workers in factories, and the transgressions of high finance. He was all the more remarkable because he was the Minister of Trade and Commerce in the Conservative government of R.B. Bennett. This man, Henry Herbert Stevens, hurt the Bennett government so much with his attacks that he was persuaded to resign in October of that same year.

But he had managed to leave a legacy — part of which was the Stevens Committee on Price Spreads, as swash-buckling a one-man attack on private interest and its role in the Depression as has ever rolled over Bay Street. The

favorite target of this curious Red Tory was the retail trade. And that meant Eaton's. For the first time in history, with batteries of company lawyers kicking and screaming, the untouchable company was forced to bare its dealings, wages, capital, profits and losses.

As the Eaton dress factory workers, women who struggled at living on the prevailing \$12.50 minimum weekly wage, in Ontario were brought to testify about working conditions, salaries, battles between the International Ladies' Garments Workers Union (ILGWU) and Eaton's, a picture emerged of the sweat that was the base of the glitter of Ardwold, the Florence villa, the Court receptions, and the ecclesiastical silence of the press.

The witnesses before the committee (it was made a full royal commission in the fall of 1934) admit that working conditions were not among the worst until the death of Sir John Eaton, and the onset of the Depression. But they give a picture of where Eaton's transferred the misery that arose from the lower sales of the Depression period.

The minimum wage in Ontario at the time was \$12.50 for a 44-hour week. More precisely, the law required only that 80 per cent of a department average \$12.50, and the other 20 per cent were uncovered. The companies, therefore, could and did play the averages game with employees' salaries.

When the slump in buying came, its implications were immediately dumped on the factory employees. Where a dressmaker would earn \$3.60 a dozen for her work on a particular voile dress, in 1933 her rate of earning was knocked down to \$1.75 for the same dress, and the same work. For an eight-hour day she would, if she worked very hard, take home \$2.50. Even in the depression, this bordered on the outrageous. Eaton's de facto policy at the time was so petty that if a woman earned 33 3/4 cents on a piece, she did not receive the fraction, but was computed at 33 cents.

With styles becoming more complicated, and the dresses harder to make, the rates were not raised but drastically lowered, and the women expected to produce more, not less. Witnesses speak of being "badgered and harassed" and "threatened if you did not make the \$12.50 you would be fired." They were clocked by stop watches, disciplined for slow work by being sent home to sit out a week with no wages. If they came five minutes late for work, they were frequently locked out of the plant and forced to go home without earning anything that day.

One case out of many was that of Miss Winnifred Wells, an 18-year Eaton's veteran, who recounted to the commission how she was approached by one of the managers, a Mr. Jeffries, and asked if she had made her minimum for the previous Friday.

"... I said 'No, I have not.' I think I was about 30 or 75 cents short."

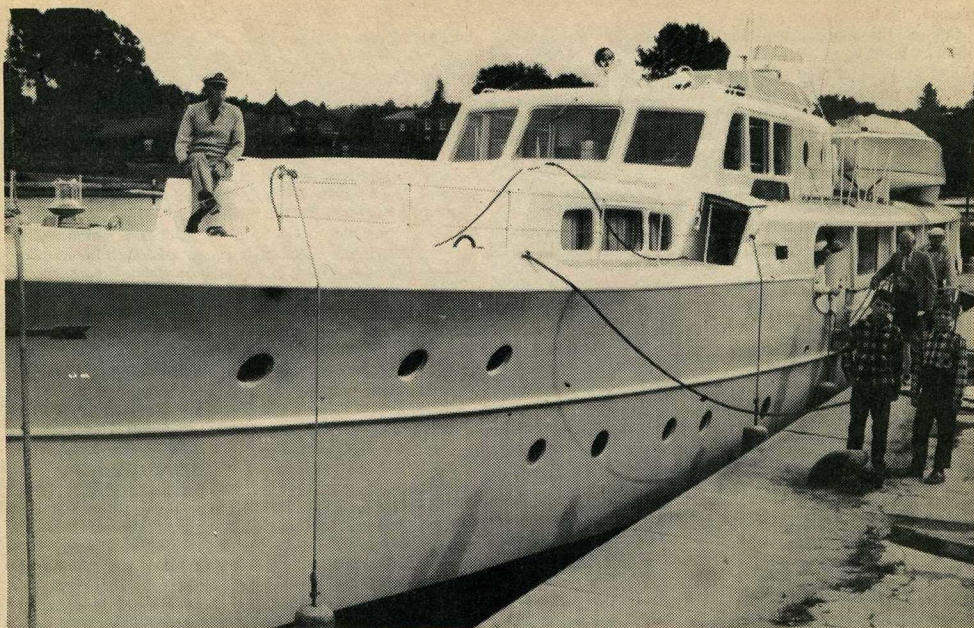
The manager returned in a half hour and told her "You go home; go home and don't come back until I send for you, and we will send for you when we are ready."

She went to Jeffries' superior, a man named Conroy.

"And he said that was a new system that we are bringing in, every time a girl fell down on her work she would get a week's holiday, go home for a week.

"And I asked him if he thought that was quite fair; that was the first day in the week; I had the rest of the week to make up the \$12.50. And he did not seem to consider that was anything at all ...

"... So I asked him how he thought a girl was going to live if she was going to be sent home every time she fell



John David Eaton's yacht 'Hildur'

down on her money. He said it did not matter to him, none of his business, and got very angry over it."

Of course if Miss Wells were starving, she could have reported to the welfare office at Eaton's. It was a matter of company pride that it had a generous welfare office. It is in the nature of this sort of corporate paternalism to take care of the needy — and also to make sure that the welfare office would never be underpopulated. Eaton's took care of its sick and destitute. But why would it never translate the funds available for welfare into a decent wage?

If the workers received a decent wage, they might get notions of having earned it, instead of having received it. And when that sort of system entered, it would threaten the existence of Ardworld. It might lead to such violations of "family" corporatism as unions.

On July 11, 1934, an incident occurred that clarified Eaton's attitude towards unions.

In March and April of that year, the women of one department organized into a local of the International Ladies' Garments Workers Union. Witnesses before the commission testified that they had been warned against organizing into a union. A manager named Clendining said to the girls that they didn't need a union and told one "how would she like to go home with \$6 a week and he said some of the fellows in his office went home with \$6 a week; and she told him he ought to be ashamed to say that they got that... He told us we were out of our class, that we were mixing with the people on Spadina." (union officials — Spadina Road is Toronto's dressmaking district.)

But the women joined the union — 38 in that section, and began to ask for higher rates on some of the dresses they were working on. Eaton's made short work of them.

On July 11, after several days of asking for higher rates on a specific dress, the committee representing the women went to see management (a Mr. Moore and Clendining) to ask again if they would raise the rate, and were told definitely not — "take it or leave it." So the women stopped work that afternoon and waited to see what would happen. They were summoned to see Moore and Clendining.

"... and Mr. Clendining asked each of us how long we had worked there. We told him. He wrote that down. Then he said 'Are you willing to work on this style?' We said no, we would like to have the price raised. He said 'Well, you can wait until 5:30. If you cannot make up your mind to work then, we no longer require you.'"

The women asked for passes out of the building to see their union officials, and were granted them. The officials urged them to go back to work and press for the higher rate without a work stoppage.

"We went back the next morning ready to work... We went back and the time keeper would not let us pass... We went up to the 9th floor. We were ready to go downstairs to take our machines and he told us our cards were out... We were locked out. We did not strike, we were locked out."

After 5:30 no one could get into the factory building — it was cleared by then. The women could not have been logically expected to turn up at 5:30 to announce their intention to return to work. With surgical efficiency, Eaton's had

divested itself of a union group.

One of the more astonishing distortions in the recent official history of Eaton's — "The Store that Timothy Built" by William Stephenson — deals with the very critical and revealing series of hearings by the Stevens committee.

This is how the book writes off the damaging testimony: "In June, 1934, to take their minds off unemployment and the breadlines, Canadians were treated to a circus staged by the federal government.

Included in the charges the firm was eventually asked to answer were:

That Eaton's practice of featuring 'loss leaders' could wreck the market for any smaller retailer dealing mainly in that commodity;

That Eaton's system of selling 'distress goods' created havoc among smaller retailers;

That Eaton's received special discounts from manufacturers for larger orders, so that it could sell these products at far below most of their competitors' prices;

That Eaton's put pressure on suppliers not to sell to others at such discounts;

That Eaton's mail-order department took everything out and put nothing back into areas where it flourished;

That the only reason Eaton's could afford to sell at such low prices even with such dubious tactics was because the firm paid very low wages and forced factory workers to toil at 'intolerable speeds.'

The book claims Eaton's had "no trouble" refuting these claims and that "all the other headline-making claims of 'unfair competition' and 'slave labor' were refuted with similar ease."

The ease with which Eaton's refuted these charges is, to anyone who leafs through the hundreds of pages of testimony, somewhat dubious. A reading of the report leaves no doubt that Eaton's was raked over the coals and run over by a steamroller.

The book continues to portray an utterly shaken R.Y. Eaton (then president), his feelings hurt by the investigation. It reads: "... R.Y. chose to view the whole inquiry as a warning that for a firm like Eaton's — the nation's store-keeper, willing servant and watchdog of excellence — profit must be considered, for lack of a better word, as sinful, and must never be allowed to become the sole criterion of success. Never again must there be even the flimsiest excuse for an investigation."

This magnanimity obviously failed — despite the best efforts of the firm, of course — because it is widely estimated that Eaton's is worth \$400,000,000 today. Nice try, though, R.Y.

But as if the poor Eaton's weren't hurt enough by the scurrilous allegations of women earning \$12.50 a week, Stephenson notes in his book that "... the Stevens Committee was to make R.Y. even more conservative than he had been before."

He writes: "An even more notable manifestation of this ultra-conservatism occurred in September, 1934, when a Telegram reporter, in his description of the Labour Day Parade, noted that several union marchers 'dipped their flags in sorrow as they passed Eaton's.'

"RY demanded a retraction. The editor replied politely that he had checked the story and found it to be true, so there was no need for a retraction."

The picture of the poor, distraught man, wounded to the soul by the Stevens Committee, running around trying to censor newspapers, coupled with the suggestion that this was all the fault of the Stevens Committee for having made

him an "ultra-conservative" — this is so incredible as to border on genius.

IV — The Fearless Vampire-Killers

On the night of December 4, 1951, Eileen Tallman, an organizer for the United Steelworkers of America, and Lynn Williams, a young organizer for the CIO, sat over a beer in a tavern on Yonge Street, both in an elated mood.

On the same night, in the Eaton family home, Lady Eaton, John David Eaton, several directors and managers sat dispirited, waiting for the same moment.

Williams, now with the United Steelworkers of America in Toronto, recalled the night:

"We couldn't believe it had happened. We had been organizing for three years — it's impossible to describe the energy that went into that. Despite all the obstacles — the company propaganda campaign, the raises that were calculated to pull the rug from under us, the high turnover of staff — despite all that Eileen and I were sure we had won. The managers were pretty depressed because they also thought we had won.

"That moment was the first hard lesson I got in labor organizing. So close..."

Out of 9,914 Eaton's employees eligible to vote in the Toronto stores on whether or not to join a union, 4,020 voted for the union, 4,880 voted against, 259 ballots (mostly for union) were spoiled.

The elation in the Eaton home, it is reported, was unbounded.

The Retail, Wholesale and Department Store Union (RWDSU) had begun organizing at Eaton's in Toronto during the summer of 1947. Because of the magnitude of the task — almost 10,000 workers of the 13,000 were eligible for unionization — a special committee of the Canadian Congress of Labor (affiliated with the CIO) was formed to organize the store into Local 1000.

"People's dissatisfaction" says Williams today, "was primarily over salaries — there were wide discrepancies between people who did essentially the same jobs. Women were paid much less than men for doing the same job.

"And there was the paternalism of the place — you had to make sure you were in the manager's favor or you were out, they controlled you completely, raises and promotions were not given on any general standard, but frequently on a totally preferential system.

Eaton's had not progressed far, in relative terms, since 1935. Not, at least, in wage terms. Here are rough average estimates from a salary survey done by union stewards at the time: (Bear in mind these are wages recently hiked by general increases to throw the union off balance):

| Group | Average Wage |
|--|--------------|
| Saleswoman in Notions, Stationery, etc. (with some years of seniority) | \$36 |
| Saleswoman, specialized selling (salary plus commission) | \$40-44 |

Salesman, shoes, sporting goods and most straight salary departments \$55

Salesman, draperies, men's furnishings (salary plus commission) \$60-75

Starting rates were from \$5 to \$10 a week less. Different rates apply according to age and marital and family status, even if for the same job.

The most salient feature of these wage rates is the much lower rates for women who might be doing the same job. This is a continuing part of Eaton's policy.

In the large restaurant departments, salaries were lower by \$2 to \$4 per week, and major grievances, according to union surveys, were "speed-up, layoffs, reducing employees' hours, and job doubling... Older women are particularly insecure as when they become too slow they are got rid of in one way or another... a fair number of D.P.'s (displaced person—officialese for immigrants) are hired for food sections... Eaton's tries to make the D.P.'s do more work than others."

In the Mail Order department, unlike the Showrooms which "are kept in a condition that is reasonably pleasant to the eye," things are "in a state of disrepair. The departments are completely void of air conditioning, with inadequate heat and fresh air for winter, and sweltering temperatures during the warm summer months..."

With these wages and conditions, however, Eaton's was not much worse than Simpson's or the entire retail industry. At the time, the retail field was the second-lowest paid among the nine leading industries in Canada. Industrial workers were largely organized, store employees were not. Thus the campaign to organize Eaton's held a prime importance to the whole labor movement—the Toronto stores were the key to organizing the retail industry, and the CCL spent \$300,000 over three years to try to do it.

The campaign carried on over three years, despite obstruction and red tape from the Ontario government on certification rights, despite turnover of staff, and most of all, despite the company counter-campaign.

Williams admits the company fought back with a calculated, intelligent campaign that spared no costs either.

A group of employees "spontaneously" formed a counter association called (shades of Lady Eaton's Mussolini days) "The Loyal Eatonians", though the company insisted it was not behind the formation of this curious loyalist movement. The group produced a series of slickly-written pamphlets attacking the union that showed clear signs of company help.

Examples of the contents of some pamphlets:

"Why are these outsiders so concerned with your 'welfare'? They say they want you to enjoy the benefits and privileges they enjoy. Obviously they know little about you or this company!"

"Obviously there is a lot more to this than warm, brotherly love.

"Let's do a little figuring:

"Local 1000's dues are now fixed at \$1.50 a month. If they go no higher the CIO could take no less than... \$100,000 A YEAR OUT OF YOUR POCKETS!"

"If dues go up to \$2.50 or \$3.00 a month as they have in many unions, the union take would be somewhere in the

neighborhood of... \$400,000 A YEAR!"

"Multiply that by the scores of department stores and thousands of retail outlets in Canada and you begin to get a glimpse of the rich prize the CIO is grasping for. You are the first step.

(...)

TO REPEAT:

You are being asked to cast your whole future, your livelihood for yourself and your dependents, into the hands of strangers who lack any understanding of your work, your problems or your Company's, and whose motives are concealed behind exaggerated promises and carping criticism.

"Before you surrender your future into their hands, count what you have in benefits, rights, working conditions, opportunities and what you can reasonably hope to enjoy as the Company marches forward."

A pamphlet distributed November 13, 1951, a month before the vote, plays on the paranoia of the period. Under the title "WHAT ARE THEY SELLING?" they list:

"COMMUNISM

"And Communism has been an issue at least once (in the history of the CIO).

"Its crimson hue showed up in 1948 when the New York locals broke away from the RWDSU and the CIO. Their leaders could not, or would not, sign affidavits they were NOT Communists as required under the U.S. Taft-Hartley labor law.

"Eventually, most of them did join a frankly Communist-led group. Macy's stayed out, however, but continued to conduct its business from the same lawyers' office as the Communist group."

Then the pamphlet cleverly lists all the names of the union executive, under the same heading that the above came, leaving no doubt that these people are obviously Communists too.

Another pamphlet, entitled "IT'S ALWAYS OPPORTUNITY DAY AT EATON'S", uses a Horatio Alger approach and tells the story of 11 directors and managers who clawed up through the ranks from stock boys and ledger-keepers.

But the company had an even more effective weapon to fight the union: money. The company did not intimidate employees, or fire union sympathizers. It simply brought in four general wage-hikes of \$2 at three-month intervals, a pension plan and an improved welfare scheme — all much touted by the local press, which otherwise completely ignored the unionizing drive.

The post-mortem report done for the CIO attributes the defeat, by a margin of 10 per cent, to "the anti-union campaign put on by the company during the final weeks of the vote" and the general wage increases. It concludes tersely — "and this line worked."

It did more than once.

John Deverell, a former employee of the wage administration office in the Winnipeg store, recalls being sent in 1964 to survey wages in the town of Dauphin, Manitoba, where Eaton's had a small store and restaurant. He had been sent on a routine survey of wages, and was about to report that he found them relatively geared to the local rates. But suddenly the Winnipeg office informed the Dauphin store that their wages were being hiked by, "over \$10 at least," according to Deverell.

"The reason was simple," he said; "It was explained to me by the chief wage administrator for Winnipeg and the

western region, my boss, Garth Arnason. He said that a Dominion store had just been organized into the union in the same town, and there were many restaurant workers in that store too. The comparison in wage rates to Eaton workers would have been a little too obvious.

"So the salaries were immediately jacked to stave off any grounds for unionizing attempts by the employees.

"Arnason told me: any Eaton's wage administrator that allows a union to be formed in his jurisdiction is immediately fired."

Today, the average wage of a saleswoman in the Toronto store is \$1.70 an hour, and that of a salesman \$2 an hour.

At the RWDSU office in the Ontario Federation of Labor building, they say "hundreds" of calls are received annually from Eaton's employees asking why there is no move to unionize them. They are regretfully told of 1951.

"It's hard to understand how we lost," Williams says today. "Maybe collective bargaining was not that accepted then. We came awfully close, nevertheless. It's the paternalism, though. And that's an elusive idea—how the men and women, the older ones of course, really believed all that Lady Eaton, and the family company stuff. They wanted to believe it. They gave them the frills and told them they were getting the substance.

"Eaton's is different, and more dangerous. That place was run on an ideology. It really controlled people.

"I remember we once put out a pamphlet on the Eaton mansion, and the incredible, gross luxuries in there. It was a castle, something out of another time. We thought the contrast to the working conditions would hit the workers, if we described this place.

"But I remember people really resented that piece. They really thought we should not have talked about the family, and their private place."

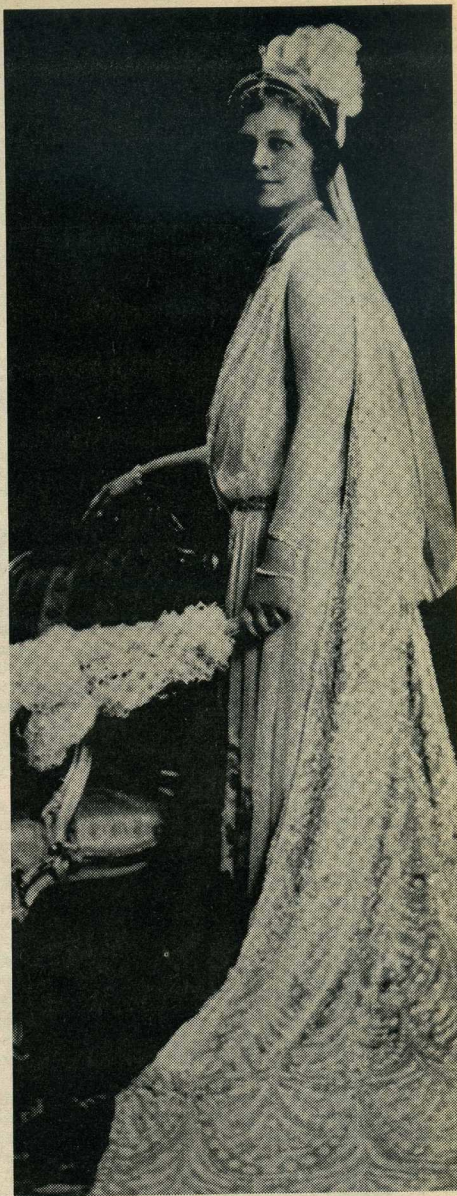
V — Sing Hallelujah and roll out the adjectives

Elevated to the status of a native aristocracy, possessed of one of the greatest fortunes in the country, close to the seats of power, the Eaton family and company were the object of a virtual conspiracy of silence by the press. And still are.

To this day, a story on Eaton's that deals with anything more than some trivia about Santa Claus parades must be passed through the highest editors of any of the English papers in Montreal, Toronto or Winnipeg. Assignments to cover Eaton events are generally assigned by the publisher or managing editor, with the addendum "Must Go".

In the Montreal Gazette, a reporter who wrote a humorous article on the Santa Claus parade of 1967 was banned by the then managing editor, John Meyer, from writing any articles not directly assigned by the editors, and from writing any features. He was informed that the article had angered Eaton's very much, that the publisher, Charles Peters, had received complaints from two Eaton's executives the day of the innocuous article's appearance, and that "this causes the Gazette great concern". Eaton's is one of the Gazette's major advertisers. The reporter was fired three weeks later.

All Eaton's events, even the most trivial and the most



Lady Eaton in her Court presentation gown



Sir John Eaton and his three sons in 1916; the boys wear the uniform of the Eaton Machine Gun Battery

planting publicity gimmicks, are mandatory coverage, particularly in the Montreal, Toronto and Winnipeg press.

The ban on mentioning Eaton's in any unfavorable light extends to the point that in court stories in the Toronto papers, if a shoplifter is tried for stealing from Eaton's, the store must not be named, but referred to as "a downtown department store."

The Eaton's main store in Toronto is right across Queen Street from Simpson's main store. Only a few years ago when a holdup man murdered a finance company manager downtown and fled through Eaton's lobby and then into Simpson's in an attempt to get lost in the crowd, the dramatic and sensational flight was described in one Toronto paper as being "through a downtown department store and south across Queen St. into another downtown department store."

During the startling testimony before the Stevens Committee in 1935, all the Toronto papers produced the most incredible record of omissions in their coverage, which bear little relation to the actual testimony — not, at least, the damaging testimony.

The files of the Toronto and Montreal papers on Eaton's are replete with notices of their "generous donations to charity", "sparkling party", and "the family beloved by Canadians". Last year, to honor the 100th anniversary of the store, both the Toronto *Telegram* and the Toronto *Star* ran multi-part series on the history of Eaton's, with sidelights about the family — a sycophancy rarely achieved even in the Canadian press.

This is not surprising, since it is commonly known that a vast part of the money that permits John Bassett, publisher of the *Telegram*, to keep the paper alive came from the Eaton family, and that the terms of succession for the *Telegram* specify that after Bassett's death or retirement the paper shall be turned over to the sons of John Bassett and John David Eaton.

Although the Toronto *Star* once allowed its ex-columnist Ron Haggart (now with the *Telegram*) to run columns critical of Eaton's, its series early last year on Eaton's centenary was substantially less critical in its outlook than the series the *Star* ran on itself in 1968.

An idea of Eaton's continuing labor policy, and the sycophancy of the Toronto press, comes from the following item which appeared at the end of January in the *New Lead*,

house organ of the Toronto Newspaper Guild, the reporters' union:

Does anybody care?

EATON'S FIRES 200

Is it news that the T. Eaton Co. Ltd. is firing 200 maintenance employees?

The mighty retail chain is one of the biggest advertisers in the country.

What clout the ad dollar holds over local news media is debatable. But the Eaton story shows a tangible sensitivity in Toronto to the department store's power.

The first story written — and squelched — apparently was at the *Telegram*, and not surprisingly.

The Eaton family — mainly the founder's great grandson — controls a large chunk of the Tely and of Baton Broadcasting Ltd., which owns television station CFTO (the *Telegram's* TV outlet in Toronto).

Briefly, the developments are that 196 maintenance workers at Eaton's downtown and College Street stores were to be taken off the payroll January 12.

The maintenance work is being contracted out to a private housekeeping concern, Consolidated Building Maintenance Ltd.

According to Eaton personnel chief Gordon Elliott, "10 to 20 per cent" of the laid-off employees will go to Consolidated — at lower pay than they were making at Eaton's... Tely reporter Marc Zwelling wrote the story on December 15, based on local labor union sources.

He describes his story as "an interpretive piece" that revealed a drive had started by the Building Service Employees' International Union to organize the "new" Consolidated-Eaton workers.

It also pointed out the reduction in wages and the loss of the ten per cent Eaton employee discount suffered by the transferred workers.

It touched on the last big drive at Eaton's in 1953 (sic) and speculated that attempts might begin to carve out small bargaining units of catalogue employees, warehouse workers, truck drivers or restaurant workers.

"Oddly enough," says Zwelling, "the first tip I got on the story was from Tely management. Simultaneously, I picked up the story from other sources."

Two days after he handed in his story, Zwelling was told the paper's "Eaton's censor" had vetoed it.

The Eaton dismissals did not die, however.

One of the fired caretakers, Mrs. Irene Goncher, went to see controller Margaret Campbell at her City Hall office on December 22 to try to enlist Mrs. Campbell's help.

Mrs. Goncher related to the City Hall press corps that "500 employees" had been laid off...

Again, a Tely reporter snapped at the story. Jake Calder of the paper's City Hall bureau filed a piece as a hard-news story, and it was quickly smothered.

By way of addendum, two days after this copy of *New Lead* was distributed within the newspapers, the *Star*, obviously goaded, ran a brief item, with no point of view of the workers quoted, on an inside page.

Telegram columnist Ron Haggart, the only journalist in Canada who has ever successfully put Eaton's under a microscope, and who writes in the *Telegram* under a great deal of editorial liberty, also wrote a column on this incident. The column was killed by his superiors. By the end of January, the *Telegram* had not yet acknowledged the existence of this incident.

But the silence that has reigned in the press around Eaton's is far from being a new phenomenon.

After referring to R.Y. Eaton's attempt to get a retraction from the *Telegram* for noting Labor Day marchers dipped their flags in passing Eaton's, Stephenson writes:

"Thereafter, Eaton's dealings with the fourth estate became virtually non-existent. Even journalists known to love and admire the firm found that they could not even interview the janitor. Anything Eaton's had to say to the Canadian public, RY made it clear, would be said in its own advertisements..."

Eaton's stands as an untouchable, not required to reveal its assets, its business dealings, requiring a brown-nosing press to send its reporters as low-paid public relations men to glorify any event Eaton's chooses to "suggest" to newspaper publishers they should cover. Even on the background of a Canadian press that has never shone for its daring or public responsibility, this stands as a monument of silence.

VI — John David's Little Acre

The power Eaton's wields through its vast wealth, and the abandon with which the company exercises it, is illustrated by its massive land deals over the past decades.

In several cities, Eaton's has amassed large segments of vital downtown land, kept it unused and frozen by not developing it until it suited its purposes, and when it finally did, forced the local city councils into rezoning surrounding areas to accommodate the company's needs.

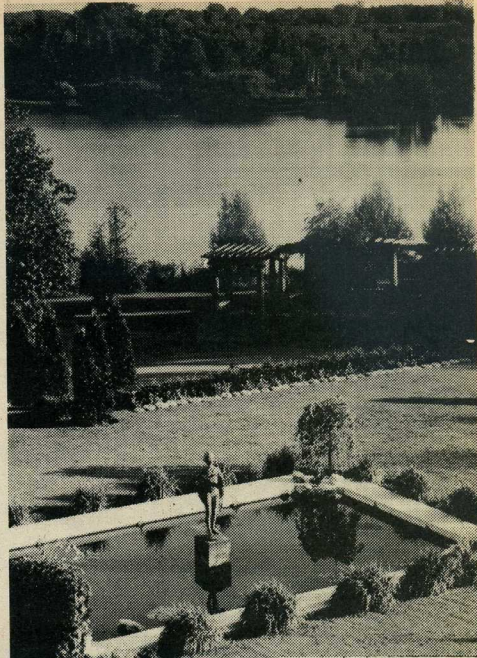
The most glaring example of this corporate citizen's behavior, which casts further doubt on its "Greatest Good to the Greatest Number" myth, is to be found in Vancouver.

In March of 1948, Eaton's bought the old Hotel Vancouver on the city's main corner, and unleashed its publicity machine with promises of building a huge department store that would transform the city centre. It demolished the ancient structure.

For the next 22 years, the site remained a vacant lot, used for parking, a gaping hole like a missing tooth in the centre of the city. For 22 years, the downtown development of Vancouver was stunted by the presence of this huge parking lot on Granville and Georgia. Eaton's was powerful and wealthy enough to do what almost no other corporation in the country can — hold on to critical development land against all pressures, public and otherwise, until it suited their own purposes to develop.

Finally in 1968, Eaton's, with its developer Cemp (owned by Seagram's liquor magnate Sam Bronfman), put it to the city of Vancouver: it would develop the square block if the city expropriated the block to the north and join it to the Eaton complex. That block comprised ancient, family-owned businesses, small but not without charm. The city authorities were forced to go along with this economic blackmail, because Eaton's held that prime land which it threatened not to develop unless it got what it wanted.

Furthermore, Eaton's played its old game of announcing its splendid plans in the press to whip up public enthusiasm, and then use that as leverage against any city authorities who had silly ideas about planned downtown development. In 1965, three years before the city capitulated, the *Vancouver Sun* ran a story seen frequently in other cities where Eaton's



The grounds at Eaton Hall

has done the same thing:

**\$20 Million Tower
Planned by Eaton's**

In April of 1964, the following headline in the *Toronto Star*:

**Eaton's, Argus plan
mammoth downtown project**

**\$200 million complex
in Queen-Bay area**

And the following year:

**Malls, towers and spaces
in Eaton's downtown plan.**

Just one catch — Eaton's wanted the city to turn over the old City Hall building for demolition. This ancient, pseudo-gothic structure and clocktower is the only bit of color and style to be found in the barren office-building face of downtown Toronto.

But again, through a publicity campaign in the press, through pressure on City Hall, Eaton's got what it wanted. Then came the big surprise: Eaton's backed out because an economic survey it had done after it had made all the plans and gotten what it wanted showed that it would not make enough profit from the venture. The company told everybody to forget the whole thing.

Eaton's owns most of the property between Queen and College, along the central downtown strip, and its old factories, offices and sweat shops have frozen all development of any significance in the surrounding area for decades.

In Montreal, Eaton's has a parking lot in the heart of the downtown area that blocks several arterial downtown routes, and leaves that area useless for development. Its development plans have also gone askew, and a minor item in the Montreal Star last year informs us that Cemp Development is suing Eaton's for several million dollars.

Another example of Eaton's hit-and-run project tactics is to be found in Hamilton, Ont. There, in 1955, the company arranged to buy Hamilton's city hall and some city land, on a promise to extend its store in two stages — one by 1957, another by 1962. A special law had to be passed by the Ontario legislature permitting Eaton's to go ahead with his deal. But unfortunately Eaton's only completed the first part of the bargain. So the city passed a bylaw and the Ontario legislature passed another special law making it all legal and giving Eaton's a six-month extension.

Even that extension didn't prove sufficient. In 1963 the city council passed another three-year grace period, putting the deadline back to 1966.

Work on the old city hall site is just getting underway now.

Not even the Canadian Pacific Railway, the second-largest employer in the country, has been able to get away with keeping the grubby hands of public need and civic planning off its lands to the extent that the Eatons have with their leverage of wealth, influence, and power.

VII — The Kingdom and the Power and the Glory

"The adjacent book department (in the Montreal store) is also huge, but may be moved to the fifth or sixth floor. The reason: so well-educated are today's Quebecers that books are no longer the 'impulse buys' they once were, so need not be offered only the hurried, helter-skelter main floor."

— The Store that Timothy Built, p. 169.

"We always knew that Eaton's Santa was the real one, though," recalls Toronto-born Rick Rabin, now living in Gander, "You can't fool kids about anything as important as that."

— The Store that Timothy Built, p. 233

"But what to do with her (a shoplifter) if she's caught? How to punish her without cutting the store off from all legitimate purchases she might make in the future — the dining-room and kitchen suites she'll need when she marries, the sheets, drapes, baby clothes, her husband's shoes, suits, guns and fishing rods?"

— The Store that Timothy Built, p. 226

How does it fit? A company that has, admittedly, in the past led the way in such things as shorter hours and pension schemes, yet possesses a terror and hatred of unionism and collective bargaining almost unmatched by any corporation in Canada.

A family that has distributed millions through official charities, that builds churches and monuments and finances entire machine-gun batteries for the war, yet used its financial leverage to work against the public good, control newspapers, and erect its splendid cathedral of opulence on a mountain of poor wages and arbitrary, dictatorial and paternalistic management.

A vast empire whose moguls steadfastly refuse to allow any

encroachment of American capital, whose laird, John David Eaton, asked about rumors that the firm might sell to an American concern, declares expansively: "There isn't enough money to buy the Eaton name."

It fits well. For here is an empire — feudal in its myriad fiefdoms, in its stratified authority, its vassals and satrapies, crowned with an all-powerful gilded royalty. It is an empire with an ideology. Labor is not enough to earn the worker his wages — loyalty is required. Wealth is divine right. It is not a company, but a "family". (Employees were once called "associates.")

Its charities, apart from being convenient for tax purposes, are gifts from the king and queen, and the buildings and statues and church are monuments erected by them to the propagation of their own memory.

The Eatons were not interested only in making money. The Eatons wanted, and got, power, influence, and — like all merchants who made their money in not the most glamorous field of capitalist endeavor — prestige and status. Lady Eaton is not an aberration, but the logical development of what this empire was founded on. Timothy Eaton built his empire on his life's savings. He didn't inherit it or even exploit it out of anyone — his first \$6,500 of capital were, to use a Calvinist phrase, "reward for virtue." And to use another Calvinist phrase, the Eatons are the "elect."

Profit is the prime goal, but not the only one. And once wealth is attained, as with the Carnegie and Rockefeller fortunes, come the philanthropy and sponsorship of the arts, and the titles. Above all, rich and powerful, the Eatons wanted to be respected, even loved by the little people of Canada.

But Eaton's never lost sight of the dollar all the while the family was pursuing prestige. In a manner that is truly mercantile genius, they devised the Career Girls' Clubs, the Junior Councils of clean-cut high school boys and girls, the Santa Claus parades. One wonders they never got into pee-wee hockey.

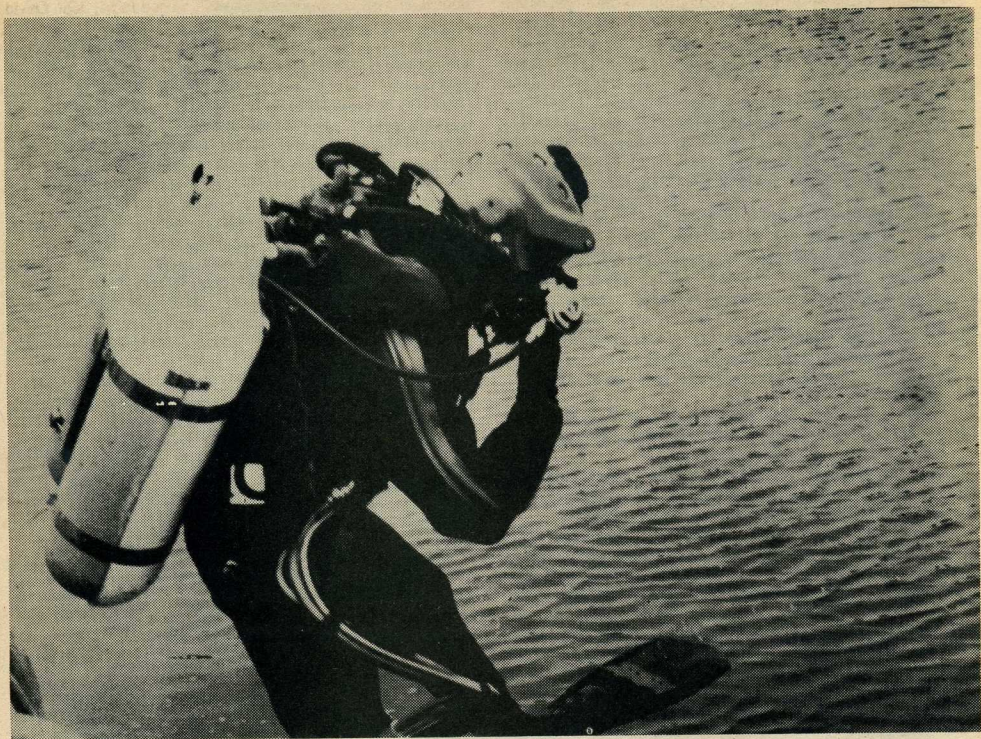
In places Eaton's has successfully resisted history — it built an empire entirely on indigenous capital, enshrined in a native Canadian nationalism that betrays some contempt for the crass profit-making-only corporations that wiped out all the other Eatons of Canadian commercial and industrial history. It also resisted the labor union movement with a tenacity that spared no expense, and created its own internal welfare state to buttress its authority, and lock out the growing welfare state without. Collective bargaining would have destroyed the intricate "family" structure within.

Like an ancient institution that history long ago decreed should have died, or at least transformed, it maintains its stresses within in order to resist change.

The oft-expressed proposition that "Eaton's is Canada" is a facile caricature. But Eaton's is something that grew in a manner peculiar to Canada, and it stands as a Canadian institution, the highest development of Canadian capital. It is a museum piece in a day of pleasant young men from New York and branch-plant managers.

Those who today seek truly Canadian institutions should not tarry before coming upon this monument to what our native wealth and power has erected. And may it be a sobering discovery.

This article was researched and written by Last Post staff.



Keith Davey saved from drowning

by Patrick MacFadden

DAVEY VOTED CHAIRMAN OF MEDIA PROBE

— headline

Southam, Pacific Press, Free Press, Thomson, Power Corporation. Five chains control over 60% of total daily newspaper circulation in Canada. All of New Brunswick's five newspapers are controlled by one millionaire. And these monopolies either own or control most of the country's private television and radio outlets. Canadian media in 1969 ran close to one billion dollars.

Monopoly is the name of the gain. Played for big stakes. By big men: Sifton, Max Bell, K.C. Irving, Desmarais, Thomson, St. Clair Balfour.

But. Relief is coming. In the distance a white knight! Closer, closer, cloppity-clippity, clippity-cloppity... clunk! Yes, yes, give me librium or give me meth!

Can it be? Or do my old eyes fail? Mr. Grit himself? The Rainmaker? Is this Candid Camera or what? Not surely Senator Davey?

Yes, folks, it surely is. Watch the press barons run. Run, press barons, run! Watch the frontiers of knowledge roll back! Roll back, you silly old frontiers you!

Keith Davey meets the heavies!

Listen, let me ask you this, just this one thing: has the Senator ever let you down yet? I mean, has he ever? Yet?

Okay then.

The trouble with people like you is you don't believe in anything.

* * *

Mr. Davey, 34, will ... Toronto Star, April 15, 1961.*

Mr. Davey, 35, is ... Globe and Mail, April, 15, 1961.

"A fall general election is now virtually a certainty, National Liberal organizer Keith Davey predicted last night. He predicted the Liberals would win 165 of the 265 federal ridings.

Keith Davey, National Director of the Liberal Party told York Mills Liberal Association last night that Andrew Thompson will be Prime Minister of Canada within ten years.

Mr. Davey really shies away from predictions.

Mr. Davey said he is certain Prime Minister Lester Pearson has made up his mind to announce the election date.

Mr. Davey told Star reporter Jack Cahill that the Prime Minister would probably announce a November election...

The Liberal organizer said he personally hoped there would be an election but that the Prime Minister hasn't yet made up his mind.

'Let's go to my room where we can talk' — Keith Davey"

* * *

"On a leaf-strewn residential street in mid-town Ottawa is a drafty Victorian mansion which houses the Liberal Federation's well-oiled machine.

A normal campaign day includes a brisk ten-mile tramp around the thick red carpet that muffles his hardwood floor. And, rarely, a foray to the diner a block away. At 39, Davey is a big restless man whose exertions in three election campaigns have streaked his hair with grey.

I think it's true to say that I belong to a new generation of political organizers, says Davey, the watchwords now are involvement and communications.

50% of this job is communications — Keith Davey

I'm a backroom boy, Mr. Davey likes to say with a smile, it sounds so sinister...but it isn't.

When I came down here I was new guard. When we were elected, I was establishment. After this election I'll be old guard..."

* * *

"I really feel we let the Prime Minister down — Keith Davey.

Davey had hoped to crown his 4½ years as Liberal organizer by handing the Prime Minister a majority government... Things went wrong.

PRIME MINISTER PERSUADES DAVEY NOT TO RESIGN — JUST YET

PEARSON SORRY DAVEY RESIGNED

KEITH DAVEY TO SEEK M.P.'S SEAT

DAVEY TOPS LIST OF NEW SENATORS

Pearson? I believe in the guy — Keith Davey

The most telling statement in Mr. Davey's speech was when he looked around and said: "This dinner tonight has tone."

"Davey, for instance, neither smokes nor drinks.

Mr. Davey doesn't drink or smoke — he has sometimes been advised not to tell anyone.

He's a super-charged political machine, and an impatient, idealistic left-wing liberal all rolled into one. Big handsome Davey, a non-smoker and non-drinker — is a whirlwind, who moves on the double and thinks on the double. The chances of the Senate slowing him down to its pace are slim. There's little risk of it dampening the fire of his left-wing ideals either...

"The commercial gut of Canada has a pulse and pace which are contagious' — Keith Davey."

* * *

"The leading candidate to succeed G. Sydney Halter as Commissioner of the Canadian football league is Senator Keith Davey.

'I've been a sports nut all my life' — Keith Davey

'I haven't applied for the job but where there's smoke there's fire.' — Keith Davey

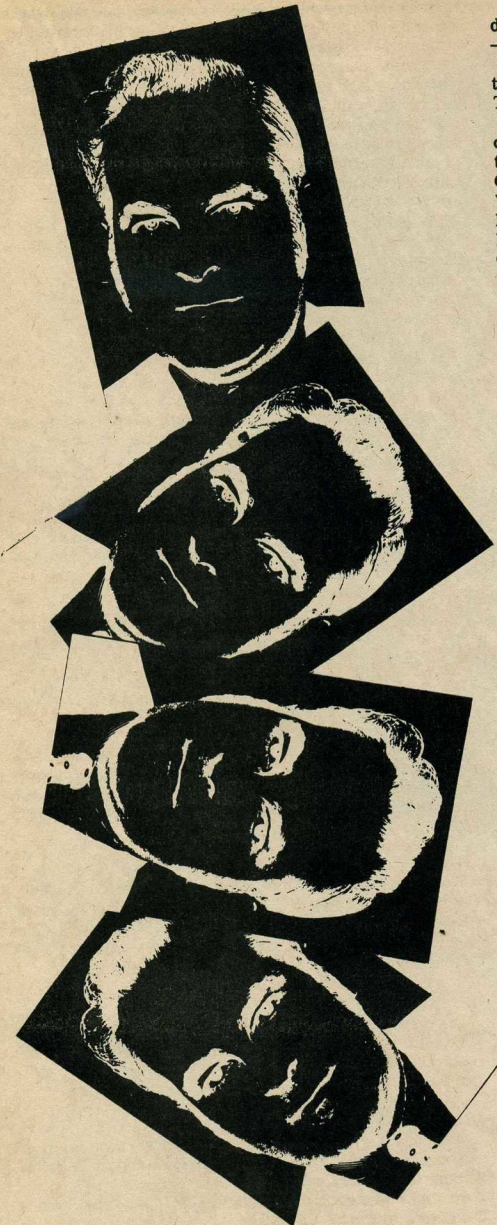
Davey will likely sign a three-year contract at \$25,000 a year... He told reporters he'd been looking about for a job to supplement his senatorial take — only \$15,000 a year, and this works out extremely well.

DAVEY SIGNS!

Asked at his first press conference if he should be called Senator or Commissioner, Davey said: Senator.

Football has untapped resources of fans, the French Canadians and new Canadians. 'I've taken new Canadian friends of mine to games,' he said, 'and they've become addicted.'

**All quotations and headlines are taken verbatim from Canadian newspapers and magazines.*



'I think football is too big a business to be beholden to distilleries, breweries, or other commercial concerns' — Keith Davey.

'We've got to straighten that young man out on a few things' — John Bassett, Chairman, Argonauts, owner, *Toronto Telegram*.

Keith Davey is now ready to resign as Canada's football commissioner and there's talk about making Charlotte Whitton — the 70-year-old ex-mayor of Ottawa — Queen of the Gridiron.

WHY NOT? — CHARLOTTE WHITTON

DAVEY RESIGNS

DAVEY SAYS CFL IS LOSING PUBLIC CONFIDENCE

CENTENNIAL TORONTO DULL SAYS DAVEY

TORONTO READY FOR PARTY POLITICS ON MUNICIPAL LEVEL — DAVEY

SENATOR DAVEY APPOINTED VICE-PRESIDENT AD FIRM

**SENATOR INTERESTED IN MAYOR OF TORONTO'S JOB
DAVEY SAYS TORONTO SHOULD BE A PROVINCE**

'I've always been very interested in municipal politics' — Keith Davey

'I have never been, am not now and never intend to be a candidate for any municipal office' — Keith Davey."

**"KEITH DAVEY LTD. COMMUNICATIONS CONSULTANT
SENATOR SEEKS STUDY OF MASS COMMUNICATIONS**

He was looking very much like that extraordinary rarity, a keen young senator. Dark blue pin-stripe suit, blue tie with red-and-white diagonal stripes, and a big maroon hanky that blossomed from his lapel pocket. . . His office has one of those soaring Gothic windows that looks south across the snowy plains of the Hill to the venerable Rideau Club, the U.S. Embassy and the pale flags streaming in the dismal sky of February in Ottawa. . . In here, the chairs are red and leathery; the carpet is a brighter red and comfortable over the brown linoleum; the desk is dark, modest and neat; the bookcase houses the compulsory Hansard reports, bound in black; and except for a copy of McLuhan's *Understanding Media* on the table in the corner, there is very little to distinguish Davey's office from dozens upon dozens of other offices of Big People in Ottawa. . .

'I've been a newspaper buff all my life' — Keith Davey

'I suppose there are some people in the media, particularly in the newspapers, who just don't believe me.' — Keith Davey

'People who don't know what I'm talking about should move to Moose Jaw' — Keith Davey

"In essence I would like to discover whether Canadians get the press they need or simply the press they deserve." — Keith Davey

"But hold it, Senator, hold it, I have a question," the reporter cried. "Do they need the press they deserve? Or do they deserve the press they need? And, furthermore, do they press the need they deserve?"
But he had gone. It was too late. Or too early.

Patrick MacFadden is a freelance writer and frequent contributor to the *Last Post*.

ARE WE READY FOR THIS SHIT, GANG?

Ritchie Yorke, groovy Toronto damp-rock critic, picks up an occasional free-lance buck selling dime bags of John Lennon pubic hair. In a recent lead article for Rolling Stone Magazine, good-guy Ritchie named old friend John the 'Man of the Year' and potential plexi-glass saviour of mankind! *Outasite!* Following are some of the raunchier statements from the story on the state of the world, Canada and peace.

WELL, ALL WE ARE SAYING, IS...

John and Yoko's arrival in Toronto on Tuesday, December 16th, was preceded by a large "War Is Over" campaign which was simultaneously unveiled in 12 cities on the previous morning. In Toronto, 30 roadside billboards went up, along with thousands of posters and handbills. Capitol Records of Canada took out newspaper ads with the same message. On Christmas Eve, the day after the Lennons' departure, a Toronto advertising agency repeated the peace message with a footnote: "We know a good ad when we see one."

"The whole idea of our new peace campaign is to be positive. You can't expect anybody to do anything for nothing."

After completing airport red tape, the couple were whisked off in a white Rolls to a small farm on the outskirts of Toronto, owned by Ronnie Hawkins. They stayed with Hawkins, at the Tudorish old house with its French provincial decor, grand piano, and five bedrooms, for the duration of their visit.

"There's enough money to be made out of a show like this for everyone to get paid."

One of the conditions which the Prime Minister's office had imposed on Lennon if there was to be a meeting between the two, was that there would be no advance publicity of any kind. The press would not be

notified by the PM until the last minute.

"If there were more leaders like Mr. Trudeau," he said into a field of microphones and cameras, "the world would have peace."

Lennon feels that Canada has become the world's greatest hope for peace. "The political climate in Canada is completely different from any other country. The politicians here at least want to hear what young people think. They'll talk, and that is an important first step."

"Canada's attitudes with regard to Vietnam, China and Nato are very sensible."

John: "But I think you have a good protection against it by being aware of Americanization, whereas a country like Britain which thinks it is independent of America, and Japan, are more American than Canada. I mean, Canada has the skyscrapers and the radio, but apart from that, it's less American than Britain or Japan."

"I'd go to Russia, but I'd think twice about China."

John had drawn the 14 pictures, most of which could be termed erotic, on one Saturday afternoon at home in Ascot. 300 sets were print-

ed up, to be personally signed by Lennon. They are to be sold at \$1000 a set, and most have already been ordered.

Yoko: I think we did a lot of good for Biafra when John returned his MBE.

"Publicity and things like that is our game. 'Cos I mean the Beatles thing was that. And that was the trade I've learnt. This is my trade, and I'm using it to the best of my ability."

"And John and Yoko refuse to be the leaders of the youth movement for peace. That's dictatorship."

Lennon said that he felt his Canadian visit had been planned by Fate or some superior energy source. On this, the last day of the stay, incredible political events had fallen into place.

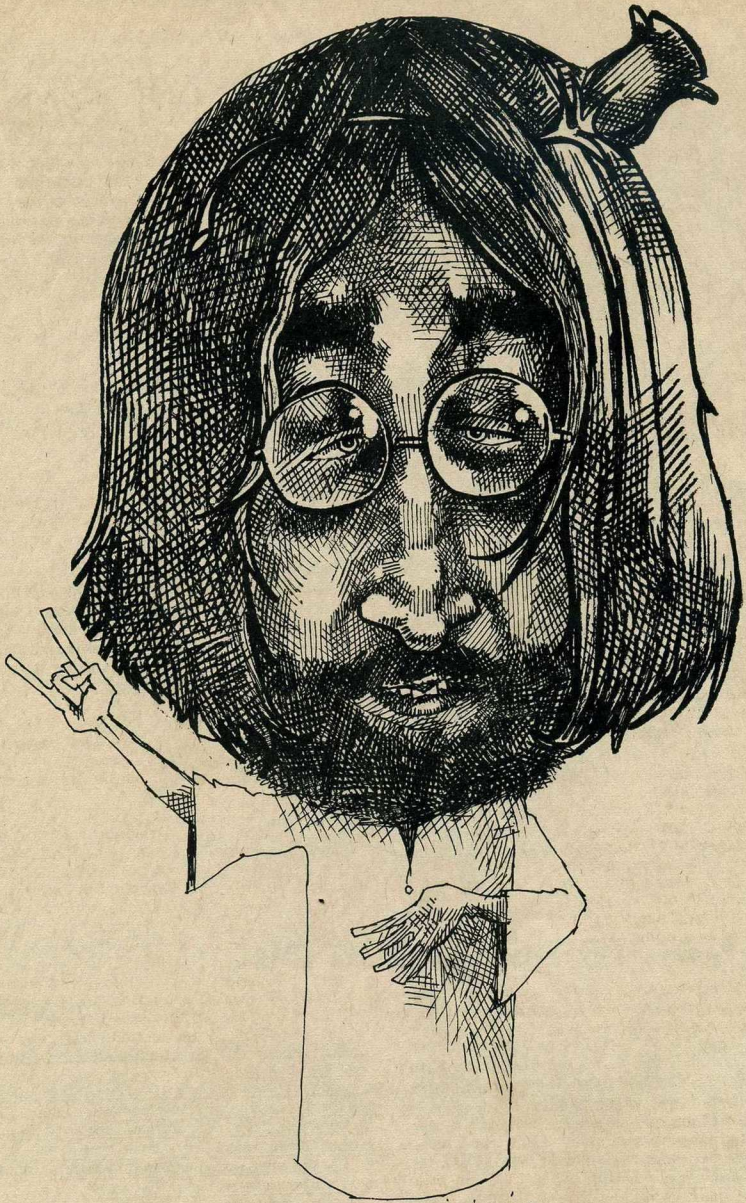
McLuhan: "Well this means very much in the way of de-centralizing our world, doesn't it?"

John: "Yes. We must be one country and stick together."

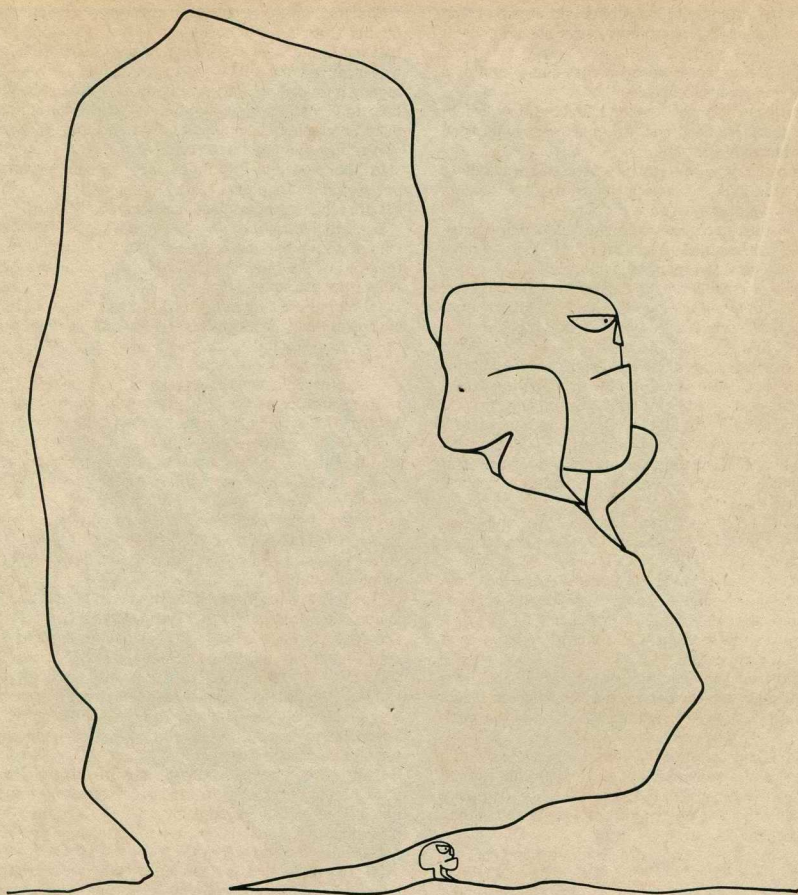
Have you ever thought of taking your ideas to someone like Henry Ford?

When we get a bit organized.

Hang in there, John. The whole world is watching!



AISLIN '70



When you're down and out in Toronto . . .

by Anne Boody

Poverty," the sign says, "is no disgrace — just ridiculously inconvenient." The sign in the office of the Just Society overlooks John Mooney as he deals with the inconveniences of Toronto's poor. Most of the inconveniences, he'll tell you, grow out of a patchwork welfare system that deals with "case poverty. . . poor health, poor education and physical disabilities are seen as the causes of poverty rather than the symptoms of it."

In Toronto, for example, the city's United Appeal just wrapped up a campaign that got it \$12,100,000.

UA is more than a fund-raising body for the 70 agencies it "serves." It also:

- Controls these agencies by determining which it will aid and the allocations each will receive.
- Involves major corporation executives in a world they understand so poorly they cannot hope to help it.
- Has the power to say who may or who may not be a member of each agency — and uses that power.

UA, in short, helps the needy by providing a kind of substance that is conditional and temporary. As Mooney says:

"Our problems have a definite class bias and anyone going into a poor area hoping to make things better should know it won't work.

"You can't go into a depressed area with some kind of a liberal mentality and expect miracles."

Then a woman is on the phone, calling to tell the Just Society that she has a drunk landlord and her apartment is infested with red ants which bite the baby.

Mooney says he'll try to help but he's been this way before and he isn't optimistic. He'll have to try to fix it by dealing with a patchwork welfare system.

"We're in a position to try and help but it gets damn exasperating, working through 'the right channels.' But we have to try and help, we have to organize our people."

Mooney organizes outside existing structures because the Just Society — a "union of the poor" with a membership of 300 Toronto welfare recipients — receives nothing from the United Appeal.

The charitable philanthropy that is part of every United Appeal, Red Feather, or similar group is important to the upper strata of this country: the historic role of the wealthy in guiding the poor is preserved, and the extension of government into social welfare is prevented.

So it is that no large Canadian city could have a successful campaign without support from leading businessmen. They're conscious of government's potential role — "if a system of free enterprise is to continue," they'll argue, "we must continue to give" — and they can see an excellent opportunity for public relations.

During Toronto's annual UA blitz, some corporations loan top executives to the campaign for up to two months. These men begin with a three-day crash course about the 70 agencies served through United Appeal and the different ways of organizing a local campaign.

Their first on-the-job contacts are company presidents, who appoint in-plant chairmen to handle the fund-raising. Each of the executives has 30 to 35 chairmen reporting to him each week.

Each company, union or other local unit is provided with a set of guidelines about responsibility to the community and how much it should give to meet that responsibility. Company contributions come from voluntary gifts or — more often than not — payroll deductions.

Many workers object to such a process on grounds of intimidation and coercion. In 1957, the year after Toronto's United Appeal was born, local 43 of the Civic Employees Union donated \$1,000. That brought the following from Metro Chairman Frederick Gardiner.

"... The suggested yardstick for fair share giving for an hourly rated employee earning \$1.50 per hour, which was set after full consultation with organized labor and which is supported by organized labor, is 37 cents per week....

"May I respectfully suggest that the grant of \$1,000 from Local 43 to cover the "responsibility" of all the members, represented by the union is unreasonably small if it is to take the place of the amount the members of the union might contribute upon a voluntary basis."

Gardiner's letter said the 1957 contribution should have been \$67,763. Local 43 responded by voting UA nothing in 1958 and sending \$2,000 to victims of the Springhill mine disaster in Nova Scotia instead.

The "yardstick" cited in Gardiner's letter suggests to a man who takes home less than \$60 a week, that he has a "responsibility and obligation" to support a charity managed by those who keep him at \$1.50 an hour.

Charitable welfare outlets in practice are beginning to move further from the real needy and closer to the middle class. In 1961 the family services budget of the United Fund of Toronto was reduced by \$100,000 — about 10 per cent. — That was money intended for four family welfare agencies. The Fund's board of trustees explained that the \$100,000 would have been used to supplement public welfare and they would not be involved in supplying direct relief.

In Montreal, the Family Service Association once handed out welfare. They don't any more, and they've moved to Westmount, an upper-class English suburb.

Back in Toronto, a UA spokesman says: "We serve those who pay membership and belong to the agencies we allocate money for. We have four boys clubs in the low-income areas where the delinquency rate is high.

"If an individual can't afford membership fees in the agency there could be negotiations, but people take more pride in services which they themselves invest in."

UA's 1969 handbook says:

"Governments have no mandate to finance all health and welfare services. If this happened it would mean that our contributions would be in the form of higher taxes and there would be no cost-saving volunteers.

"Instead in our democratic system, government and services exist side by side and in many cases work with one another.

"The United Appeal keeps pace with changing times. All of its agencies are reviewed regularly so that none of them become extended and so that services are provided in the most efficient manner."

From Bill Schaeffler, allocations chief for Toronto UA's United Community Fund: "Our agencies here are hoping to demonstrate their effectiveness rather than meet the need."

In Vancouver this fall, the annual Red Feather campaign fell short of its objective. The immediate blame went to David Barrett, the NDP's house leader in the B.C. legislature, who had condemned the appeal in mid-October as a waste of time. Specifically, he said, too much money was spent on administering Red Feather funds.

During the flurry of debate around Barrett's claims, a group of unemployed citizens decided to take matters into their own hands. They formed the Unemployed Citizens Welfare Improvements Council to expose the inadequacies of Vancouver's welfare work.

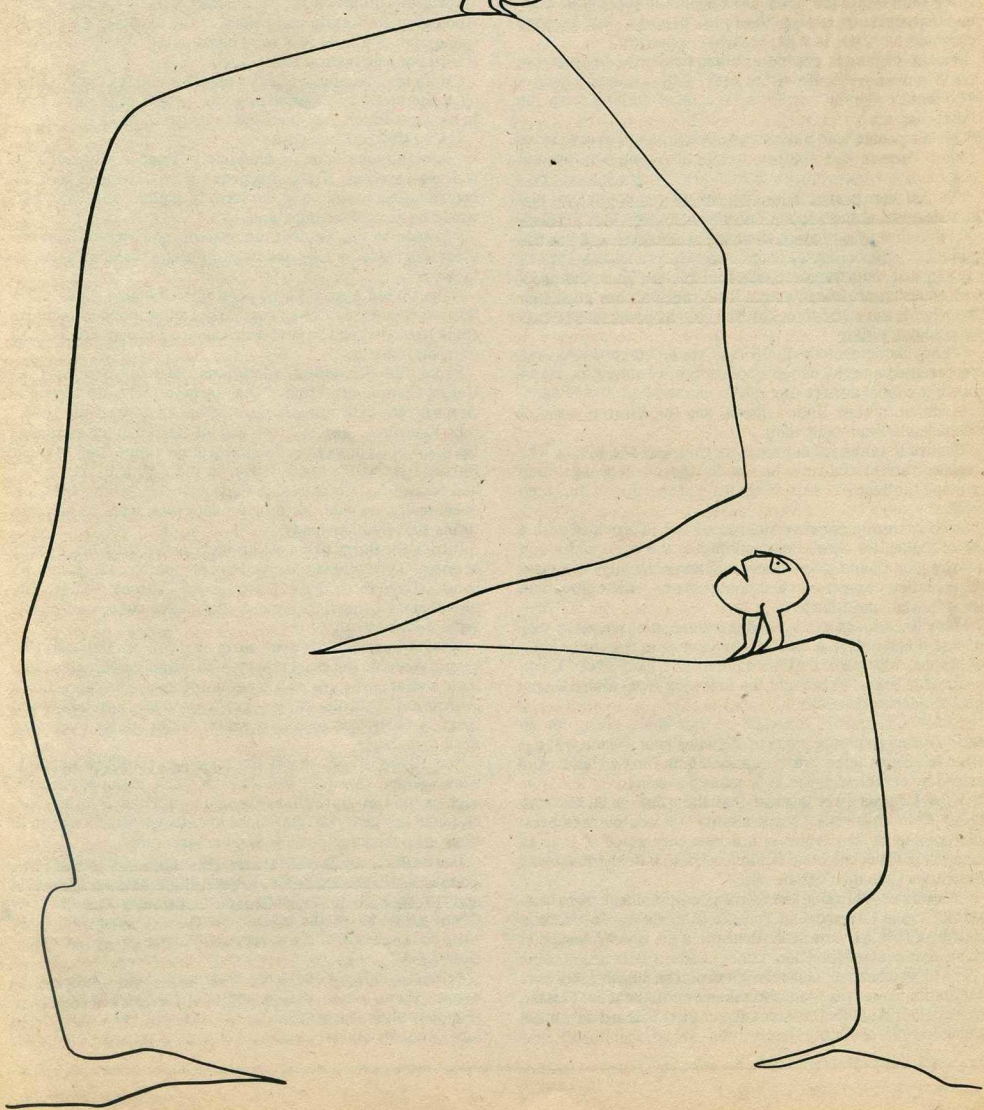
Most of their work is done along skid row, on the basis that people there do not need money — it would be deducted from their welfare cheques as a form of income — or canned food — they eat it all the time — but fresh fruit, vegetables and meat. A Christmas food blitz raised \$1,500, all for food, none for bureaucracy.

For all the drawbacks of the top-down approach to patchwork welfare, there are still services which member agencies such as the Ontario Welfare Council would like. But the council found out last year that there are strings attached even to assistance trickling down through a hierarchy.

The council, which receives nearly a third of its funds from Toronto UA, was told after it elected two welfare recipients and two students to its board that it could lose its grant. The threat grew out of the council's annual meeting last May, when the students and the representatives of the poor were elected.

Arthur Langley, committee chairman of the United Community Fund, wrote the council that its function would be reviewed after "an analysis of the difficult 1969 Ontario Welfare Council's annual meeting."

LOVE THY NEIGHBOUR



"It was suggested that the Council's management, program and finance be the concern of the review. The Committee asked the basic question: Is the Ontario Welfare Council an appropriate agency for continued support from the fund?"

The Just Society also says John Yerger, director of the United Community Fund, told directors of councils receiving funds that "he had asked the Metro Police Intelligence to investigate those organizations and elements involved in the Ontario Welfare Council's annual meeting."

The UA found itself unable to give official comment on both these charges — both Yerger and public relations director Hugh Morrison were, their secretaries said, too busy — but one of their associates said that "the United Appeal shouldn't comment. . . . Ask the Welfare Council if you like."

The Council had a great deal to say — a spokesman said she could not understand why the UA found the May meeting "difficult."

"It was a very exciting and vital conference. There were over 300 people who turned up that we hadn't expected. We couldn't accommodate them all so they were standing around the room.

"If you were part of the establishment you might have been a little upset at their appearance — their long hair, jeans and dirty clothes. But I have a 20-year-old daughter and I'm used to it.

"We had them all there, the Indians, the poor, the people with housing problems, youth. They were all our guests and we tried to make them feel as welcome as possible. For those who couldn't afford it, we paid their food and accommodation.

"You know, technically we've always had poor people represented on the council's board, but we never decided to make it public until this spring."

And then: "Most of these people are concerned more about their dignity than their money problems."

So, two Establishment groups argue about how to look after the poor and who does it better — and they do it without involving the poor.

That's reflected in several ways, not the least significant involving traditional welfare links with business and government in an effort to maintain credibility.

The standard approach to welfare by such organizations as Toronto UA, Vancouver's Red Feather, the Catholic Charities in Montreal or the Ontario Welfare Council is to emphasize case poverty. That means there can be virtually no response to the exploitation of people for profit and production.

And that's where business links come in — the membership lists of the boards of all these organizations resemble a social register.

● In Toronto, the chairman of UA's board of trustees is John Barrow. Elsewhere he's chairman of the board and chief executive officer of Simpson-Sears and a director of Simpson-Sears Acceptance Co. Ltd. and Allstate Insurance Co. Ltd.

● Trustee Charles Osbourne Dalton is executive vice-president of Canadian Breweries Ltd. and a director of Canada Breweries (Quebec) Ltd., Dominion Malting Co. Ltd., Carling Breweries Ltd. and O'Keefe Ale.

● Alexander Rankin, executive vice-president (non-academic) at the University of Toronto, is a trustee. He's also in charge of U of T's expansion program, a job which brings him into direct contact (and sometimes conflict) with neighboring areas in which many of Toronto's exploited immigrants live.

● Abitibi Paper Co. Ltd. also takes a prominent seat on the board. Paul E. Roberts is chairman of the board of Abitibi and a director of Abitibi Corporation, Abitibi Manitoba Paper

Ltd. and Abitibi St. Anne Ltd.

● David Sidney Beatty, past president of the United Community Fund and now a member of UA's board, is also president of David S. Beatty Assets Ltd., financial consultant and commissioner for the Ontario Securities Commission, a director of Bahama-Caribbean Corp., Coronation Credit Corp., Brouse Mountain Resorts Ltd. and United Stationary Ltd., past president of the Investment Dealers Association and a member of the board of governors of the Toronto Stock Exchange.

● Henry Brundage, now Brundage was the UA's campaign manager in 1967. The 55-year-old executive of Goodyear Tire and Rubber Co. learned about poverty while he was in Calcutta setting up a Goodyear plant in 1960.

"One hot and humid night as I walked from my hotel to one of India's leading restaurants I was shocked by the sights I passed.

"Less than 100 feet from the hotel's front door I saw at least 20 Indians — skin and bone — sleeping on the sidewalks. I was told that many spend their entire lives on the roadside.

"That night the poverty and misery of India really got to me. I suppose I had some social conscience all the time but it wasn't working. The plight of these people awakened it and activated it.

"A few years later when I was asked to take on this job I welcomed it. I felt I was very fortunate, had a duty and this was one way to discharge it."

Brundage's eyes, it seems, were closed to the poverty-stricken in Toronto. He had to travel as far as India (on an imperial journey, it might be noted) to have his conscience stricken. UA and similar organizations do a good job of easing corporate guilt, though.

Forty of UA's 64 trustees are business executives. The remaining 24 include trade union bureaucrats, professionals, civil servants and clergymen. The edge goes to the men who have fought labor hardest and are least disposed to discuss, say, redistribution of wealth or profit.

Other firms represented on the board are Eaton's, Canadian Imperial Bank of Commerce, International Monetary Fund, Imperial Oil, Ford of Canada, Massey-Ferguson, Proctor and Gamble, Molson's and de Havilland.

In Montreal, where the major welfare body for English-speaking Catholics is the Federation of Catholic Charities, the self-perpetuating nature of patchwork charity was challenged this summer.

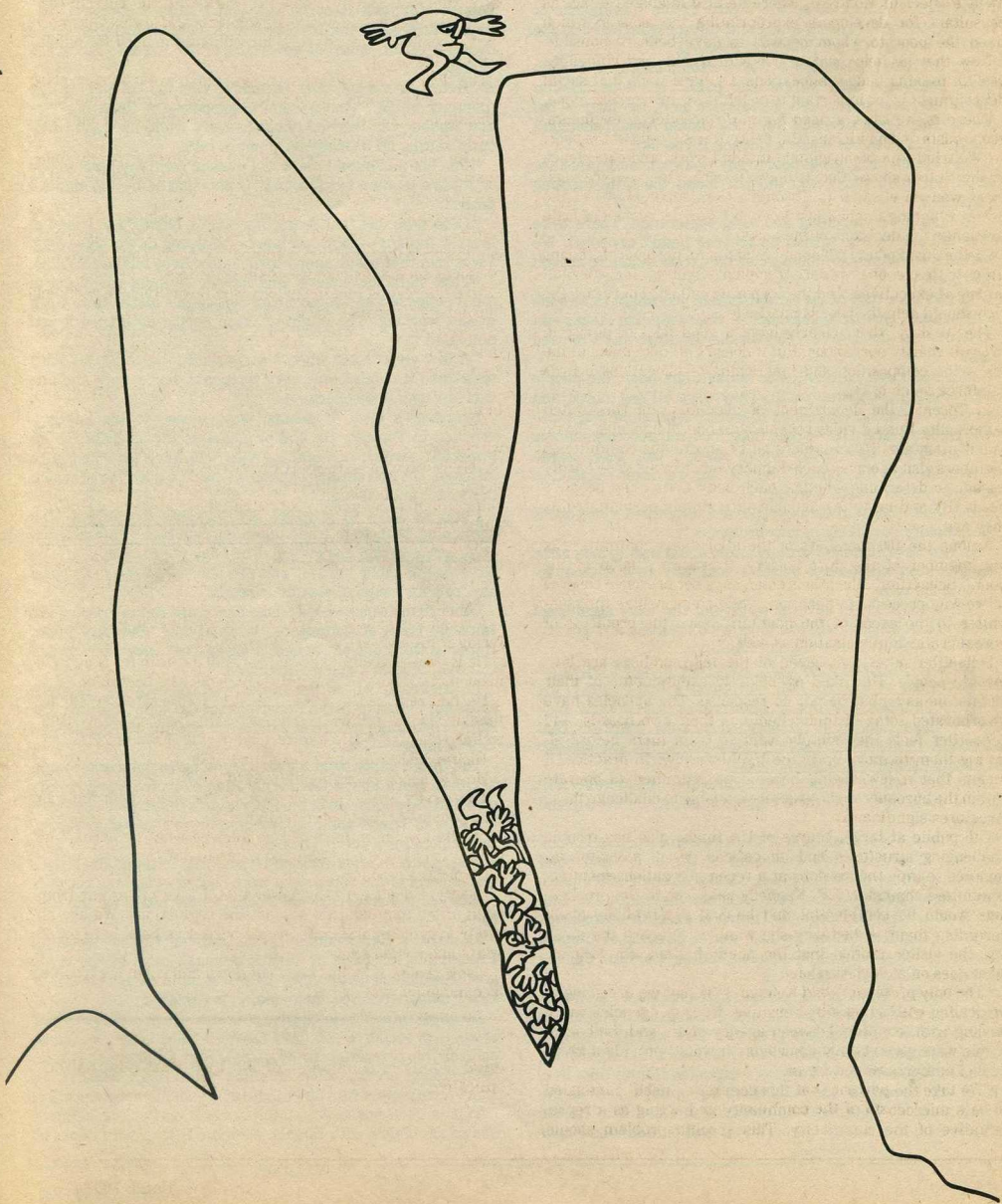
The thrust came from a group of young social workers who began to learn how a few corporation executives and priests directed the allocation of the federation's finances. Faced with a clique of Irish-Canadian Catholics from the best parishes, they called for a reform board.

They got it — after William Dyson, who initiated the revolt, and several of his supporters were ousted — and the result is one black and an occasional Italian on the board for the first time.

Montreal's Red Feather board, serving English-speaking Protestants, contains no blacks although most of the city's good-sized black community is Protestant. Average income of Red Feather trustees, incidentally, is \$20,000 a year.

Business influence in charity operations is reflected in other areas — procedures of investment, allocations of funds, controls on personnel. In Montreal, Red Feather invests its outstanding credit, often totalling more than \$900,000, in short-term papers with large industrial acceptance companies.

This is good business — interest rates on their investments are much higher with finance companies than with banks —



but the finance companies are part of the reason for charity organizations in the first place. Exorbitant interest rates, after all, have helped put the poor where they are.

Toronto's Social Planning Council, served by UA, is directed by John Frei, one-time head of Czechoslovakia's auto industry.

Dr. Frei was once director of the Urban Social Development Project in Montreal, where he also managed to act as consultant for developers expropriating the area in which lived the poor to whom he was to have been responsible.

Now that he helps supply UA with trends and guidelines used in making budget allocations, Dr. Frei finds that social development is too important to be left to social workers alone.

There is, he says, a need for more architects, engineers, economists and politicians. But he's not so sure about the poor.

"We tried it in Montreal and it didn't work, and experience in the States shows that it doesn't work. One welfare recipient won an election to Toronto's 45-member board of the Social Planning Council last year, but her decisions did little to change the decisions of the board."

As the Just Society's Mooney might note, however, it means little to leave one welfare recipient fighting for survival among 44 executives. And the corporate collusion over how the rich should help the poor is unaffected.

The wealthy, then, clearly have a good deal of power in over-all charity operations. But it doesn't all take place at the top — the composition and functioning of allocations boards reinforce much of this.

In Toronto, the department of allocations of the United Community Fund divides revenues among 70 agencies. To do this it maintains 160 members on 13 allocations committees. Members visit agencies each January for 45 minutes — hardly enough to determine whether each body is meeting people's needs. By and large the agencies are simply perpetuated as they are.

Among the 160 members of the allocations committees is one member of the Just Society, Toronto's "union of the poor." Schaeffler, allocations chief, says her presence ensures a two-way process of education: "She can sensitize the committee to the needs of the poor and learn the problems of bureaucratic administration as well."

Schaeffler notes that seven of the 160 members are low-income people. He asked agencies to supply some of their clients, he says, but he got no response. The agencies have incorporated some of their clients on their own boards, and Schaeffler feels they simply want to train them before allowing them to move up in the UA hierarchy. In practice, it means that a few clients become programmed to operate within the bureaucracy's structures, unable to challenge these structures significantly.

The public at large, source of UA funds, also has trouble challenging structures and allocations. When a visitor attempted to tape the sessions at a recent allocations meeting, committee chairman J.F. Kennedy said part of the proceedings would be confidential and he had reservations about recording them. Asked why she wanted to record the meeting, the visitor replied that the public has a right to know what goes on at such sessions.

"The only problem," said Kennedy, "is that we are going to be dealing with some very sensitive areas of agencies we're dealing with, conflicts between agency staffs and the board. If this were given public knowledge it would provide a great deal of embarrassment for us.

"We take the position that this committee itself is intended to be a microcosm of the community and acting as a representative of the community. This specific problem should

therefore be brought before the committee, but if it is to be taped I don't think I can bring it up."

To which Schaeffler, allocations chief, added: "We frankly won't have any debate during the meeting because it will only hold us up."

So men like John Mooney get involved with groups like the Just Society, hoping to work with the current 300-member base of welfare recipients and lower-class workers for social change that will end the need for patch-work welfare.

The Just Society, Mooney notes, must work outside political mainstreams. Change will come only through analysis, education, organizing and action in a combination that excludes traditional approaches.

"The class bias of our problems is reflected by the emphasis that psychologists, sociologists, businessmen and the like place on 'case poverty,'" he says.

"Poverty is not divorced from the political economy of the country. Poverty in Canada is a product of capitalism and capitalism is the force that commands resource allocation and produces such a distorted sense of priorities.

"It's interesting that the papers won't print that we call men like John Yerger and John Frei damn liars.

"They are the reason we won't fight in the traditional political mainstream, because they are all alike. None of them give a damn.

"Our people know what is happening to them, they feel it in their guts.

"Once we have a particularly strong power base, I'd say within two or three years, then we're in a position to set up an alternative model. We'll have free day care, an educational system where the child's education is humanistically rather than economically oriented. We'd also set up politically-based consumer co-ops from which we'd organize.

"Our people are apathetic now. They've been screwed. Why is there only a 37-per-cent turnout in elections? We know we're voting for crooks — why should we bother with them?" The telephone rings again.

A woman is calling on behalf of her brother, in hospital suffering from a severe asthmatic condition.

He is on welfare and allowed only \$20 a month for drugs. He needed more but couldn't get them. Now he's bedridden.

He has received a letter from the welfare people saying that since he is getting food and a bed in the hospital his usual welfare cheque of \$115 a month will be cut down to \$50.

His medical rates stay the same — \$20.

He still needs \$98 a month for rent.

The report sends Mooney back to the phone with the welfare people for the ninth time that day.

"Certainly the man should be allowed what he needs," he says. "Isn't there anything you'd like to do?"

Comes the response:

"Sorry, I don't care to answer that. I take my orders from head office and can't go against the regulations. We are all really very compassionate people here. I've been here for 10 years and should know.

"Now really, if he has been cut down and is having trouble, he can appeal on Form 6."

Anne Boody is a member of the **Last Post** editorial cooperative.



Finance Minister Edgar J. Benson

What is Benson's tax smog hiding?

by David Black

"Ken," said the government, "how can we straighten out our tax system?"

"Well," Ken said, "you could decide a dollar is a dollar."

"Thanks anyway," the government said, and turned out Edgar Benson's Proposals for Tax Reform.

Those proposals have generated a lot of excitement in a lot of places about "change". We are, the press tells us, about to have the recommendations of the Carter commission report all but implemented.

In fact we are about to receive two things. One is an extension of a legal tax dodge that costs Canadians millions of dollars annually — you can only get around that by making a dollar the same for the rich as for the poor, something like Kenneth Carter suggested in 1966.

The other yield of the Benson proposals is to help along the integration of the Canadian and U.S. economies. Melville Watkins calls ours a branch plant economy, and it means that large parts of our corporate sector are outside the tax man's realm. It costs us not millions, but billions.

We commoners tend to regard the tax system with a mixture of awe, confusion and useless nonsense. It operates off a divide-and-conquer principle: At tax time we are so busy calculating our tax bills and trying to save a few dollars each that we cannot see how we are being collectively robbed.

What we need to know, briefly, is why we pay what taxes and how.

Confederation created a legal division of powers between the provinces and the federal government. Under the British North America Act, the federal government may raise money "by any mode or system of taxation". The provincial legislatures are restricted to direct taxation within their provinces. Municipalities get their taxing powers from the provincial legislatures.

It all comes out in the confusing tax system which confronts all of us. The number of different taxes, for example, seems limitless. There are income taxes, estate taxes, sales taxes, real estate taxes, excise taxes, taxes on gifts, taxes on water consumption and many, many more.

Canadians pay most of these in the form of prices paid for goods and services.

Income tax is paid both to provincial and federal govern-

ments by all persons with an income large enough to be legally declarable. The income of a resident of Canada for a taxation year includes his revenue from all sources, inside or outside Canada.

This revenue does not now include capital gains, although if the Benson proposals are implemented capital gains will count as a form of income.

Individuals also pay federal tax on gifts over a stated value. For those who receive an estate — property which changes ownership at death — there is an estate tax if the estate has a stated value. The federal government also levies a sales tax — excise tax — on goods imported into Canada.

The provinces levy personal income taxes along with taxes on retail sales, tobacco, alcohol, gasoline and property.

Motor vehicle licenses and other permits are also provincial forms of taxes. Municipalities levy taxes on owners of property situated within their jurisdiction. Tenants usually bear the cost of property taxes in their rents.

There is, of course, supposed to be some "sharing" by dint of a corporation income tax but it is simply passed on (shifted) to the consumer.

When the cost of all these taxes is added up, 40 to 50 per cent of an individual's income is paid to various levels of government. The size of the tax bite means any talk of changes draws some hope from the taxpayer, in whose name any proposals for change are invoked. "Taxpayer" is one of four concepts essential to understanding the Canadian tax system — the others are "income," "equity" and "transfer of resources". Briefly, we are to understand, individuals and corporations pay taxes on their income, resources are transferred to the needy, and this process is as equitable as possible.

The immediate problem is that corporations do not pay income tax, or at least not in the sense implicit in such a description. They can and do pass most of their taxes on to the consumer in a process known as tax shifting; the consumer, meanwhile, contributes with every purchase he makes, from a five-cent ice cream cone to a \$5,000 automobile and up.

One study for the Carter commission estimated the amount of shifting to be as high as 70 per cent — every time the consumer buys the product of a large corporation he pays 70 per cent of the corporation's tax bill on that product. The corporation becomes a tax collector for the federal government. Shifts are bigger in large corporations — competition among small firms tends to reduce them — and in monopoly situations the amount of shifting is probably 100 per cent, a particularly harsh fact since Canada is so highly monopolized.

The actual operation of the tax system, then, bears little resemblance to the notion of individual "corporations" or "citizens" paying their "fair" share. Corporations can share their "share" of the tax burden with others. The result for Canadians is simply to perpetuate a social system favoring the wealthy.

Part of this has its roots in the assumption that a dollar has the same value for a poor man as for a wealthy man — a notion which the Carter commission challenged to no avail. An 11-per-cent income tax on lower-class earnings has the social effect on disposable income that an 80-per-cent tax would have on upper-class earnings. And there is no such thing as an 80-per-cent income tax. Benson's response: "The government rejects the proposition that every increase in economic power, no matter what its source, should be treated the same for tax purposes." This attitude, which operates at the corporate level as well, simply reinforces

the privileged position of the rich.

The wealthy are helped, too, by special tax categories. Estate taxes, gift taxes, capital gains taxes if they become law — all these mean the wealthy are taxed at an effectively lower rate because their tax base is reduced. In much the same way, corporations find their tax base reduced by depreciation allowances, capital cost allowances, rebates and so on. The process is strengthened in countless minor ways — for example only wealthy individuals and corporations can afford the expertise necessary to find more loopholes, and the expertise itself is ruled a deductible business expense.

So a dollar is not, in practice, a dollar. But a new twist in the system has come with the burgeoning branch plant economy: The expression tax dodge, so explicit in comparing wealth and poverty, turns out to be inappropriate to describe branch plant theft. Listen to a former Quebec minister of revenue:

The purpose of investment in subsidiaries is not simply to earn a profit. In the parent-affiliate relationship, a profit on inter-company transactions may be taken at either end, but is normally taken by the parent. Thus, a subsidiary could lose money and still make a net contribution to the parent company's income by the profit or purchases of raw materials and component parts from the parent, by patents, royalties and fees for management, advertising and research services. In fact, the primary purpose of investment in overseas markets is to earn a profit for the parent by the control of markets for the export of parts, components and raw material concentrates. It is not essential that the affiliate show a profit.

All of which is a complicated method for admitting that the branch plant does make a profit for the parent corporation. That profit may not show on the records, but it's there: branch plants are and have been established to show a profit in the United States, not in Canada. In this situation "income" (profits for a corporation) is a totally inadequate notion. Clearly foreign corporations will minimize taxes in Canada while maximizing profits in the U.S. This amounts, simply, to theft.

If the parent corporations reported profits in Canada they would be required to pay taxes. In practice the mechanics of foreign ownership make it possible to avoid or minimize taxes in Canada. The Proposals for Tax Reform will not unearth even a suggestion that something is wrong in this area; Canada's corporate tax base, already reduced internally, is being further eroded and the difference is made up by levying higher personal income taxes.

The branch plants, meanwhile, use all the services supplied by Canadian taxpayers — railroads, roads, education, medicine and so on. Extractive operations such as mining and some types of manufacturing are most dependent on publicly-supported services, reinforcing the worst trends in branch plant operation and forcing Canadians to support them.

It becomes apparent, then, that the categories of "transfer of resources" and "equity," like "taxpayer" and "income," are in fact myths in the terms we are asked to understand them. The branch plant effectively transfers resources from the Canadian public to private American corporations. At the same time 70 per cent of its tax base is shifted to the Canadian consumer, already paying for some of the services used by the branch plant. To talk about equity and transfers in such a situation is to talk nonsense. The Proposals for Tax Reform will only act to continue the

transfer of Canadian resources and ensure payment of the increasing tax burden necessary to do so.

Given all this, what do proposals for a capital gains tax mean? Capital gains taxation would cut off one area of undeclared income, but in view of the fact of branch plant economy it focuses on the wrong item. While a tax on capital gains may increase tax revenue by \$300 million to \$500 million, an effective tax on the wealth of the branch plants (i.e. their contribution to the profit of the parent corporations) would generate additional revenue of \$2 billion to \$8 billion annually.

As an estimate of a tax loss, something like \$2 billion to \$8 billion is ridiculously imprecise. We know it excludes tax losses to provinces. We know it is 20 to 80 per cent of the federal government's fiscal 1969-70 budget. But we don't know much more. The actual figure could be more or less — it's most likely closer to \$8 billion — but financial observers are handicapped by the federal government's approach to branch plants. Because the government does not call on the branch plants to provide data on their operations, Canadians still lack the figures which would allow them to estimate more accurately the tax loss due to a branch plant economy.

In any case, \$2 billion to \$8 billion would lop a good deal off the income tax Canadians pay. With that much not available in the annual tax take, debate around a capital gains tax which would increase revenue by \$300 million to \$500 million is pointless.

The proposed tax changes pretend that corporate tax shifts in the branch plant economy do not exist and that international cash flows are not a problem. Says the white paper: "The over-all thrust of Canada's present provisions for taxing the Canadian income of non-residents is generally regarded as reasonable. The Canadian wages and business profits of non-residents are taxed at the ordinary rates."

The only white paper statement relevant to the operation of a branch plant economy ignores the problem: "If the foreign corporation incorporates a Canadian subsidiary, the Canadian corporation is taxed on the profits at 50 per cent." There's no mention of a classic branch plant, on the books making no profit, yet contributing to the profit level of the parent corporation. The nearest satisfactory response says that "a foreign corporation which carries on business in Canada through a branch is liable for a special 15 per cent tax on net after-tax profits it has available for withdrawal." In fact a special deduction is made for any profits invested in land and depreciable assets. This will be changed to provide a deduction to "recognize the need for working capital."

Generally, then, it is not enough that the branch plant can avoid taxes so successfully; the government is proposing to increase the efficiency of the process. Taxation is supposed to provide services for Canadians, but the branch plant economy means that money that could pay for those services becomes part of the profits of U.S. parents. And where taxes must be paid in Canada they are shifted to the consumer.

Proposals for Tax Reform is a political pamphlet. For all practical purposes it calls for the extension, with minor changes, of the present allocation of resources — a system which, as has been shown in part by the governments' own commissions, is inequitable.

David Black is a former researcher for the Canadian Union of Students.



WEAPONS FOR THE WORLD
(Made in Canada)

D.H. Gilchrist is that classic civil servant who cannot understand why people meddle in business that is the government's and not theirs.

So he was annoyed that day in January, sitting in his Ottawa office near the shelf full of fighter aircraft models, having to answer questions about the International Programs Branch of the Department of Industry, Trade and Commerce.

A distinguished-looking man with graying hair and the manner of a Bay Street stockbroker, Gilchrist is Canada's chief arms salesman.

I — 'Apples'

The Egyptian freighter *Star of Assuan* slipped her moorings in Halifax harbor January 16, 1956, and steamed for unnamed ports in the Mediterranean, which was then the world's number one powder keg.

Tarpaulins tightly sealed two stern holds, and there were suspicious looking crates lashed to the centre deck. Captain E.G. Harvey, who had taken over the ship in a sudden shift of command before she left St. John, had just had a quarrel with some bothersome reporters and photographers.

An air of secrecy had surrounded the loading operation during the previous two days, and Harvey had instructed his crew to make sure they kept their mouths shut about the cargo. But it's hard to keep anything secret on the Halifax waterfront, and just before sailing Halifax reporters and photographers had wandered aboard and started talking to crew members and taking pictures.

Harvey angrily ordered them off and physically tried to stop a photographer from taking pictures of the cargo. He termed "a lot of foolishness" the reporters' suggestions as to what the cargo was, and said blandly "Our cargo's general — apples and things."

Neatly stenciled on the "apple" crates were the words: "NATO Treaty Organization Mutual Aid to Turkey from Royal Canadian Navy" and a light-red Maple Leaf. Visible through the tarpaulin were the barrels of 32 heavy naval guns. Persons on the Halifax waterfront later told the reporters they saw 38 to 40 army trucks being loaded into the two

stern holds, and what looked like several aircraft.

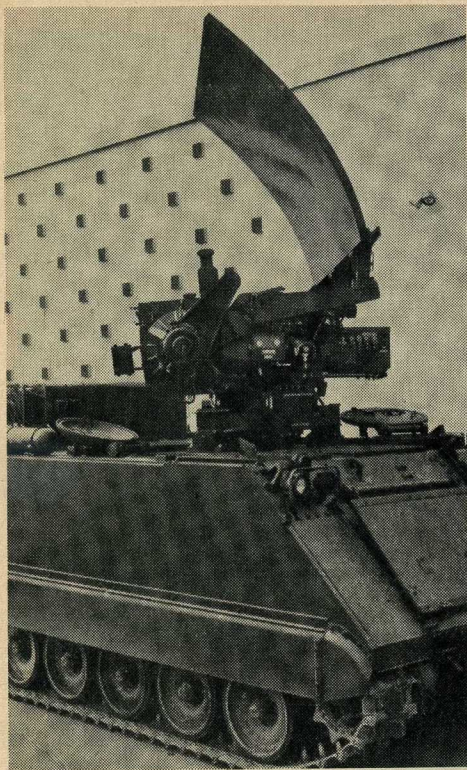
Every government official from External Affairs in Ottawa down to the Maritimes Representative of the Crown Assets Disposal Corporation (a government property sales agency which then handled munitions sales) denied there were any arms aboard. Louis Richard, president of the crown corporation, insisted no equipment had been sold to Mediterranean nations "for years".

In the light of these bland denials, the press reports of the journalists' visit to the *Star of Assuan* proved distinctly embarrassing to the government. An intricate tale began to unravel.

The next day the Department of External Affairs, then headed by Lester Pearson, was cowed into admitting that there were indeed arms aboard the freighter, but that they were bound only for Turkey, one of the 14 nations then in the NATO alliance. No part of the shipment was destined for Egypt, and there were certainly no aircraft aboard.

Under grilling in the House of Commons the day after, Pearson admitted that the arms were destined for Greece and Portugal, as well as Turkey. But when presented with evidence that Canadian Car and Foundry Co. Ltd. had a contract to provide 15 aircraft to Egypt, Pearson was also forced to admit that three of them were on board the *Star of Assuan*.

Pearson pleaded that the aircraft were reconditioned Harvard trainers and not combat planes, adding "I don't see



Counter-Mortar Radar (AN/MPQ-501): An excellent counter-insurgency weapon, which spots positions of enemy mortars, and is mobile and accurate enough to be used in jungle-and-clearing combat. It was developed for the Canadian Army by the National Research Council, and is produced by Raytheon Canada Ltd., which also specializes in guided missile control systems, other radar and sonar equipment.

how you could put gun mountings on a Harvard." Very simple, said RCAF experts—Harvards were mounted with .303 Browning machine guns on the wings during the Second World War, could easily be fitted to carry bombs, and in recent years had been equipped to carry rockets. Twelve other Harvards were still going to be shipped, as per contract, it was learned.

The Liberals' troubles had arisen because of the flare-up of the Middle East conflict prior to the shipment, and the seeming contradiction between Canada's (and Pearson's) much-touted peacemaker role in the conflict and her role of arms provider.

With the keen public relations sense that marked that

Liberal government's career, three days after the *Star of Assuan* hassle, it was brought to light that Canada had also contracted to sell \$30,000 worth of 25-pound field artillery shells to Israel. A few CCF MPs began suggesting that Canada was making money by selling to both sides in the Middle East conflict, and questioning the principles involved in such a curious interpretation of a peacemaker position. When they began demanding how many other sales had been made to both sides that hadn't yet come to light, the St. Laurent government suddenly got religion, wrapped itself in a UN resolution about the need to press for peace in the area, and slapped an arms embargo on the Middle East after all deliveries were made.

It was later brought out that the extent of Canadian arms sales to Israel and Egypt in 1955-56 was over \$2,000,000, which came as a shock to most people who didn't know we had entered this line of business. Goods to Israel were sold for \$1,332,110, and to Egypt for \$770,825. Pearson noted to everyone's apparent satisfaction that "more was sold to Israel than to Egypt."

A year later Canada agreed to send 24 Sabre jets to Israel, embargo notwithstanding, but was pressured by the United Nations not to. Instead Canada made its profits by selling 225 Sabre VI jets to West Germany for \$75,000,000, six to Colombia for an unspecified price, \$1,000,000 worth of arms to South Africa, and over \$86,000,000 to the United States.

Although it had not been unknown for us to dabble in this particular form of private enterprise before, the *Star of Assuan* incident, and the revelations about how much more we had sold to both sides in the Middle East and to other countries, began to give some Canadians a better idea of the business our government was moving into.

Since that time, the profits of Canadian industry have soared to such an extent, and arms exports have multiplied so many times over, that the current Canadian arms trade makes the *Star of Assuan* sound like a cargo of peanuts.

Through a defence production and external trade policy that has been kept effectively out of the public's eye, Canada has become an excellent source for the purchase of anything from hand guns to an air force.

And this can be traced almost directly to the Defence Production Sharing Agreement Canada signed with the United States in 1959. Since then, Canadian government and industry have sold over \$2 billion in arms to the U.S. In fact, most of our foreign sales in arms, say some defence officials, stem from "the necessity to provide further outlets for that sector of Canadian industry that has been sustained by the defence sharing agreement."

II — The arms merchants

Since 1945, there have been 55 wars of significant size and duration throughout the world, and an international arms trade that has fed off them to the tune of several billion dollars. Between 1950 and 1968, according to the Institute for Strategic Studies in London (a sort of British RAND Corporation of which Lester B. Pearson is honorary president), the international trade in arms grew from \$2.4 billion to \$5 billion. The trade in the West alone—primarily between NATO countries—will reach an estimated \$10 billion per year in the early 1970's—double the 1968 world figure.

In the international arms trade, of course, the United States is king.

The nerve centre of most of this Western arms trade is in Washington, in Room 4E-820, a pleasantly-furnished Pentagon office that is the home of the International Logistics Negotiations Section of the International Security Affairs Division of the United States Department of Defence.

The man who runs this section, America's chief arms salesman, is Henry John Kuss, Jr., a long-time civil servant.

Kuss will repeat to any visitor, as he has to countless newspaper reporters, that selling arms at the rate of \$2 billion per year promotes the collective security of the West, that it furthers the idea of logistical co-operation among allies, and that it offsets the cost of American troops stationed abroad. Kuss has a reputation of being highly receptive to reporters, and has no qualms about talking of his job — drumming up business for American arms manufacturers and selling surplus U.S. munitions to foreign governments.

It's much harder to get beyond the glass door on the seventh floor of Tower B on Kent Street in Ottawa. This is the International Programs Branch of the Canadian Commercial Corporation of the Department of Industry, Trade and Commerce, where Mr. D.H. Gilchrist sits in an equally pleasantly-furnished office. He is director of marketing for the IP section, and Canada's chief arms salesman.

Though Mr. Gilchrist will not agree to accept visitors from the press, he can be persuaded if those who wish to see him telephone the office of the Minister of Industry, Trade and Commerce and make pointed inquiries about what is it that the International Programs Branch has to hide anyway. Then Mr. Gilchrist will see you, and provide a brief speech not unlike Mr. Kuss's about promoting collective security among allies, priming Canadian industry, and offsetting imbalanced foreign trade.

After asking that he not be quoted, he will explain that the role of his office is to "make sure that Canadian salesmen get to see the right people in the defence departments" of other countries and thus "can compete for contracts."

The Canadian Commercial Corporation's role is to act as a middle man between the foreign buyer and the Canadian supplier. The foreign buyer frequently enters into a primary contract with the CCC, which then enters into a secondary contract with the Canadian company. The CCC's duties, through the various trade attaches in Canadian embassies and through special representatives, include making foreign buyers aware that the products they seek are available in Canada.

Mr. Gilchrist's International Programs Branch does precisely this work, but only in the area of arms.

The existence of the IP Branch in the Department of Industry, Trade and Commerce is unknown to most people in Ottawa, including the press gallery, and even to the minister's assistant — until he was telephoned to persuade Mr. Gilchrist to give an interview. IP was once in the Department of Defence Production, but was part of the merger of that department with Trade and Commerce. Mr. Gilchrist's desire for anonymity extended to saying flatly "that has nothing to do with us" when asked first over the phone about the subject of arms sales.

Mr. Gilchrist, assisted by an equally nervous colleague, Mr. Janigan, insisted that his office's work is "like any other trade office's" and that they are not "merchants of death" but "defence product specialists".

"We just try to find outside markets — that is we help Canadian companies find outside markets — for that sector

CF-5: Fighter-bomber: Canada's elite fighter craft of the RCAF, this is an improved model of the U.S. F-5 Freedomfighter, manufactured at Canadair, engined by the Orenda Division of Hawker Siddeley Canada Limited, Toronto. This item is not included in the "Defense Products" catalogue, but has been widely advertised abroad. The Netherlands has contracted to buy 105 of this craft, in a major arms sale that the Defense Department boasts it outbid the original manufacturer on, the U.S. firm Northrop Corporation. It can carry a wide range of conventional missiles, rockets and bombs in addition to its cannons, and "more payload per pound of airplane than any supersonic aircraft in service today." Keeps 2,100 Canadians employed.

of industry which specializes in defence products and related equipment." he said.

"Let's face facts — as long as we have defence forces, we have to have a defence industry, and as long as we have that industry, they have to have foreign markets too.

"I mean, these companies provide for the specialized needs of the Canadian military. Other countries need the things we have developed, and so they are marketed abroad.

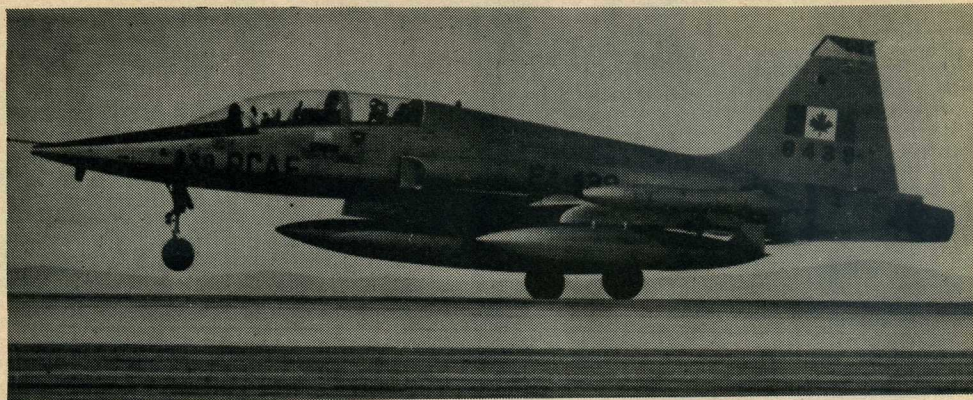
"But it's also obvious that the needs of the Canadian defence forces wouldn't alone support such an industry — the needs are too small or specific, and so foreign markets have to be developed to keep these specialities going."

That is why, he explained, the Defence Sharing Agreement with the United States is so useful. They get our specialized products and so do our NATO allies, and we get the products we need and are able to support industry in Canada — as able a description of an international military-industrial complex and its mechanics as anyone could offer.

Canada's specialities are in transport and communications, he pointed out, and this determines its defence production — aircraft, ground transport, radiocommunications, radar, computer systems, and navigational aids. In these fields Canada is a recognized leader — and a major supplier to the armed forces of other countries.

If you want to buy a jet fighter or a missile guidance system, you'll come to Canada and look up Mr. Gilchrist and he'll put you in touch with the right people. He will introduce visiting generals or arms buyers to the people at Canadair or Litton Systems. Or one of his representatives in Paris, Rome, London, Bonn or Brussels will visit your office with a set of prospectus papers, and perhaps urge Litton Systems to send an agent to you.

A testament to how well Mr. Gilchrist and his associates do their job (he'll mention this proudly as "one of our best successes") was the sale of 105 CF-5 jet fighters to the Netherlands in 1967 for \$145,000,000. The Canadair and Orenda built jet, manufactured in Canada under license from an American firm, Northrop (where it's the F-5 "Freedomfighter") is refined much beyond the American product, and "we even outbid the original licensing company in the U.S. for the contract."



It's possible to learn most of the amounts of sales to foreign countries, even which country spent how much — but rarely can one discover just what was bought — most of that is classified for the benefit of the contractor or the purchasing country's "security requirements."

But it's possible to get an idea.

III — It pays to advertise

Mr. Gilchrist will give you a pile of documents when he is finally rid of you — "this will tell you everything you want to know" — except that they are all superficial NATO propaganda and Defence Department Annual Reports and tell you nothing. One document he will not give you, and if you ask him for it he will say they are out of stock.

They might well be, because this document, actually a 500-page book, gets around. That's the idea.

It's called "Canadian Defence Products", and it's a catalogue of the arms and equipment Canada has up for sale. It's neatly divided into a subject index, a list of corporations and what products they offer, and a main section which has photos and pep-talk write-ups about what wonders this jet and that machine gun can perform. All it lacks is a mail-order form.

It's virtually impossible to obtain, and it's certainly not available on request for the general public. It's intended for perusal outside Canada.

In its introduction it states that this book has been prepared for "friendly and allied countries" and that it "... is a collection of data covering both products and firms, arranged so as to simplify the location of sources of supply for equipments, parts or services which may be required."

The white pages just list the products and the companies who sell or service them: Guns through 30mm; Guns 75mm through 125mm, through 300mm; Chemical Weapons;

Launchers, Torpedo's and Depth Charge; Nuclear Ordnance Handling and Test Equipment; Guided Missile Warhead Components; Rockets and Ammunition; Combat Ships. They range through to radios and industrial furnaces and snow-mobiles.

An interesting index heading is Group 14:
Guided Missiles

Bristol Aerospace Ltd.
Canadair Ltd.
Computing Devices of Canada Ltd.
De Havilland Aircraft (SPAR).

That means if you want a full guided missile, call any of the above. But if you just want "Gyro Components" to one, call Abex Industries, Aviation Electric, Ranar Industries or Litton Systems (Canada) Ltd. If you just want a "Guidance System" go to Computing Devices Of Canada Ltd. If you want "Guided Missile Launchers" choose Bata Engineering, Canadian Vickers, or any of five others.

If you want an air force, or if you want to equip your infantry with everything from troop transports to FN rifles, or you want an aerial reconnaissance camera, look through the picture-pages. Some outstanding examples are reproduced, with excerpts from the text, along with this article.

If you want a list of every Canadian company that is linked into defence production, leaf through the blue pages, which name over 880 of them, with address and chief products.

You may recognize Dow Chemicals, CIL, Canadair, A.V. Roe, Hawker-Siddeley and the like that have already received some publicity. But you will find some unexpected examples of free enterprise such as:

METAL FABRICATORS LTD.

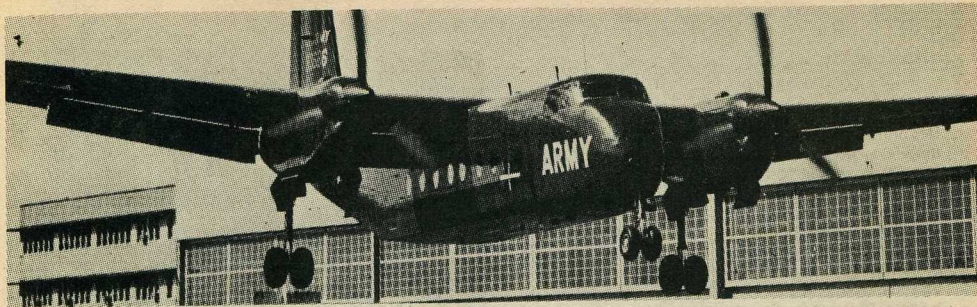
102 Tillson Avenue,
Tillsonburg, Ontario.

President: J.D. Judge

Contact: W.A. Pollard, General Manager

Telephone: 519: 842-3621

"Manufacturers of: Hospital and School Furniture and Equipment; Steel Sub-Assemblies for various products; Industrial Laboratory Equipment; Ammunition Boxes; Bomb, Depth Charge; Rocket and Guided Missile Components."



De Havilland DHC 5 Buffalo: though it has wide civilian applications, is advertised in "Canadian Defense Products" principally as a troop carrier — "...seats 41 fully-equipped troopers or 35 paratroopers... can be landed in combat zone and (troops) can be deployed rapidly through the rear loading door or paratropped into critical areas." The catalogue description notes proudly that the craft "...have been subjected to intensive military effectiveness evaluation programmes, with two having been tested under actual warfare conditions in Vietnam."

Metalite Co. Ltd. in Cap de la Madeleine, Quebec, makes toboggans, lawn furniture and small arms ammunition components. Fairbanks-Morse in Kingston will sell you a locomotive or a torpedo launcher. Hand Chemical Industries in Milton, Ontario, will sell you flame throwers — or fire-crackers.

IV — Technology and empire

The Canadian public began to become aware of the Defence Production Sharing Agreement between Canada and the United States two years ago in the midst of the debate over Canadian complicity in the Vietnam war. At that time, 1967, Canadian industry produced \$370,000,000 in arms and arms products for export to the United States, under Pentagon contract. Today, that trade has flourished to well beyond the \$400,000,000 mark. With over \$50,000,000 (1968 figure) added for foreign export other than to the United States, the price tag on the Canadian arms trade nears half a billion.

Lopping off the Defence Sharing Agreement from statistical grouping with the other foreign sales permits government officials to tell critics that its foreign arms trade is "a drop in the bucket" compared to other countries. But the division is artificial. We also have a production-sharing agreement with West Germany, yet Canada lists those sales as an arms export. We sell in the range of half a billion dollars of arms abroad — compared to two billion by the largest arms exporter in the world, the United States. Whatever we might like to consider ourselves, Canada is one of the world's major arms exporters.

Just as our defence products ended up in Vietnam after they were sold to the United States, they end up in almost every other country the United States sells arms to today.

Any salesman who depends on 80 per cent of his sales to one customer and has to tailor his entire production to the needs of that customer is, the point has often been made, under the control of that customer. But the control that the

United States exercises over the Canadian arms trade is even more direct than the obvious economic mechanics of the arms picture.

In his book on the international arms trade, *The War Business* (New York 1969), Washington journalist George Thayer demonstrates how even the Canadian arms salesmen are effectively only agents of Henry Kuss' International Logistics Negotiations office.

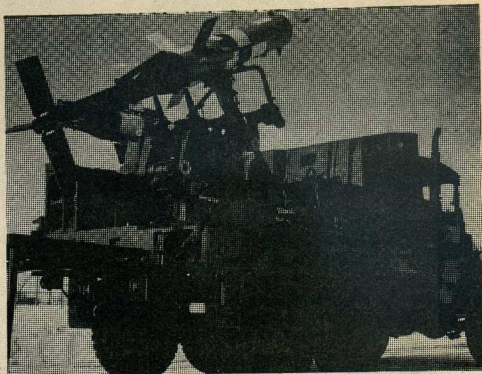
The Canadian defence industry is, or the most part, American-owned or run. The major aircraft manufacturing plant, Canadair in Montreal, is owned by General Dynamics Corp. Litton Systems, the computer and systems guidance manufacturers, is simply one of the satellites in economic orbit around the Litton Industries conglomerate. But even beyond that, the aircraft we manufacture are built in Canada under license from the original American manufacturer, as in the case of the CF-5, which is a modified version of the F-5 "Freedomfighter," and is manufactured in Canada under license from the Northrop Corp.

Canadian manufacturers — and as a result, the Canadian government — are not able to enter into a contract agreement with a foreign buyer unless it is cleared through Kuss' ILN office. Gilchrist may boast that the Dutch preferred to buy our CF-5 over Northrop's F-5, but approval of that sale still had to be given by Kuss.

There are several reasons why such an arrangement is of great advantage to the United States Defense Department, whether the purchase is made from Canada or from the U.S.

Former Defense Secretary Robert McNamara's program of "co-operative logistics" allowed the U.S. to exercise greater control over what arms NATO countries produced, led to standardization of weaponry, allowed American industry to specialize, made the other NATO countries specialize to the extent that they grow interdependent on each other's parts and components and specialized technology. Furthermore, Thayer writes: "The United States benefitted because private manufacturers of armaments received income from licensing fees; it stimulated a heavy trans-Atlantic traffic in technicians and technical data that was eventually to bring more foreign-held dollars into the U.S. Treasury."

Canadair CL-89 Drone System, Short-Range Reconnaissance XCI: "... a self-contained, mobile system which is based on the use of a simple, low-cost drone that carries sensor equipment and is recoverable. It is for day and night use by army formations in forward battle areas." Used for surveillance of enemy positions, recording of enemy troop movements, pinpointing bomb or artillery targets, and damage assessment after an assault on enemy targets. Development of this surveillance rocket is funded jointly by the British, German and Canadian governments, manufactured at Canadair in Montreal, and tested by the U.S. Army.



"By 1959," he continues, "the concept of co-production was fully accepted by most industrialized Western countries as a lucrative way to re-enter the arms market." It was in 1959 that the Defence Production Sharing Agreement was signed with Canada, and we climbed on a bandwagon that has proved very profitable since.

But as "competitors", we're far from independent. A series of events in 1965 and 1966, involving 90 Canadian-built F-86 Sabrejets illustrates the benefit to the U.S. of having a second-country source of American arms, and also the ineffectiveness of re-sale control procedures.

The incident began in 1957 when West Germany bought 225 F-86 jets from Canada. By 1965 the Luftwaffe had moved up to the F-104 G Starfighter, and was anxious to unload the phased-out planes. In the autumn of that year, the Indians and the Pakistanis went to war over Kashmir, and a general worldwide arms embargo was clamped on both belligerents.

Shortly after the September 22 cease-fire, an arms-buying delegation from Iran arrived in Bonn, headed by General Hassan Toufanian. He was accompanied by an arms expert from the Pakistani Army, Colonel Hussein Zaidi, and this apparently raised no suspicions in Bonn.

Toufanian wanted to buy 90 of the jets and the Germans agreed to sell if conditions were met. The U.S. resale control procedures in a case like this requires that Bonn (the current seller) obtain permission from Ottawa (the manufacturer and original seller), which, in turn, obtains permission from the United States (the licensor and controlling government). Assurances having been given that the jets were only for the Iranian Air Force, the deal was approved all round.

Between March and November of 1966, the jets were transferred to Iran, but soon began appearing in Pakistan, ostensibly to be "repaired", and the Indian press complained loudly of a violation of the embargo.

Thayer notes that it was common knowledge among weapons dealers that the Canadian jets were from the start destined for Pakistan, and Senator Stuart Symington is quoted as saying during hearings on the matter: "Our own intelligence knew exactly at the time that these F-86's were meant for Pakistan."

Without Canada and West Germany as a second-source of aircraft, this deal would never have been able to originate from U.S. aircraft stock. Whether Canada was an ignorant link in the chain, or fully informed, is irrelevant. Arms, once produced, are seldom discarded, but enter a chain of sales and resales that ultimately means the producer is adding his product to the round-robin of the international arms market.

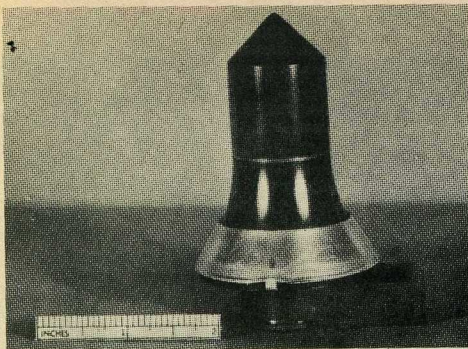
V — Footing the bill

O bjections to arms sales are generally morally-based, but the implications for Canada of embarking on such a giant program go beyond the dangers to our souls.

On March 12 of last year, Ed Broadbent, the New Democratic MP from Oshawa, gave a brief speech in the House of Commons that the government benches did not bother replying to, and which the press gallery saw fit not to report. This becomes particularly disturbing when it's considered that Broadbent was raising an issue never before discussed in the House, and an issue about which Canadians have been kept in the dark.

Broadbent charged that the government is "promoting a military-industrial elite in this country" through its research and development programs. Analysing three government programs for aid to industrial research, he demonstrated that "the Canadian government now provides more money for research and development in the military area than it does for civilian work."

Under these three programs — the Industrial Research and Development Incentives Act (IRDIA), the Program for the Advance of Industrial Technology (PAIT), and the Defense Development Sharing Program (DDSP, created under the Defence Production Sharing pact with the U.S.) — the government provides approximately 50 per cent of the capital costs of military research and development. But in the civilian sector all financial assistance, plus interest on the money advanced, must be repaid if projects prove commercially viable.



Anti-Personnel Mine (C3/M25): Developed by the Canadian Army and produced by the government's Canadian Arsenals Limited, this handy little device is detonated simply by someone stepping on the ground that covers it. It is one of Canada's claims to recognition in the military-technology field, as it has been accepted as standard by many Western countries, including for U.S. use in Vietnam. It is a compact 2 by 3 inches, weighing only 9.45 gm. The catalogue points out that it is "low-cost", and that "emplaced mines, after removal of safety clip, are operationally undetectable with conventional detection equipment." It is used "to protect positions to prevent the lifting of anti-tank mines and deny terrain to attacking forces." A splendid counter-insurgency device, we even camouflage it to the buyer's specifications at no extra cost.

N.H. Lithwick, in a study of federal deployment of funds in the *Journal of Canadian Studies*, notes that over 50 per cent of federal funds going into research and development are used for military purposes. "If profits from war industries are greater than those derived from production for peace, are industrialists likely to choose the latter?" Broadbent asked. No. And that's the idea.

In the fiscal year 1964-65, \$474,000 was provided under the Industry Modernization for Defence Exports programs to cover 19 projects. By the fiscal year 1967-68, this had increased to \$10.6 million covering 95 projects. An expansion in spending, can also be found in the grants from the Defence Industrial Research Program of the Defence Research Board between the fiscal years 1962-63 and 1967-68.

"Most alarming of all," Broadbent said in his speech, "are the figures relating to the Defence Development Sharing Program." He cites that in the fiscal year 1961-62, the government spent \$4.4 million on 33 military development projects. "By last year this had increased to \$23 million and 53 projects," said Broadbent. These are direct federal government, grants to private industry for work on military projects, mostly for the U.S.

But Mr. Broadbent's figures are not the whole story. Because they are the government's published figures, and they succeed in making omissions by judicious shifting of

classifications to other categories.

Made available to us through a member of the Minister's office at the Department of Industry, Trade and Commerce is a document entitled "Canada-U.S. Defence Production Sharing, Development Co-operation Contracts" and marked "Confidential".

The 14-page document is a list of all military co-operation projects Canada and the U.S. have shared costs on between 1959 and 1967. It breaks the classifications down by project, contractor in Canada, which U.S. service or corporation sponsors the project, funds contributed by the Canadian contractor involved, U.S. funds, other allied funds, and Canadian government funds.

It lists the following grants per year:

| Year | Projects | U.S. Funds (tot.) | Canadian Gov't Funds (tot.) |
|------|----------|-------------------|-----------------------------|
| 1959 | 11 | \$4,330,809 | nil |
| 1960 | 30 | 1,035,791 | \$5,449,685. |
| 1961 | 51 | 6,263,281 | 11,788,117 |
| 1962 | 34 | 8,919,078 | 10,462,673 |
| 1963 | 29 | 1,905,218 | 12,550,215 |
| 1964 | 34 | 8,043,516 | 27,785,229 |
| 1965 | 46 | 5,018,407 | 19,553,348 |
| 1966 | 36 | 8,688,113 | 26,919,014 |
| 1967 | 36 | 7,395,303 | 30,559,866 |

This means that Canada spent, between the time the agreement went into effect and 1967, a total of \$145,068,148 to subsidize the production of arms in Canada for the United States and abroad.

It is clear that the Department of Industry has decided to promote defence industries on the grounds that it is politically expedient. In its program review for 1969-70, the department concluded that independent Canadian production of all our defence needs would be uneconomic. It rejected the conclusion that we should purchase defence equipment abroad, and argued that to buy on the basis of the lowest rates in world markets would "deprive Canadian industry of a vital source of advancement, not to mention annual exports currently of the order of half a billion dollars."

Mr. Gilchrist will argue further that it allows Canada to develop resources of technical expertise, and that the expertise spills out to civilian production and nurtures the entire industrial sector.

It does. And Canada becomes also more dependent on the technical expertise of other NATO countries, particularly the U.S., and the development of Canadian industry is directed by the fact that our prime technological research is military-based, and grows in that mold, becoming more and more dependent on the defence production sector.

In short, the technology becomes international and interlocking — McNamara's aim in his co-production scheme. The pivot and the driving force for industrial expansion becomes the military needs of the United States and the Western military establishment. Where the technology goes, the economy is soon to follow, with the politics not far behind.

Canada, the would-be peacekeeper, has come far since the day the *Star of Assuan* sailed for the Mediterranean with her cargo of "apples."

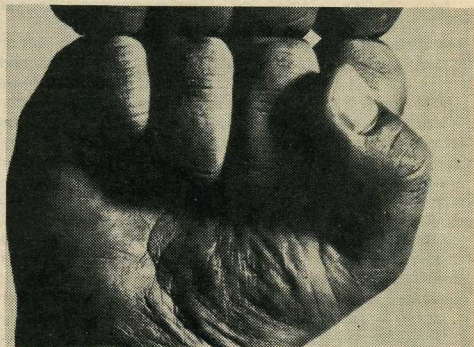
This report was compiled by **Last Post** staff.

From Murdochville 1957 . . . to Ottawa 1970

Do workers, prevented from organizing by a giant company, have the right to go on strike?

'No,' says the Supreme Court

by Robert Chodos



On January 27, the Supreme Court of Canada ruled in favor of Gaspé Copper Mines Ltd. in its lawsuit against the United Steelworkers of America, and closed a chapter in labor history stretching back 13 years.

The Steelworkers will now be forced to pay \$1,646,057 plus five per cent interest for lost profits and other damages sustained by Gaspé Copper during a seven-month, technically illegal strike at its mine and smelter in Murdochville, Que.,



August 19, 1957: Claude Jodoin and two of Duplessis's cops

In 1956, James Y. Murdoch, then president and chairman of Noranda Mines Ltd., wrote of Noranda's astonishing growth that "none of it could have happened if Canada had not been what it is."

The members of the Front de Liberation Quebecois who planted a bomb in Noranda's branch office in Montreal last year would perhaps agree. For Noranda, of which Gaspé Copper Mines is a subsidiary, represents a kind of imperialism peculiar to this country — English Canadian exploitation of Quebec.

The immediate reason for the bomb was the Mattagami scandal — in the remote northern mining town of Mattagami, a subsidiary of Noranda Mines packed the school board, which allocated half of the tax proceeds for the education of the town's 25 per cent English minority.

When a company security guard and maverick school board member named Maurice Loyer tried to challenge this, his status on the board was questioned. And when Mattagami teachers appealed to the unilingualist Mouvement pour l'Integration Scolaire for help in a salary dispute, Loyer was accused of being an MIS plant and fired by the company.

"He is the kind of person who gets deeply involved in the MIS sort of thing," said general manager Murray Airth. "He was against everything the company stood for."

But Noranda had been a target for Quebec radicals and even liberal nationalists long before the Mattagami dispute erupted.

The Noranda empire (the company itself uses the term) now stretches from Murdochville to British Columbia to Nicaragua, but Quebec is still its heart. Besides the copper it tears out of the Gaspé interior, it mines copper and gold in the Horne, Quémont, and Normetal mines at Rouyn-Noranda in the Abitibi region of northwestern Quebec, zinc at Mattagami, and more copper at nearby Joutel.

But the head office is on King Street in Toronto, as it always has been. The man who first found gold at Rouyn-Noranda and started the whole thing forty-five years ago was a Nova Scotian, Edmund Horne. Anglo-Canadians made up the syndicate that first staked claims in the area.

The first big money was poured in by Americans — including a Du Pont and a Rockefeller. And they chose as first president of the new corporation a rising young Toronto lawyer, James Y. Murdoch.

Noranda Mines flourished with the co-operation of successive Quebec governments (Hon. J.E. Perrault, minister of mines in the Liberal government of Alexandre Taschereau, was such a zealous friend of the company that he was named to its board of directors after he left politics in 1937), but it resolutely maintained an English face. It conducted all its affairs in English and required all employees to speak English.

But in 1965, Rene Levesque was Quebec's minister of natural resources, and this was no longer good enough. Levesque said Noranda had behaved a hundred times worse than American corporations in Quebec — "which isn't paying the Americans any compliment." He attacked the company for its disregard of Quebec society and for its anti-labor policies: the Murdochville affair was only one example.

In 1953 the workers at Noranda fought a bitter strike on the issue of union check-off, which management said it would never allow. They finally got the check-off in 1964 — by government legislation.

"Here you have the perfect example," Levesque said, "of an English-Canadian company moving into a French society, and milking it for all it's worth."

Noranda's answer was to call Levesque "a lackey of the Steelworkers' Union" and to bring in as manager of its Noranda mine an old company hand named Herve Berube. But the secretaries at Noranda still greet you in English, and they talk about "Mr. Bayroobay" — which the French workers have taken to calling him as well. And union organizer Theo Gagne says that the assistant manager, a man named Patton, has far more power.

Meanwhile, the minimum wage at Noranda is \$2.40 an hour while that at the Inco mine and smelter in Sudbury, Ont., is \$3.

Yes, James Y. Murdoch, it is companies like Noranda Mines that have made this country what it is.

in 1957. The judgment places the whole future of the labor movement in this country in jeopardy, for the issues involved in the case are fundamental — the right of workers to organize, to belong to unions of their own choice, and to go on strike for their grievances.

That such a judgment should have been made at this time reflects the harsh political climate in Quebec and across North America. It is a judgment in the spirit of Remi Paul and John Mitchell, a law-and-order judgment — or perhaps, as one Steelworkers representative put it, a 'law-and-disorder' judgment. In his majority opinion (the lone dissenting judge said the company should be held responsible for 25 per cent of the damages), Judge Gerald Fauteux says, "our law does not and cannot admit, without destroying itself and making way for anarchy...recourse to force as a legitimate means to insure recognition of a right which a person may claim, manifestly well founded as the claim may be."

The Court has placed itself, as the Quebec Superior Court and the Quebec Court of Appeals did earlier, squarely on the side of the corporations in their continuing battle with labor unions. It has set a precedent that gives any corporation that has been hit with a wildcat strike a green light to slap a lawsuit on the union involved. It has made any future union action outside the law very risky and expensive, while demonstrating clearly the futility of action within the law and the anti-worker bias of the legal system.

And it has sanctioned the actions of Gaspé Copper in trying to prevent the Murdochville workers from organizing — actions that led to the strike and made it illegal in the first place.

The Murdochville strike polarized Quebec society much as the strike against the American-owned Johns-Manville Co. at Asbestos had done eight years earlier.

The entire Quebec labor movement (usually badly fragmented but united on this issue), intellectuals like Universite de Montreal law professor Pierre Elliott Trudeau, and one courageous newspaper rallied in support of the strikers.

On the side of Gaspé Copper, then and now 98 per cent owned by the Toronto-based giant Noranda Mines Ltd., was the big-business-backed provincial government of Maurice Duplessis in Quebec City.

* * *

The rich copper deposits in the mountainous, uninhabited Gaspesian interior had been eyed longingly by Noranda Mines since the 1930s, but it was not until after the Second World War that development was begun. With the help of the provincial government power lines were put up, roads were built, and the town of Murdochville (named after Noranda president J.Y. Murdoch) was created to service the company's mine and smelter. The new town had eight streets (two with comfortable houses for the local managers, the rest with modest houses for the workers), a Hudson's Bay store, and a branch of the Bank of Nova Scotia (of which Murdoch was a vice-president and director).

The Steelworkers first tried to organize in Murdochville in 1952, and 700 of the 800 workers then on the site signed Steelworkers cards. But the company argued before the Quebec Labor Relations Board that this was only the construction stage and the personnel would change when production began. It succeeded in preventing certification. Two union leaders were fired.

Meanwhile, the International Union of Mine Employees entered the picture, and the company made no secret of its

preference. Steelworkers organizers were not allowed within five miles of Murdochville, and when they camped outside that limit, Gaspé Copper manager John Metz paid a visit to their tents to tell them to "keep the hell out of the property." When they called a meeting of disaffected workers camped outside Murdochville, they had to contend with the provincial police, who broke up the meeting and dispersed the miners.

The International Union of Mine Employees, Gaspé District, was certified by the QLRB in the spring of 1954. Soon after, a contract was signed with Gaspé Copper. Its key clause read:

"The company reserves to itself the exclusive right, without any obstacle, to hire, dismiss, classify, permute, move, lower in grade, fire, suspend, or discipline employees."

But in 1955, the two giant labor organizations in the United States amalgamated, provoking a corresponding fusion in Canada and the absorption of the International Union of Mine Employees into the Steelworkers. Again the Steelworkers began to organize, and obtained 80 per cent affiliation.

Then in August, 1956, the company demanded and obtained an injunction preventing the QLRB from ruling on the Steelworkers' request for certification. Repeated requests by the union for a meeting with the company were turned down. Union leaders were denied promotions and bonuses. The company unilaterally announced a wage increase to try to undercut the union, in clear violation of the Labor Relations Act. By March, 1957, the tension in the little company town had become unbearable.

* * *

On March 8, Theo Gagne, who had worked at Gaspé Copper for two and a half years, was called aside by his foreman. The foreman, whose name was Dempsey, told him he was being fired — "the company has no further work for you," was his only explanation.

But the workers suspected deeper motives for the firing. For Gagne was president of the Steelworkers local and had been involved in attempts to organize in Murdochville since 1954. Rumors circulated that a hundred more workers would be dismissed (in fact, after the strike there were 200 fewer workers in the plant than there had been in March). Two days later they went on strike.

The company quickly had the strike ruled illegal, on the grounds that the Steelworkers were not certified. As a result, a contingent of Duplessis' provincial police appeared in the town in mid-April: until then, the strike had been quiet. The cops broke up picket lines, searched automobiles, prevented assemblies, and harassed the strikers (maintaining the picket line was difficult enough under ordinary circumstances, since most of the strikers did not live in Murdochville but in the myriad little communities stretched out along the Gaspé coast, and came into the town only once a week to receive their strike pay of \$10 to \$45, depending on the size of their families).

Another result of the illegality of the strike was the lawsuit, for more than five million dollars in damages.

Meanwhile, the campaign to break the strike continued. Gaspé Copper branded the strikers as a minority and accused them of violence (in fact there were no incidents until well after the police arrived) and created "citizens' committees" to oppose the strike "in the interests of the community." At the beginning of May it announced with bravado that production was beginning again — it did, about a month later, with a skeleton staff of scabs.

Claude Jodoin, president of the Canadian Labor Congress,

repeatedly demanded that Premier Duplessis try to settle the strike, but Le Chef's only response was to bring in the cops. The Canadian Catholic Confederation of Labor (later the Confederation of National Trade Unions), normally at odds with the CLC, declared its total solidarity.

Press coverage was extensive, but only the little Montreal daily *Le Devoir* — whose opposition to Duplessis in the face of silence on the part of the larger-circulation newspapers won it lasting respect — showed any sympathy for the workers. Editorials by Gerard Filion (now president of Marine Industries Ltd.) and Pierre Laporte (now of the Quebec Liberal Party) denounced the collusion between company and government.

The *Montreal Star* did not even report the strikers' grievances until the end of June. Later it sent a correspondent, who wrote back on July 19 that "an atmosphere of listlessness hovers over this progressive community, where only a few short months ago all was happy activity around Gaspé Copper Mines."

In reality, a bitter conflict was just entering its bitterest period. On July 12, three strikers were injured in an explosion — one of them, Herve Bernatchez, died of his injuries a few days later. The CLC and CCCL jointly organized a march on Murdochville August 19.

It ended with strikebreaking Gaspé Copper workers running wild in the streets, sacking the Steelworkers office as the provincial police looked on, and with the strike's second death, a striker who died mysteriously on the picket line. Jodoin met with Duplessis and there were promises of an inquiry, but a week later the premier categorically refused to intervene, saying "tempers are too heated and there is no chance of cooperation at this time."

Pierre Elliott Trudeau made a speech on August 25 over a radio station in New Carlisle on the Gaspé coast, attacking the company and defending the workers' right of free association. He said:

"I have seen, at Murdochville, men seriously injuring other men, ransacking offices and properties, destroying cars and sowing terror, all under the benevolent eye of a company, while the provincial police maintained a complicit neutrality. Because of this systematic and criminal passivity on the part of the representatives of order, men have had to fire at others who attacked them in their own houses . . .

"Gaspésians are breaking the heads of other Gaspésians, so that an anonymous company, which belongs completely to another anonymous company, which in turn belongs to shareholders comfortably settled in Montreal, Toronto and New York, can exploit the soil and the workers of the Gaspé under conditions of work and production that this company has the sole power to determine."

On September 7, thousands of workers marched on Quebec City to protest the government's attitude. Jean Marchand, secretary-general of the CCCL, said "it is not the workers who are preparing the revolution, it is the Duplessis regime." On September 13, two hundred workers in Montreal showed their solidarity by invading and ransacking the freighter 'Mont-Royal,' which carried a cargo of copper from Murdochville. On September 19, Gagne led a group of strikers in holding back a train loaded with Murdochville copper in the Gaspé town of Chandler.

These were impressive gestures, but they could not hide the fact that the strike had been effectively broken. A Superior Court decision on September 24 throwing out the Gaspé Copper injunction and removing the legal obstacle to certification of the Steelworkers provided little comfort to the strikers.

There was a much greater obstacle ahead — there were 800 scabs working in the plant.

On October 5, the strike was called off; mine manager Herve Berube said that "the dismissal of the strikers is final." Three days later he added that 200 strikers would be rehired "individually" — and they were.

* * *

The Murdochville workers were grouped in a company union, and it was not until 1965 that the Steelworkers succeeded in organizing Gaspé Copper again. In the summer of 1969, there was another strike in Murdochville — the company, up to its old tricks, appealed to the workers over the head of the union, and the strikers were forced to settle for considerably less than they wanted.

Maurice Duplessis died two years later and the winds of moderate change swept over Quebec City. *Le Devoir* became the intellectual voice of the Quebec native establishment. Trudeau and Marchand went to Ottawa.

Theo Gagne now lives in Noranda and is the chief Steelworkers organizer in the Abitibi region. His old adversary Herve Berube is also in Noranda, brought there as mine manager by the parent company as a response to demands from Rene Levesque, natural resources minister in a different Quebec government, that Noranda give itself a French face.

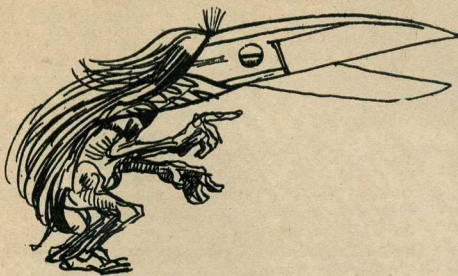
The court case dragged on for seven years, until Mr. Justice Antoine Lacoursiere of Quebec Superior Court awarded the company \$1,747,645 plus 5 per cent annual interest from December 31, 1957. In the judgment, which Claude Ryan of *Le Devoir* called "a document of questionable social inspiration," Mr. Justice Lacoursiere dismissed the company's efforts to prevent the Steelworkers from organizing with the statement that "one cannot refuse the company at least the right to have preferences regarding the various unions with which it will be called upon to transact labor agreements; one cannot, further, contest its right to express its preference by legal means."

Parts of the judgment read more like company public relations than a legal document (Gaspé Copper actually had excerpts from it printed up and distributed in leaflet form). It contains chapter headings like "The alleged firing of Gagne and a hundred employees was a pretext" and "Representatives of the defendant (the Steelworkers) encouraged violence and were complicit in numerous misdemeanors and criminal acts." The testimony of company witnesses is accepted at face value while that of union witnesses is dismissed.

In 1967, the Quebec Court of Appeals upheld Mr. Justice Lacoursiere's judgment, while reducing somewhat the amount of the award. Three years later, the Supreme Court handed down its opinion; by this time it was estimated that the Steelworkers would have to pay between \$2,500,000 and \$3 million in damages, interest, and costs.

And farmers and fishermen continued to come to work in the mine at Murdochville from all around the Gaspé region, which remained one of the poorest in the country.

Robert Chodos is a member of the *Last Post* editorial cooperative.



Kley

LAST POST

REVIEWS

Five Legs by Graeme Gibson, House of Anansi paperback, \$2.50.

The gaunt farmhouses and fading communities of southern Ontario are important landmarks for the Canadian novelist: they mark the historical frontiers of the real Canada.

Here was spawned the Canadian bourgeois-who-might-have-been: here he remains, long since bought out by American capital, sociologically encysted, culturally besieged — a victim of a historical process which denied him the right to develop a hegemony in Canada and which now, in the form of an increasingly Americanized cultural identity, will not leave him alone.

His ideology is his main bulwark: a virulent Calvinism which freezes any would-be aggressor in his tracks: a god-fearing, hard working, self-righteous and yet self-hating ethos.

At his most successful, our thwarted bourgeois clips coupons over brandy-and-soda at London's Hunt Club; at his nadir he stares purse-lipped from the window of a peeling two-storey in New Hamburg.

His sins, says Graeme Gibson, are visited on the heads of his children, young and not-so-young.

Five Legs is a very complex historical and psychoanalytical allegory: on one level, a first-hand view of the mechanics of self-oppression; on a second, a portrait of the generational procession — not gap — between the 1950s and the early 1960s; on a third, an ideological critique of the Protestant ethic and, incompletely, of capitalist social relations.

The book describes a day in the life of Lucan Crackell, an English professor at

the University of Western Ontario, and Felix Oswald, an unsuccessful graduate student, both forced against their will to return to Stratford, Ontario to attend the funeral of a mutual acquaintance.

Stylistically, **Five Legs** is an awesome piece of work, written in a stream of consciousness style which somehow combines elements of both James Joyce and J.P. Donlevy, and which forces the reader directly into the minds of the main characters.

Difficult to begin, the book quickly becomes impossible to put down.

Crackell is attending the funeral as a representative of UWO; he's only going in the hopes of getting a promotion. On the trip to Stratford he begins re-living long-repressed events from his past: his dismissal from the Stratford high school for drunkenness, the bullying of former school-mates, nightmares about death learned directly from the Old Testament.

Crackell hates himself, and hates himself again for doing so: he hides behind egocentric posturing, sexual bravado and condescension only to be eventually discovered and destroyed by ridicule.

Oswald fled his home and his rabidly anti-Catholic parents at Stratford for England, where he hoped to find love and creativity. He deserts both to return to university, further his career. His frustration and self-hatred dissolve into hallucinations by the time he actually reaches the funeral; he escapes into fantasy as the pressures on his consciousness become too much to bear.

Oswald obviously represents the alienated generation, struggling against a middle class ethos in which Crackell was

too embedded to do more than suffer and pretend.

Both are simultaneously victims of and heirs to the Protestant ethic, their response to its oppression is either self-destruction or transcendence, but a transcendence of a mystical nature.

Gibson's work is a devastating and searching critique, but one carried out from the perspective of the neo-Marxist humanism of Erich Fromm or Paul Goodman: it fails to resolve anything concretely.

Gibson clearly shows that the cops are in our heads: that our inability to rebel against the system is mostly self-induced. But he deliberately leaves out the corollary of the statement, the necessity for total confrontation. Instead, he retreats behind spiritualism, fantasy, in his sympathetic portrait of Oswald, his hero.

But such an answer is utopian in its perspective on the present; it even mystifies the world beyond Stratford to the extent to which it is not included in the critique.

Five Legs does not respond to the real challenges posed by the nature of conditions now: it is certainly one of the best Canadian novels to be written recently, but it also reflects another real Canadian dilemma, the inability to come to grips with the realities of the social and psychological contradictions which define our colonial status.

The would-be bourgeois of southern Ontario is, after all, still only a would-be. What about those who superseded him, and the conditions they represent?

by GEORGE RUSSELL

LETTERS

Dear Last Post:

I had the chance to read most of the articles of your magazine (Dec 69) and I want to tell you it interested me very much. I was particularly pleased by the one on "Ford" and that on "Quebec into the streets". I consider the latter is a very penetrating resume of the most important events of Quebec "revolution" for the last months. I hope your magazine will reach many Canadians and many Americans. The Quebec struggle must be known by every North American militant and become his own struggle, the same way as we in Quebec must assume the struggle of all progressive movements of our continent.

I would say like M.L. King, "I have a dream"... Mine is that all progressive movements of North America cooperate narrowly. Otherwise our efforts would be senseless, unuseful. America will be a continent where everybody can live happily when every people (people) living on it, Indians, Black, Mexican, French, Anglo-Saxon..., can live as they please, cooperating among themselves.

Imperialism is behind racism, no doubt. Racism is going to stay as long as imperialism will. In other words, Westmount and Saint-Henri cannot stay in good terms for long now. We cannot rewrite the history of this continent, but I hope we can try to shape a better future.

I would be happy to read your magazine every month. Anyway, be sure I am going to make it known among my friends here in Montreal and abroad.
Long live the Last Post!

Fraternellement,
Charles Gagnon
Montreal

Editor's Note: An article on the cases of Charles Gagnon and Pierre Vallières, leaders of the 1966 Front de Liberation Quebecois, appeared in the December issue of Last Post.

Dear Last Post:

Thank you very much for the complimentary copy of your new magazine. Unfortunately, the extreme, fanatical bias evident in the articles precludes any possibility on my part of wishing to subscribe. As a person who used to consider himself a radical — before the absurd pseudo-revolutionaries of the so-called "new left" took over the sobriquet, somewhat dubiously, for themselves — I find it disheartening to see so much undeniable brilliance and so much genuine concern devoted

to simplistic, negative, and paranoid attacks against every institution of our present society, and such doubtful causes as Quebec separatism, violence for violence's sake, and "women's liberation" advocated in the pages of your magazine. Regretfully, I am sir,

A former comrade,
Peter Flaherty
Weston, Ontario

Dear Last Post:

Having just read your first issue I am much impressed by the fact that at last there is the beginning of a press in Canada which is responsible to the people and has the guts to expose the machinations of the government and capital against the people of this country.

James T. Russell
Kingston

Dear Last Post:

Thank you for your sample copy of the Last Post. This is the sort of thing we need in Canada... All this talk about "Freedom of the Press" is alright, and no doubt the press generally speaking is PERHAPS less shackled than in some other countries... BUT, that does not make it any more available to the letter writer who wishes to express opinions which do not conform but which otherwise are written in courteous and intelligent language. PARTICIPATION (Wow.....)

C.J. Carr
Victoria

Dear Last Post:

In 1902, when Boozin' Bob Edwards put out the first High River edition of his Eye Opener he stated it would be published "semi-occasionally", and that "it will be run on a strictly moral basis at \$1.00 a year. If an immoral paper is the local preference, we can supply that too, but it will cost \$1.50."

Please find enclosed my congratulations and a cheque of \$4.00. I'd love to pay more to have my moral outrage spiced with immoral outrageousness — semi-occasionally, I assume. Down with MacLean's!

Rob Iveson
Toronto

Dear Last Post:

While the anti-war movement in the United States grows both in size and impact, Canada continues to ignore the moral question of its involvement in Vietnam. The fact of Canadian complicity is unquestionable.

Canadian industry has supplied,

through the Defence Sharing Agreement and through direct subcontracts, well over a billion dollars worth of military equipment to the U.S. in the past few years. Canada's role on the International Control Commission of supplying intelligence information to the CIA has been exposed by former Canadian delegates on the ICC. Canada has sent over \$8,000,000 of aid to the Saigon regime, not a penny to the National Liberation Front or to Hanoi. The list goes on.

We ask the following of the Trudeau government:

- dissociate Canada from the U.S. war
- impose an embargo on military supplies to the U.S. for the duration of the war (as Sweden has done)
- institute immediately medical aid programs to all victims of the war
- reactivate the ICC as an objective reporter of the nature of the conflict
- institute sympathetic immigration procedure for Americans trying to escape the War Machine.

As part of an overall attempt to educate and mobilize Canadians, we are organizing a march on Ottawa on February 9th and 28th. With this we hope to pressure the government, inform the people and give encouragement to our American friends who have taken to the streets.

For any further information please contact Jacques Siemietycki (514) 843-6085 or Joel Kreps (514) 844-6210

Yours for peace,
(McGill) Moratorium Committee
Montreal

Dear Last Post:

Thank you for sending me a complimentary copy of your new journal. While I do not particularly share your optimism about either the possibilities or the effects of revolutionary change, I do find your analysis of certain aspects of Canadian society extremely penetrating and to the point.

Could we see in the near future something about the Stanfield-Marchand approach to regional development? Since northern development, in particular, is the coming thing, I feel that the Canadian people ought to be told just what sort of a boondoggle the Liberal and Conservative parties could get them into, if they pursue this project like they have pursued their prototypes in the past (viz. Mr. Stanfield's much-touted Industrial Estates Ltd.).

Henry David Rempel
Fredericton

And

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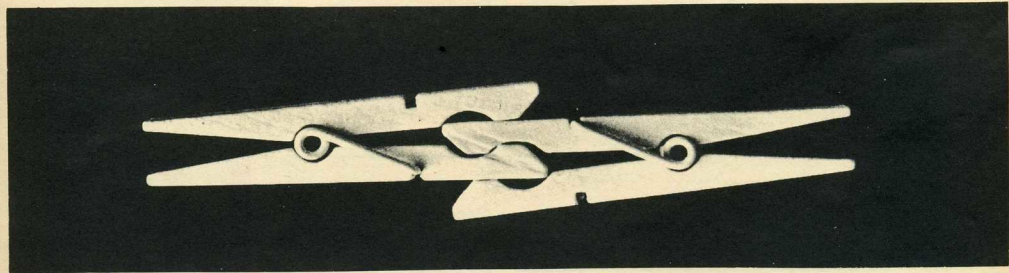
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