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THE LAST POST Vol.1 No.3

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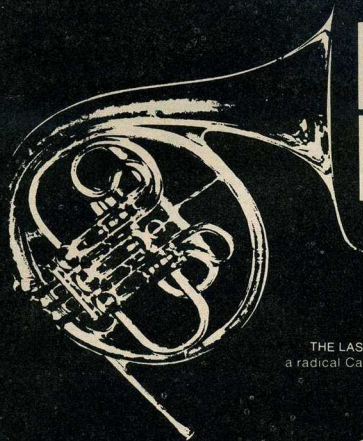
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Editor's Note:

This is an abbreviated version of an original Jamaica Tourist Board advertisement which appears regularly in American magazines.

For more details, see page 44.



LAST POST

THE LAST POST Vol. 1 No. 3
a radical Canadian newsmagazine

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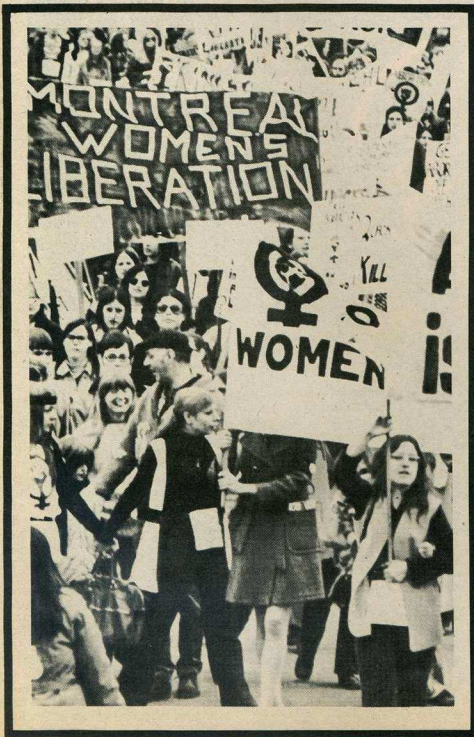
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News Briefs

LAST POST



Abortion march only a start

"We are FURIOUS WOMEN in a nation that does not recognize or respect our basic rights as human beings and citizens of Canada."

— from an open letter to Trudeau from the Saskatchewan Women's Liberation Group.

It was with this sense of urgency that Canadian women met on Saturday, May 9 on Parliament Hill in Ottawa to present demands to the federal government. The brief focussed on the introduction of emergency legislation in this session of Parliament to remove all mention of abortion from the Criminal Code. But it also insisted that the government act upon a whole spectrum of responsibilities.

Women want the government to research safe and effective methods of birth control and to make their findings public. Drug companies, who make the second highest profit margin of any industry, cannot be expected to conduct impartial studies which might potentially damage sales. Women want the government to finance, through the taxing of corporate profits, community-controlled clinics which would provide free birth control, abortion on demand, and pre-natal care. And they want the government to start now.

The idea of an abortion caravan which would travel across Canada, alerting women along the way to the demand for free legal abortion, originated with the Vancouver Women's Caucus three months ago. The idea of an Ottawa demonstration was prompted not only by the total inadequacy of the "liberalized" abortion law which came into effect in August, 1969, but also by the brick wall of response accorded to the Vancouver women by the federal and

provincial governments, as well as the medical profession.

Canadian women had long known that the new legislation approving therapeutic abortions would fall far short of their needs. For in explaining the legislation to groups hostile to abortion, Trudeau (then Justice Minister) in March, 1968 had stated that in fact his bill was intended only to "clarify" the existing law rather than to create a change.

While D.B.S. has no statistics on how many illegal abortions are performed in Canada, unofficial estimates and surveys indicate that at least 100,000 take place with as many as 2000 resultant deaths. Women speak advisedly, then, when they accuse the government of a continuing process of murder.

On May 9 in Ottawa, some 400 to 500 demonstrators crowded into the Railway Committee Room of the House of Commons. They were there to read their brief to the government, and they were there to enable women to be heard.

Doris Power, a member of a poor people's group in Toronto, "The Just Society Movement", 8 months pregnant, a woman refused a therapeutic abortion, spoke of the need to bring the movement to all women in society.

Women on welfare described their mutual problems. Some had been refused effective birth control. The few who are granted legal abortion have surmounted red tape, psychiatric examination and humiliation. In some cases they have had to agree to sterilization; medical treatment is often inferior and often accompanied with pious moralistic judgments.

An Ottawa woman, who lives in a public housing unit, told the group that many of her friends would support the movement and pleaded with the group to present the campaign in less intellectual terms. As Doris Power summed it up, the solution will not be found by staying in the universities, but by going to the slums — where the problems are.

No representative of the government showed up to meet the women, despite the many attempts made to reach the Cabinet. All Members of Parliament had been invited, but only four appeared: three N.D.P. members, including Grace MacInnes, (the only woman M.P.) and one Conservative. Justice Minister Turner, who had claimed that the group had sent him "ultimatums, demands and threats" would say on television that night that the law would not be reviewed for at least two years. Mean-

while, in New York State, in July 1970 abortion becomes a matter between doctor and patient in the first 28 weeks of pregnancy.

To Trudeau's celebrated statement that the state had no place in the bedrooms of the nation, the women's brief responded that "Trudeau's 'Just Society' has no place in the wombs of the women of Canada."

A collective decision to march on the Prime Minister's Residence on Sussex Drive arose from the determination of the women to receive answers to their specific demands. The women left the front lawn only when it became clear that the official silence would not be broken that day. In leaving, they deposited a black coffin and the tools of an abortionist on the doorstep.

The Vancouver caravan had travelled across Canada in three weeks in an exhausting trip, stopping in ten major cities, as well as some smaller communities. To educate and to involve women in the campaign, they held public meetings, where attendance ranged from 50-200 people.

They presented street theatre dramatizing the present situation; they handed out leaflets and discussed the issue with women; they listened as women described their experiences. The eagerness of women to learn of the campaign, the anticipation with which they awaited the caravan as it moved east, and the rapport established between the women's liberation groups in the different cities and towns gave the Caravan women the sense of a growing movement.

As women demonstrated in Ottawa, support demonstrations took place in many centres in Canada: Edmonton, Regina, Winnipeg, and Sarnia, to name a few. Le Front de Libération des Femmes in Montreal did not attend the Ottawa rally, as they do not recognize the authority of the federal government. They instead sent an expression of solidarity and demonstrated on May 10 (Mother's Day) in Lafontaine Park in support of the action. For the next weeks and months, further direct actions are being planned in various communities. For angry women in Canada, it is the beginning of a long and fierce fight.

On Monday, May 11, 30 women, many of whom were in chains, disrupted the sitting of the House of Commons to the extent that the Speaker asked for adjournment. Outside the House, there was a symbolic burning of Section 237 of the Criminal Code.



SGWU Blacks get a taste of just society

"You have already cost the Canadian taxpayer enough."

— Judge Kenneth Mackay, in administering fines instead of jail sentences to ten Caribbean Blacks convicted on nine of fifty charges for their part in the Sir George Williams University affair.

One can only guess at just what costs Judge Mackay was referring to. The charges on which the Blacks were convicted involved no damages or financial loss, to the Canadian taxpayer or anyone else, but he could have been thinking of the charges on which they were acquitted, since he saw fit to tell the trial jury "I may not personally agree with all your decisions." Or he may have meant the hundreds of thousands of tax dollars that

have been blown judicially since the computer centre arrests of February 11, 1969. It does not really much matter.

What does matter is that Judge Mackay's remark is illustrative of White Canadians' attitudes toward the whole Sir George affair — far from over with 75 accused still to come before the courts. The public muttered about ungrateful guests who come here to benefit from our tax dollars. They ignored the fact that of the 87 accused, only 38 were Black, 24 of those were from the Caribbean, and only one was on a Canadian government scholarship.

From the beginning, the issue in the Sir George case went far beyond the question of whether one man, biology professor Perry Anderson, was a racist. After the bust, the Sir George administration came under widespread criticism for not responding prudently to the Black students' charges against Anderson and settling the case quickly and quietly. Of course they didn't, but in fact they couldn't.

The common notion that racism is an American phenomenon existing in a vacuum remains overpowering in Canada. This was the assumption that the Blacks challenged. White Canadians' answer to their questions was unwitting, but it was clearly expressed everywhere from Montreal bathroom walls, where nigger replaced frog as the most common epithet, to the courtrooms.

Within a few days of the arrests, most of the Whites were granted bail of from one to two thousand dollars, but for the Blacks it was a different story. Three weeks later seven Blacks and a token White were still in jail. When bail had finally been set for all, the court asked as much as \$5,000 from only one White. Six Blacks, however, were hit for \$5,000, four for \$8,000, and two had to post \$14,000 — a near-record for Montreal Municipal Court.

The non-Canadians also had to surrender their passports, and since they were in Canada on student visas they could not seek employment. Nor could they go back to school, having been summarily suspended from Sir George pending the outcome of the court cases. In other words, they were imprisoned in Canada, without the usual bread and water.

Meanwhile Sir George, acting as a private complainant (the police laid no charges), moved to take 12 charges against each of the 87 accused. It was represented in court (for an astronomical fee) by Montreal lawyer Claude-Ar-

mand Sheppard, whose reputation until then had been as a champion of civil liberties causes. Sheppard's courtroom tactics, amply reported in the daily press, were widely interpreted as a play to the galleries.

In preliminary hearing Sheppard chose to proceed against Kennedy Frederick, a West Indian from Grenada who had the misfortune to be singled out as a "leader". During the 25-day hearing — the longest in the history of Montreal Municipal Court — Frederick was held without bail and brought to court in a cage-like vehicle from time to time, in which he could neither stand nor sit comfortably, his hands shackled behind his back. At the end of the hearing Frederick was freed on \$10,000 bail.

(Frederick later took sick and was allowed to convalesce in Grenada. When he did not recover by a prescribed date, a bench warrant was issued for his arrest, and on his return he was jailed. Bail was increased by \$5,000 and the student spent seven days behind bars, five of them in solitary confinement, until the additional bail was raised.)

The voluminous evidence submitted against Frederick was entered into the records of all the other accused (at a cost to the university of about \$150,000) and all 87 were charged on 12 counts — more than 1000 charges in all.

The 12 charges, which guaranteed that the case would be in court for years, stand as a monument to juridical redundancy. Twelve charges: six conspiracy, six substantive. Within each group of six are two for arson (arson, and arson endangering human life), two for destruction (computers and cafeteria furniture), and two for preventing lawful use (the computer centre and faculty lounge). In effect, there were only three alleged crimes: arson, damage over \$50, and preventing lawful use of private property.

It was probably the private prosecution's overzealous demands in preliminary hearing that led to this multiplicity of charges. Eighty-seven people — who could not possibly all be guilty of all the charges laid against them — each faced a maximum of life imprisonment. In this respect the Sir George case is without precedent in Canadian jurisprudence. Never has a mass action, led to the universal laying of such serious charges.

During the trial of the Trinidad Ten, the jury recognized this, acquitting the Blacks on all serious counts on the

basis of the prosecution's lack of evidence. Not a single witness was needed in the successful defence.

The utter absurdity of the 12 charges emerged again in court more recently when two Caribbean Blacks, who have moved away from Montreal, opted for trial by judge alone and pleaded guilty to one charge, preventing lawful use of the computer centre. The two were fined \$1000 each and the prosecution promptly dropped the other 11 charges for "lack of proof." This, although Douglas Mossop, one of the two, must have been considered one of the most serious offenders when he was assessed \$8000 bail a year ago.

(In another example of judicial paradox, Sessions Judge Maurice Fauteux, in disposing of the case, told the two; "You were guests of my country when this happened and I am sure that you would not have liked it if I had done likewise in yours." Someone should inform the man of the annual multi-million dollar boondoggle Canada pulls in the Caribbean.)

Of 1044 charges, over a year later only 50 have been heard, nine have been upheld, and 22 have been dropped.

The crown's case is being conducted by top Montreal criminal lawyer Fred Kaufman, hired as special prosecutor at \$250 a day. In the trial of the Trinidad Ten Kaufman pressed only five charges — all the conspiracy counts except the most serious one: arson endangering human life. Oddly, during preliminary hearing when Sheppard had nailed 87 people on that charge, a string of prosecution witnesses (police, university officials, and assorted "experts") testified that the students would have died within minutes if they hadn't left the computer centre when they did. During the trial — when "danger to life" was no longer necessary to prove — witnesses and the prosecution conveniently omitted that detail.

The trial was not without concrete instances of Canadian justice at work. Kelvin Robinson, one of the accused, showed up five minutes late for court one morning, and spent the next night in jail. On another occasion another accused, Edmond Michael, spent two nights behind bars after he said "I'll be seeing you" to a prosecution witness in the corridor of the court. The judge had ordered that no one speak to the witness during the break after Michael himself had asked one of the defence counsel to recommend that the court issue this order.

These incidents throw some light on

what Judge Mackay meant when he told the Trinidad Ten that they had been fortunate to have a fair trial. This may be true but it is difficult to see the fairness of the imposition of 12 serious charges against each accused with the consequences this entailed.

Mackay, acutely aware that this case extended far beyond his courtroom, may have been pleading for moderation.

For as the trial dragged to a close, the true meaning of the Sir George affair found forceful expression back home in the Caribbean. The popular upheaval in the streets of Port-of-Spain explicitly made the desperately important connection between domestic racism in North America and our economic imperialism in the world's non-White nations.

Racism-in-a-vacuum still exists, but only in the mind of the White man.

Vancouver's unemployed fight back

Alex Bonde likes his social workers shaken, not stirred.

Last summer, for example, getting wind that a bureaucrat was giving a welfare recipient a rough time, Bonde would burst into the bureaucrat's office, and with a crash, drop a nine-foot iron chain on his polished desk.

"What's that," the shaken official would ask.

"That," Bonde would pronounce, "is the chain of poverty."

It would never fail to squeeze another food or clothing voucher, an extra rent allowance or other help out of a reluctant social assistance administrator.

Bonde is a driving force behind Vancouver's Unemployed Citizen & Welfare Improvement Council. Through its welding influence, the poor of Vancouver are coming to realize they do have common links. The crash of that human chain is slowly reverberating through the city.

The story is the same in major cities across the country — the poor are fighting back. A Hungarian immigrant, vintage '56, 24-year-old Bonde helped transform a letters-to-the-editor, and-member-of-parliament type of organization into one that puts the city's welfare bureaucracy up against their padded chairs.

The UCWIC emerged publicly in Vancouver in summer, 1969. Under Bonde's influence there was an influx of younger unemployed, and the group resolved to tackle the various dehumanizing aspects of life on welfare one at a time. First target was the local banks' practice of allowing welfare cheques to be cashed only at a segregated line-up in a certain bank. Some propaganda, a few militant mill-ins at various city banks, some meetings with bank officials, and the fledgling UCWIC had won its first victory. This ended a technically illegal practice which long had been a needless inconvenience for Vancouver's welfare victims. UCWIC's membership and influence grew.

Along with UCWIC's confidence in public confrontations came an increasing ability of the organization's most militant members to deal with the social worker bureaucracy. Ignorant, uncaring social workers — to whom poverty is simply a nine-to-five distasteful proposition they are obliged to deal with, and to whom the poor are sub-humans who deserve little or no respect — suddenly found themselves faced with angry, articulate UCWIC members defending defrauded clients.

UCWIC's Voice of the Unemployed newspaper has continued to list these dozens of small-scale confrontations:

"A sister needed extra food near the end of the month, particularly since she had a new mouth to feed. Her social worker couldn't understand that empty stomachs (particularly new babies') cannot wait till next month's cheque. So she and an UCWIC sister made a visit to the administration. Result — power through organization — a \$10 food voucher."

UCWIC members say this is the life of the poor — an endless round of petty bureaucratic hassles. But where Social Welfare's arbitrary proclamations used to be the last word, the militant Council members now speak up.

Government officials are not the only people who hassle the poor. The Council's defence of its constituency has led it to take on individual landlords and businessmen too.

The council's newspaper was sold regularly in the downtown Vancouver streets last summer to raise money for the growing organization and to educate the public about welfare recipients and the poor. There were a number of incidents between Council members selling papers and the Vancouver City Police, but the police were unable to intimidate the UCWIC salesmen. The Voice

of the Unemployed continues to show currently-prosperous people something of the human condition of being on welfare — what the poor think and feel:

"People on welfare want jobs — meaningful jobs, not degrading jobs. We want work to do, work that has real social value, not meaningless jobs that don't even provide a reasonable measure of security for us and our families. We need work which our children will admire, not jobs which our children will be taught to despise us for in schools which we have built with our hands and paid for with our taxes.

"We need work that will conserve the good things of this world, not pollute and exterminate them — in short, work that supports and does not destroy life."

But meanwhile there is no work, of any kind. As UCWIC enters its second year of activity, there are 60,000 British Columbians on welfare. Last year about 30,000 welfare recipients squeaked off the rolls, but another 40,000 fell below the subsistence level and into the humiliating welfare whirlpool.

To say the least, UCWIC has its work cut out. And they're getting little help from the people who control the public pursestrings: the City of Vancouver and Wacky Bennett's Minister of Welfare Flying Phil Gagliardi.

Gagliardi, BCers will recall, was bounced as Minister of Highways a few years back after his wife borrowed a Lear Jet for a shopping junket to the US. He was also linked with land deals involving special favors to two of his sons.

After this demonstration of concern for government funds, it was no surprise that Gagliardi's first pronouncement on assuming the Welfare portfolio concerned the elimination of "deadbeats" from the welfare rolls.

This, of course, is consistent with the Social Credit myth of a prosperous BC enjoying large-scale employment, where only drunks and lazy, shiftless types are jobless.

The minister has followed up his post-inaugural comments by coming out in favor of a spy system, encouraging neighbors to fink on one another's suspected welfare violations.

While Gagliardi was fulminating, the city of Vancouver began a campaign to stifle UCWIC. By late fall, in addition to publishing the Voice, UCWIC was meeting with citizens, operating a free clothing centre, and serving over 300 free cups of coffee a day at a city welfare office. As the welfare victims organized, the city became uneasy.

In November a health inspector visited the coffee office and produced an ancient bylaw requiring that coffee be served near a two-compartment sink with hot and cold running water and an adjacent wash basin.

UCWIC found such a contraption on the third floor of the welfare building, but welfare officials at first refused to allow the council access to the sink.

The council decided to go ahead with the program, aware that it might provoke some sort of confrontation with the city. However, they found the welfare office eager to defend the program, and the authorities did not push the point. A subsequent meeting between UCWIC, health officials, and the welfare administration won the use of the sink for the free coffee program.

A further confrontation with welfare administrators came in November. The UCWIC learned that about 50 men had been forced to sleep in the streets or wherever they could one weekend because the city's hostels had filled as winter unemployment hit Vancouver. The council organized a sleep-in at the welfare office, arguing that the building was unused during the night and should be made available to people who needed it.

Welfare officials treated the sleep-in idea as a joke until the spirit of the crowd and the arrival of UCWIC members carrying mattresses and blankets convinced them that the poor were serious. For the first time, the welfare administration began issuing vouchers for any hotel in the city to accommodate the hostel overflow.

Future plans for the organization include inauguration of a free medical aid program; running aldermanic candidates in this year's civic elections; and initiation of a limited food co-operative which would deal directly with the producers (such as fishermen and farmers, who are facing increasing problems from monopolization and mechanization of their industries).

Meanwhile, Vancouver's militant jobless continue to draw attention to their plight by the means which avail themselves. When the Canadian Senate's commission on poverty visited Vancouver, UCWIC was there. They dispensed with the how-do-you-dos and minced no words.

"Poverty is a crime, and those who are responsible for poverty are criminals," their brief stated.

"These people include the slum landlords, fat loan sharks, grasping food monopolies and political hacks who

worry more about their personal careers and opportunities than solving the nation's problems.

"The people who can properly be described as living on welfare are the rich and powerful. They get millions in the form of tax exemptions, government grants and subsidies, and all the help that is available for them to make another million.

"We are not for the welfare state. None of our people are on welfare through their own wish. Young children

are potential workers; students are workers in training; mothers are workers, rearing the next generation of workers; the ill and injured are workers to be retrained if necessary; the elderly are retired workers; the broken are workers to be rehabilitated and helped."

On behalf of these workers, UCWIC offers to those not on the poverty train a translation into grim human terms of the glib statistic that such-and-such a percentage of the labor force unemployed is good for Canada's economy.

Report on Business



Ti-Jacques and the Big Boys

"It so happens that for a long time the Quebec government, under Taschereau as well as Duplessis and Lesage, has floated all its bonds through a sole financial group: the Bank of Montreal and Ames and Co. Ltd."

-Gerard Pelletier, Dec. 28, 1963

Gerard Pelletier is now in Ottawa and the Federal Cabinet, far away from monopolies and financial cartels.

But the Quebec government still has to live with "St. James Street" and the barons of Westmount. And live together they do, right in the same bed.

However, as in all illicit affairs, there have been some spats, particularly when the mistress in as tempestuous as Quebec. The master, the cartel, angers easily and its wrath is felt all too often.

Normally this can be put down as conjecture, but lately one man has come along who is in a position to chronicle some of the machinations of the financial cartel that runs the Quebec bond market. He is Jacques Parizeau, now with the Parti Québécois, but formerly a big-gun financial advisor to both the Johnson and Lesage governments, as well as the Federal Government.

The cartel, headed by Ames & Co.

and the Bank of Montreal, controls all bond issues for the Quebec government, a position which gives it a large amount of influence, some would say power over the province.

A short time ago, M. Parizeau wrote an article, published in the Montreal dailies **La Presse** and **Le Devoir**, detailing some of his experiences with the cartel while advising the Lesage and Johnson governments (**The Montreal Star** had the article formally translated but decided against using it. Otherwise, the article and subsequent commentary were almost totally ignored in the English press.)

To start off with, economist Parizeau explained how the Montreal-Toronto group enjoyed a complete monopoly in underwriting Quebec government bonds. It was a happy arrangement until 1962 when the Quebec Liberals were returned to power with a mandate to nationalize the province's hydro-electric resources. That required capital, to be raised by bond issues.

Unfortunately, says Parizeau, "the Ames-Bank of Montreal-First Boston group had complete sympathy for Shawinigan Water and Power, the chief private hydro corporation, and its principal shareholder, Power Corporation." (Power Corporation today is one of the chief bankrollers for the

Trudeau-Bourassa Liberals and Canada's biggest financial powerhouse.)

"For all practical purposes, it was a cartel. There was no way to get around it in the Canadian market." The cartel wasn't about to help out in the nationalization of one of its friends.

But, despite the efforts of the group's American ally, the First Boston Bank, the New York market wasn't easily closed.

"On November 21, 1962, the securities house of Halsey Stewart of New York offered to assemble a credit opening of \$350 million, if the Quebec government decided it needed it.

"Immediately, the cartel, threatened with the loss of the commissions on such a large sum, abandoned Shawinigan Water and Power and accepted that the loan be made in the United States, with First Boston as intermediary. Halsey Stewart was invited to join; that was the least they could do." (Parizeau doesn't mention it, but its generally agreed the province paid a grossly over-inflated price for the hydro resources.)

...but it was clear that the government and the cartel were headed on a collision course. Initiative regarded as "leftist," or intentions that were clearly "autonomist," were bound to incur the displeasure of a milieu which insisted that politicians remain blowhards (make promises) but never that they carry them out."

The trouble came during the summer or 1963. Walter Gordon had delivered his "nationalist" budget, the U.S. passed the Interest Equalization Tax bill and the bond market was depressed. Quebec delayed its bond issue for two months.

"That was the time chosen by the cartel's directors to teach the government a lesson." They imposed, for that time, Draconian conditions. The net cost for the province would be 6.28 per cent and the syndicate would only guarantee, for the first time, two thirds of the required sum."

Parizeau goes on to explain that the cartel held meetings in Montreal on September 13, and Toronto on September 16, to hammer out the conditions. Only one member of the steering committee protested. Rumors circulated that a huge Canada-USSR wheat sale was in the offing and the market was firming up.

"But the head of the cartel, Monsieur Chapman, refused to be moved. On the eve of the issue, the wheat sale was announced. The next morning the

Quebec loan became a Premium issue when the market opened. Within 48 hours, the profit made on the capital raised, by the members of the financial cartel and their immediate clients, was in the order of \$3 million."

Mr. Parizeau goes on to explain how Eric Kierans, then Quebec's Finance Minister and a former stock-exchange president, led an attack to break the cartel in two. He succeeded, but only to the degree where the two groups agreed to take alternate bond issues, without competing with each other. (They have since patched up and gotten together again.)

The major problem facing Quebec, as Parizeau explains it, is that when it comes to bond issues provincial governments are on exactly the same footing as private borrowers, like the Bell Telephone Company. When the Federal government seeks a loan, it is guaranteed by the Bank of Canada which picks up the unsold portion of an issue. That's why Quebec went ahead to create its own Pension Fund, a repository of a considerable sum of capital and a threat to the cartel's monopolistic powers.

This proved to be a boon when the Lesage government decided to cut back on grants to McGill University and give more to the French-Language universities. McGill receives considerable amounts from private industry, the others do not.

The financial establishment reacted angrily to this cutback, and the Toronto market became effectively closed to Quebec bond issues. The Quebec Pension Fund filled in the gap.

Nevertheless, the cartel still held exclusive control in underwriting bonds.

This became very evident after Daniel Johnson and the Union Nationale came to power in 1966. Johnson an artful "patineur," maintained a firm, if less obdurate line towards McGill. But the financial community was more apprehensive about his insistence on sticking to his "equality or independence" stance and his demand for all direct taxes. When René Lévesque launched his "Option-Québec" manifesto on September 18, 1967, the apprehensions increased. By coincidence, a couple of weeks later Churchill Falls Corporation, backed by the Rothschilds of London, attempted a bond issue on the Montreal market. It flopped miserably, a complete fiasco (a result of investors realizing the company wouldn't be in a position to pay any dividends for at

least 10 years.)

The Churchill Falls failure, very embarrassing to all concerned, was pinned on René Lévesque. The Great Quebec Financial Panic was on. Wealthy West-mounters started transferring securities holdings outside the province.

Daniel Johnson's health was not the best and he went to Hawaii to recuperate. St. James Street was worried about a month-long silence and Johnson's refusal to abandon his demand for all direct taxation powers.

Marcel Faribault, president of Le Trust Général du Canada and one of the few French Canadian capitalists to make the big time, was dispatched to Hawaii to tell Johnson the facts of life. Some say he even dictated Johnson's famous "Hawaiian Declaration": "We did not receive a mandate to build a Chinese Wall around Quebec..."

The statement was warmly received by the financial community and the English press.

Johnson followed up with an address at McGill's fall convocation. Written in Hawaii, and read by McGill's principal Rocke Robertson, the address maintained unequivocal support for federalism, adding that McGill University 'serves all Quebecers, whatever their origin, and is a centre of learning which is a source of pride for the entire province.'

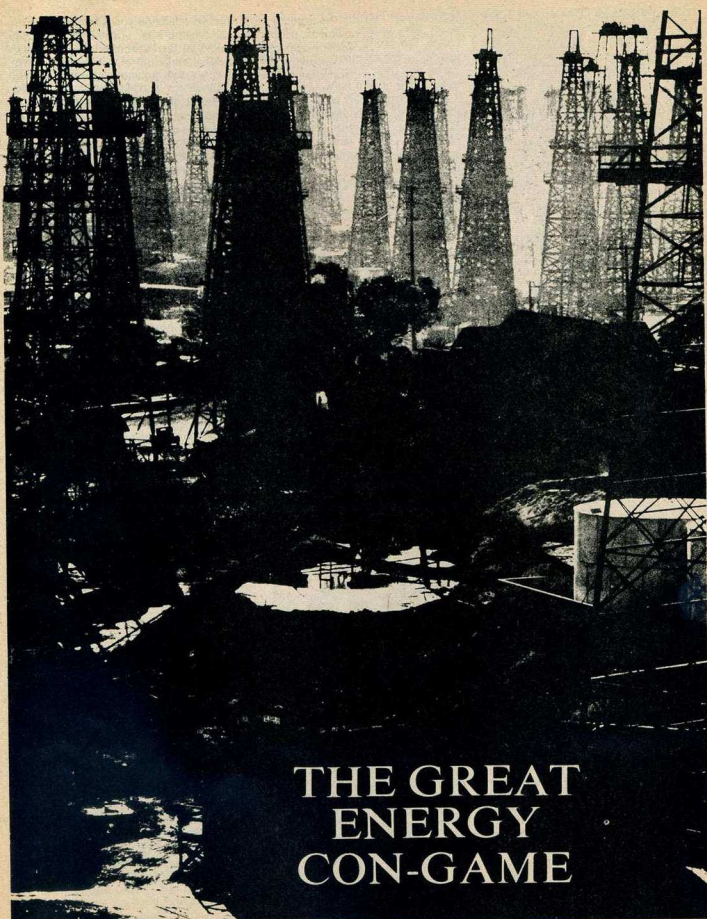
Meanwhile, the attack against Lévesque continued at full speed, aided by numerous stories about the 'flight of capital.' The Churchill Falls fiasco was made an example of what would happen if Lévesque got his way. Finally, Eric Kierans led the movement to drum Lévesque out of the Liberal party, on October 14.

On November 1, Marcel Faribault and his Trust Général sidekick, Jean-Guy Cardinal, were welcomed into the provincial government — a move interpreted as a rapprochement with financial circles, the papers said at the time.

Parizeau adds that it may have appeared the financial cartel lost some of its power when Quebec succeeded in borrowing in the West German money market. However, he points out, Ames and Company was right there to arrange the deal.

Jean-Jacques Bertrand proved more compatible to financial circles, although Parizeau says it did require a certain amount of pressure to get Bill 63, the language legislation, drawn up.

And with Robert Bourassa as Premier, the cartel won't be obliged to resort to crude measures, in the best of all possible worlds.



THE GREAT ENERGY CON-GAME

by Gordon Cleveland

I. The 'Gee-Whiz conference'

If it's often proposed that it is a characteristic of the Canadian people to forgive, it is certainly a characteristic of the Canadian press to forget. It was certainly true last May 12, at any rate, when our own Joe Greene, Minister of Energy, Mines and Resources, flew back from Denver wrapped in a Canadian flag to be hailed by the attendant Toronto newspapers as one of our great nationalists.

What Mr. Greene had done to merit these accolades was to have told off the American oil barons, gathered for lunch in a Denver hotel, sternly warning them that Canadians were not to be toyed with. In fact, Canadians wanted no part of the American way of life, Mr. Greene declared, sending a wave of thrills through the Ottawa press gallery.

Like the grandiloquent speeches of presidents of Latin American republics before fruit-growers' associations in Washington, the Denver speech was clearly for domestic consumption.

Greene spoke before the Independent Petroleum Association of America, the surface organization of the massive southern oil lobby whose shadow cabinet is that large body of Senators and Congressmen that constitutes the front-line of entrenchment in Washington.

Joe Greene was making a very calculated, if transparent, move.

It was the slightly pathetic move of pawn two squares forward in a continuing chess game Canada is going to lose—and which it's not hard to argue is already lost.

It revolves around an elusive political Snark labelled the "continental energy policy", a major watershed in the waning of this country's political independence in the face of American economic imperatives.

For some time Canadian and American officials have been meeting regularly to negotiate this scheme, which would lift all national barriers to the flow of Canadian oil, gas, water and coal to the increasingly thirsty-markets of the northern industrial United States.

Since the beginning of the Nixon administration, increasing pressure has been brought on Ottawa to embark on the long negotiation road towards a North American free market in energy, which would open lucrative US markets to the Alberta oil and gas producers, but at a staggering political price.

It is a scheme that would set up a central authority on what resources would be exploited, how transported, to what markets, and at what prices. A sort of Common Market in oil, water and gas, it would mean that only the most profitable resources would be exploited, principally for the markets that need them most. It would constitute a suspension of national political considerations for economic expediency.

It would also mean plugging our energy production even further and irrevocably into the industrial needs of the United States, abdicating what tattered vestiges remain of an independent Canadian national resource policy.

The urgency with which Washington views the need to implement this continental scheme was reflected in the quota Nixon slapped on Canadian oil last March, a brisk reminder to Canada of its dependence on US oil markets and a move to pressure Ottawa into hastening its entry into such a continental policy.

What brought Joe Greene to Denver May 12, then was a lame opportunity to strengthen Canada's bargaining position through a little rhetorical coyness, to make squeaking wheel noises in the face of Washington's crass behavior and language during the continental energy debate, and more important, to stage Act One in the most remarkable piece of transvestism since Lot's wife; The Nationalization of J.J. Greene.

"The Canadian people," Greene thundered from his Denver podium, "would not tolerate decisions affecting Canadian security being made at the insistence of non-Canadians even to win the prize of larger oil markets."

It is perhaps less than charitable to interrupt the cheers of "tough bargainer" and "outspoken nationalist" that greet statements like these, and to recall some of the inconsistencies that have accompanied the strangely shifting principles of our minister.

To begin, there was the delightful exercise in political amnesia which he foisted off on the public during a television hot-seat program last January 25. There he managed to declare that there's no such thing as a continental energy policy.

"No conversation I've ever had with the Americans included a continental energy policy as such," said Greene.

On April 23, in Washington, at the same press conference at which he announced that top-level discussions would begin in June on the sale of huge northern energy reserves, he did it again, and declared firmly that "there's no such animal" as a continental energy policy.

These interesting "Continental-Energy-Policy?-I-Never-Heard-Of-It" cameos stemmed from his having been soundly spanked by the Liberal cabinet last December for having shoved his foot in its collective mouth earlier that month in Washington.

For on December 4 of last year, Joe Greene practically handed Canada's oil, gas and water to the US on a golden platter, in a remarkable press conference in the Canadian Embassy that has since been nicknamed in Ottawa "The Gee-Whiz Conference."

Greene went to Washington last December, ostensibly to chat with US Secretary of the Interior Walter Hickel about getting a bigger market for Alberta oil.

This seemed routine enough to the Canadian correspondents in Washington until Greene emerged from the meeting with Hickel into a press conference where he practically erased the 49th Parallel.

Hickel had raised the continental energy integration scheme with Greene during the meeting, and Greene could not contain his enthusiasm about the plan.

"He (Hickel) made this larger suggestion," Greene announced to the press as if this had been the first time he had heard of the scheme, "and speaking personally, the more I think and talk of the larger suggestion the more I thought, well, this is a great opportunity for Canada."

"This is his initiative, his leadership, that a broader approach be taken," he said, "I find this initiative of Secretary Hickel's extremely interesting."

Integrating the energy markets of the two countries would lead to the most economic utilization of these basic resources, he said. "The lower the energy costs are, the better off are Canadians. This is a great opportunity for Canada."

Asked whether this approach would lead to a substantial economic integration of the two countries, Greene replied: "Yes, I think it would."

Canadian economic interests must be considered first, he said, but if these jibe with the best interests of the United States then there would be no reason to be reluctant about integrating the markets because of narrow nationalistic impulses.

If Canada refused any economic integration with the United States for nationalistic reasons, he said, "it would be no more than a banana republic."

Then the crowning nationalist touch: It is "sufficient" for Canada to retain "political control," but "It is not important who gets the dividends, Wall Street or Bay Street." And Mr. Greene went on to develop a new refrain on the "undefended border" theme and spoke in high praise of "the invisible border."

Back home in the banana republic, when the news reports made the papers and television, feathers started flying from every coloration of nationalist from Melville Watkins to John Diefenbaker. The Great Continental Energy Policy Debate was on without anybody much knowing what it was all about.

And back in Ottawa later, it must have taken Joe Greene every ounce of courage he ever had to steel himself and enter the room where the assembled Liberal cabinet was waiting to tear him to shreds.

Because the continental energy scheme was not, as Greene had implied in his December 4 press conference, something new that had just sprung out of Secretary Hickel's head on the spur of the moment. Nor was Greene totally ignorant of it before the meeting with Hickel. Only the Canadian public was ignorant.

And that was the measure of Greene's faux pas in Washington. Through his effervescent bungling, he had made what had been hitherto ignored by the press and unknown to the public, a major issue in the midst of a rising tide of nationalism and anti-American feeling in the country.

Actually the idea of the continental energy policy was not new. It has been occasionally mentioned before in Ottawa, and has been long-mooted in the North American petroleum industry. Prime Minister Trudeau, when he visited President Nixon in Washington in late March of last year, spoke favorably and hopefully about forming a continental energy policy. But this was mentioned in passing, and received scarcely any attention.

In fact, negotiations towards setting up such a continental plan had been going on between the two governments before Trudeau's visit.

But everything was being done quietly, outside the glare of national attention, without any suspicion on the public's part that one of the biggest economic deals ever considered by Canada and the United States was under negotiation.

Just a few dull tariff negotiations, with the odd little item appearing in the financial pages. Just some talk about a field of which most reporters understood nothing, and the public even less. Just something that, once consummated, would be hailed as a Liberal government victory in priming the oil and gas and hydro industries.

But Joe blew it.

II. Seven Sisters of Leviathan

As Washington reporter Jack Anderson noted in 1967: "The State Department has often taken its policies right out of the executive suites of the oil companies. When Big Oil can't get what it wants in foreign countries, the State Department tries to get it for them. In many countries, the American Embassies function virtually as branch offices for the oil combine..."

The naked political power of the oil combines has shown its hand clearly many times in recent world history. One might talk about how Iran, which tried in 1951 to nationalize

its oil industry, was punished by an effective boycott of Iranian oil. The boycott launched a political crisis which ended in the deposition of Dr. Mossadegh's government in a coup directed and organized by the Central Intelligence Agency. The story ended happily for the US empire — the British got back a fair percentage of their oil properties, American oil companies got a much larger share of lands than previously, and the leading CIA representative in the coup later became Government Relations Director for the Gulf Oil Corporation in Washington.

The domination of the Western World over the Third World, capped by the political and economic domination of the United States over both, and crowned by the domination of corporate enterprise over the public interest is simply and tersely set down in the political economy of resource exploitation — particularly energy and primarily oil.

And it is this:

The United States is the largest single consumer of resources in the world.

Although it accounts for only six per cent of the world's population, it consumes 35 to 50 per cent of the world's mineral and energy resources depleted annually.

Narrowing further, the United States also has the world's highest per capita energy consumption. By itself it uses 34 per cent of the world's energy.

This breaks down into these components:

- 65 % of the world's natural gas
- 20% of its solid fuels (mostly coal)
- 20% of its hydroelectric and nuclear electricity
- 36% of its liquid fuels (mostly oils)

The United States is the largest and most important single oil market in the world. Oil is the power base for the operation of the vast majority of its industrial enterprise.

The world oil market has historically been dominated and controlled by the seven major internationally integrated oil companies, commonly known as the "International Majors" or "The Seven Sisters".

In order of size based on sales, they are:

- Standard Oil of New Jersey
- Royal Dutch Shell
- Mobil
- Texas Oil (Texaco)
- Gulf Oil
- Standard Oil of California
- British Petroleum (BP)

With the exception of Shell, which is Dutch-owned, and BP, which is British-owned and half government-controlled, the International Majors are US-based, owned and controlled.

Sales of the five US majors in 1967 were \$32 billion, or, one third of the Gross National Product of Canada.

This placed all five corporations among the top 12 industrial corporations in the United States.

Measured by profits, all five major oil companies were among the top seven industrial corporations in the United States.

In 1966, the US Majors' foreign investment represented 40 per cent of the total US direct investment overseas.

The five corporations had combined assets of about \$40 billion, which is about one fifth of the total assets owned by the 100 largest US corporations.

In 1958, there were an estimated 190 US oil companies carrying on 598 separate operations in 91 countries.

In 1960 a Chase-Manhattan Bank study of the 32 principal oil companies in the US showed that they and their foreign operations produced over half (57.9%) of all the crude oil in the non-Communist countries of the world. This included 62.9% in the US; 56.3% in the Middle East; 67.7% in Canada.

In the most recent major study, in 1960, the Seven Sisters were shown to own over 70 per cent of all refining capacity

in the non-Communist world.

This is the schema of the political economy of imperialism.

III. The international price structure

Essential to the domination of the International Majors is the maintenance of an artificially high world price structure for petroleum.

The Majors were able to sustain this artificial price-fixing structure because of their high vertical integration — that is, control over the exploration, the exploitation, the transport, the refining, and a large part of the market (gas outlets, for example). In short, vertical monopoly.

World prices, including Canadian, have historically been set to a level required to make US oil production economic. Prices in Venezuela and the Middle East, for example, were set by the US majors at a level high enough to guarantee profits for oil produced out of the "Gulf of Mexico Price Zone", the Texas producing region.

Thus even though companies like Jersey Standard and Gulf Oil in 1959 drew two thirds of their net income from foreign operations, it was important to their profits to keep the Gulf of Mexico prices as high as possible. And since the cost of production in the Middle East is at most one third of producing inside the US, it becomes crucial to the survival of the international cartels to maintain a high price level calibrated to the most expensive production area.

A task force set up last year by the Nixon administration reflected the magnitude of this price distortion. It revealed that if import restrictions into the US were lifted, and the country thrown open to the onslaught of cheap foreign-produced oil, the domestic wellhead price of \$3.30 per barrel would decline by 1980 to \$1.87 a barrel.

Thus Washington, sensitive to the lobbies of this immensely powerful industrial sector, preserves the position of Texas oil from the competition of a cheaper external market, and delivers staggeringly inflated profits to the companies that explore in foreign countries.

The price-fixing knows no borders and extends directly into Canada. Here is an example of the operation of the price-control system in Canada in the late Fifties:

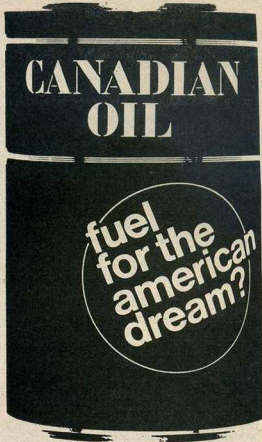
The price of oil at the wellhead in Western Canada in the late fifties varied between \$2.50 and \$2.65 a barrel. This price was set through a complicated procedure that assured that the price of Western oil in Central Canada would be the same as the price of oil from the closest major petroleum-producing centre in the US, in this case Illinois. This assured that Canadian oil could not compete effectively with the bulk of American oil, even in Canada's own markets.

This \$2.50 to \$2.65 a barrel from the West, according to the Borden Commission on Energy of 1959, actually cost only slightly in excess of one dollar (not including taxes) to produce. That is the measure of American control over the continental and world market price.

It might seem logical that one Canadian producer could rebel against these prices and cut his far below the American level, while still retaining a handsome profit over his production costs.

This does not happen because:

- a) Sixty-two per cent of the Canadian oil industry is American controlled,
- b) It is in the interests of the oil producers to maintain the highest possible price, therefore profit,
- c) Any smaller Canadian producer who rebelled could be easily crushed in any price war,
- d) no one need worry about his price being undercut because imported oil from the international market is equally controlled.



As long as the companies play the game, they are prosperous and protected. If anyone tries to buck the game, he faces price wars, battles for markets and for supplies.

In this complex price-control system, coupled with the US control of Canadian oil production, already lies a continental energy policy.

But what the US wants extends even beyond this.

It's fair to begin to ask why our neighbor, who already sleeps with us when and if he chooses, is suddenly proposing marriage. And why Joe Greene ran to Washington lifting the Liberal Government's skirt.

IV. Crisis in international oil

In the late Fifties and into the Sixties, the international oil market began to quaver. For the first time on any major scale, a world surplus of oil started developing. The patterns of control of the International Majors started becoming undone, and the world oil market started slowly shifting its face.

The Borden Commission in Canada, which had begun studying the oil industry in the late Fifties, found it necessary to note in the foreword of its 1959 report: "The North American and international oil market are passing through a period of rapid and perhaps fundamental change. This condition had not become obvious in the latter part of 1958, but since the Commission finished its public hearings in the fall of 1958, the world economy has been marked by the appearance of surpluses of crude oil and products, by more intense international competition for markets and by declining prices."

This increasing world competition stemmed from the rise

of 20 to 30 smaller international companies which began breaking up the cosy party of the International Majors.

This group of intruding newcomers consisted of US firms, such as Standard Oil of Indiana, Phillips Petroleum, Continental Oil, Atlantic Refining and Union Oil. But there were also important newcomers from other countries, such as the Japanese Arabian Oil Company and Ente Nazionali Idrocarburi (ENI) of Italy.

These became known as the "International Minors".

At the same time, forces of nationalism in oil-producing countries have led to a number of state-controlled firms, state control of share blocks in companies, state regulation of percentages of profits that must remain in countries of exploitation and increases in tariffs.

This together with the gradual increase of the International Minors, started a downward pressure on the international oil prices. With international prices declining, however, US prices have remained steady or gone up, in a domestic market shielded by a high wall of quotas and tariffs.

This has shifted the base of profitability of the international oil industry from the Middle East and Venezuela — from foreign producing centres — to the United States.

In the late Fifties, as reported by the Borden Commission, two thirds of the net income of Standard Oil of New Jersey and of Gulf Oil came from foreign operations.

But in 1969, when the Chase Manhattan Bank surveyed the 29 leading firms in the US oil industry, it discovered that since 1959 the groups' entire earnings increase had come from domestic operations right in the US, which now account for 75 per cent of the total profits. It further reported that the return on capital invested overseas had dropped from 30 per cent a decade ago to only 12 per cent now. This evidently, reflects a gargantuan shift in the profitability of different sections of the international oil industry.

What has preserved the remarkable profitability of American oil has been the US import policy of 1959, in direct response to the looming crisis in international oil.

This was, simply, the erection of a quota wall around the US, which effectively sealed out the cheaper foreign oil. By thus sealing off the prime market, it was able to stabilize prices and, of course, protect the US oil industry.

This import policy, enshrined in diverse pieces of legislation established under the Eisenhower administration, was achieved largely at the insistence of the independent domestic producers who could be wiped out if their expensive production facilities were thrown into the competition of cheaper world oil. (These independents, with their Texas oil lobbies controlling a large number of Senatorial and Congressional votes, are more important in the US market than the international Majors, since the US Majors control only one third of crude oil reserves in the US, whereas in other countries they control 60 to 70 per cent of the reserves.)

The response of the Canadian government to the same crisis in international oil prices was the establishment of the Borden Commission, which resulted in the national oil policy established in 1961.

In Canada there had also been a battle between the independent petroleum interests and the International Majors, but the Majors were much stronger here than in the US. The bid of the independents for the same kind of security as the US independents in large part failed.

The independents were pushing hard for an Alberta-to-Montreal pipeline, in other words supplying Eastern Canadian markets by domestic crude oil rather than foreign. But the International Majors were powerful enough to keep this policy out. Eastern Canada continued after the 1961 policy up until today to be served by foreign (mostly Venezuelan) oil. And this foreign oil, of course, went largely to the giant Montreal refineries owned by the International Majors.

The substance of the 1961 policy was the division of the Canadian market into two parts — all of Canadian oil markets west of the Ottawa Valley were to be served by domestic (Alberta) oil; all markets east were to be served by imported foreign oil. This was a voluntary policy, rather than the mandatory US one, but since at the time it was the policy the Majors wanted, no one should be surprised that it was effectively followed for some years until material conditions began to change. This left the independents somewhat out in the cold, since the Western Canadian market is not profitable enough, so a natural corollary of the 1961 policy was that the federal government had to constantly push to get larger markets for Alberta oil in the United States in order to placate the independent Alberta producers. Clearly, the 1961 policy left Canada vulnerable to US whims and wishes, since Washington could, and did, impose quotas on our oil anytime it felt like it.

V. Struggle in the U.S.

But this set of policies in the two countries — the oil import policy in the US and the national oil policy in Canada — has begun to show a number of very large cracks. Powerful interest groups and forces in the United States are aligning themselves against the oil producers, in a confrontation between the Northeast and the Southwest.

The quota wall has raised US prices domestically and created such a disparity in petroleum costs between domestic and foreign crude that the heavily industrial US Northeast is beginning to rebel against the prices set by the oil producers of the Southwest.

New England senators and congressmen, representing Northeastern industry, have been pressing for a policy which would allow foreign imports to come in at a controlled rate, thus providing cheaper oil.

The wide-spread lobbying power of the industry — particularly in its home territory, the South — has enabled oilmen to shrug off the liberal gaffdies for the last 43 years, since the profitable depletion allowance tax provision was voted in.

But to the industry's old liberal opposition has been added the recent revolt of northern consumers against rising prices (gasoline prices have shot up), a revolt against bigness in industry, and a taxpayers' revolt.

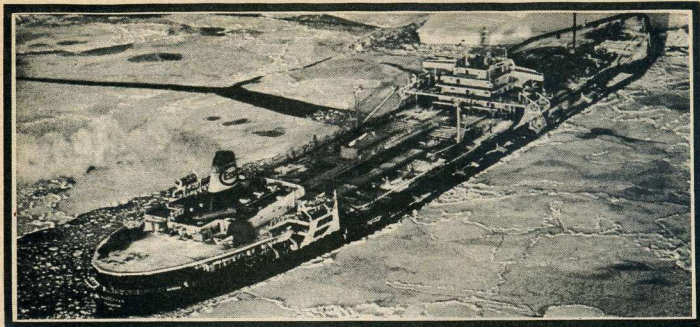
The South now has the oil and the North the heating problems; the South industrial growth and New England growing stagnation and high fuel costs.

New England consumers have focussed their demands on a request to build a refinery at Machiasport, Maine, and are demanding for it an import allocation of 100,000 barrels a day.

The low-cost oil which would come out of such a refinery would be sufficient to undermine northern oil prices. But even worse, in Southern minds, this break in the 11-year-long import quota program would set a precedent very likely to lead eventually to the total destruction of the program itself, and with it the vast protected market which has guaranteed high profits for so many years.

The US oil interests would much rather compromise on a continental oil scheme which would bring comparatively high cost Canadian oil into the market. The US government seems to be bending over backwards to support this kind of compromise, and Nixon has consistently refused to pass judgment on the Machiasport plan, always saying that further studies have to be made on a total review of US oil policy.

The main battlefield for the fight between the producers and consumers in the US has been a series of hearings on the petroleum industry held by Michigan senator Philip A. Hart's Antitrust and Monopoly Subcommittee, as well as hearings



conducted by a special task force to review US oil policy.

Together these investigations have brought forth a caricature of a monopolistic, profit-grabbing industry that oilmen would rather had not seen light.

Since the same companies that dominate the US market also own the Canadian one, and tactics and policies are virtually indistinguishable, that picture has strong parallels with our own.

America discovered that Middle East oil could be purchased on the East Coast of the US for only \$2 a barrel, with transportation costs included. This compares to domestic oil at \$3.50 a barrel or more. Ironically enough, foreign nations are able to buy oil far more cheaply than American consumers, sometimes from the same US companies.

The added cost to domestic purchasers under the import scheme was variously estimated at from \$2.7 billion to \$7.2 billion per year. The task force on oil policy placed the tab at \$5 billion annually.

What this means, as the Subcommittee's chief economist Dr. John Blair pointed out, is that the oil-import program coupled with the domestic pro-rationing system has cost America \$40 to \$70 billion in over-charges in the ten years since the quota system was established.

A treasury study in 1969 showed further that the 27.5 per cent depletion taxation allowance and the right to claim intangible drilling costs as "expenses" save the US oil industry \$1.6 billion per year in federal taxes.

The depletion allowance, intended to encourage domestic exploitation, is an interesting twist, applicable not only to domestic but foreign operations as well. Furthermore, the foreign tax credit allows oil companies to deduct taxes paid overseas not from taxable income, but from taxes payable on overall profits.

As a result, estimated Sen. William Proxmire, in 1968 oil refineries averaged only 11 per cent federal tax on their earnings while other manufacturing firms averaged nearly 41 per cent.

New York Democrat Bertram Podell finished off the picture by releasing figures showing that 13 major oil companies have been paying federal taxes at a rate lower than that of taxpayers earning \$4,000 per year. Of the 13 companies, with net incomes ranging as high as \$2.3 billion per year, Sinclair and Atlantic Richfield paid no taxes at all; Gulf Oil paid less

than one per cent in federal taxes and Standard Oil of New Jersey paid less than 10 per cent of its \$2.3 billion net income to the Federal Treasury.

All these revelations and their concomitant pressures have made it difficult for the oil industry and President Nixon not to yield to at least some of the demands of the consumer interests. So far they have leaned on the argument that the national security interests of the US require that the country protect its high-cost industry with tax concessions and protection from import competition.

The US oil interests have found themselves desperately looking for an answer, but necessarily one which will not fundamentally shake their privileged position.

And as the crisis deepens further with news that US oil resources may be heading for depletion, their search becomes even more frantic.

Casting their eyes about for some sign of relief, they see it on the northern horizon, just over the 49th parallel — Joe Greene's "invisible border".

VI. Oil and empire

The symbol of the S.S. Manhattan is the Esso tiger with earmuffs, grinning on the background of the US and Canadian flags and representing the remarkable adaptability of American capital when in crisis. But a more imposing symbol is the S.S. Manhattan itself. Because it is clearly and simply the physical incarnation of the desperate hunt for cheap North American oil that the US Majors have launched in a bid to scrape out of their squeeze.

The entire project is a \$40 million oil venture sponsored jointly by Humble Oil (a division of Standard Oil of New Jersey), Atlantic Richfield and British Petroleum.

It was a rush job.

The 115,000-ton tanker, the largest merchant vessel sailing under the US flag, combining more steel and power than many of the new supertankers, had to be prepared in such a hurry that she was split into four sections and sent to shipyards from Maine to Alabama in order to strengthen and convert her for her unique icebreaking voyage through the Northwest Passage to Prudhoe Bay, Alaska.

For part of the escape that the US oil producers see from

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Put a little patriotism on your car window. Just drive into any Gulf Canada station, and ask for a Canadian flag decal. You don't have to buy anything, we just want you to have a Canadian flag decal, free. To wear on your car window with pride.



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their squeeze lies in Alaskan oil. And the S.S. Manhattan is the measure of their hurry. So much in a hurry that they took their chances with a sensitive Canadian public worried about sovereignty.

For the last couple of years, the companies have scrambled for offshore oil, drilling off the east and west coast. This frantic search led to massive pollution of the California beaches. On the east coast a simmering territorial dispute with Canada bubbled into the headlines. But with all this, the offshore oil scramble proved a failure.

The hope for cheaper oil for the Northeastern market has now turned to Alaska — but the problems of transportation are immense.

Three alternatives are being considered: one is giant tanker transport, which is the basis of the Manhattan test voyages: this may prove uneconomical and slow because of heavy pack ice; the second is already being readied: a \$900 million trans-Alaska pipeline from the giant Prudhoe Bay discovery of 1968 to Valdez in southern Alaska; the third, and one which is receiving some support from Canadian producers, is a pipeline from Alaska through Canada down to the Northeastern markets — but it would be difficult to negotiate such a pipeline outside of a continental energy policy.

But even Alaskan oil, if all the problems are overcome, is at best only a short-term solution, and only part of a larger solution that has been under negotiation for almost a year.

Two weeks before Alaska oil was discovered in July of 1968, the Department of the Interior warned in a survey that the discovery rate in the United States was insufficient to meet continuing demands. For the first time it was publicly admitted there was a supply crisis looming, and this had its effect on the oil industry and the government in their search for solutions.

Obviously the discovery of oil reserves in Alaska two weeks

later was a lucky reprieve. But that only postpones the problem — current estimates of the Alaska reserves are 10 million barrels in the Prudhoe pools, and that would only be about two years' supply for the US.

The Canadian National Energy Board estimated in a recent study that the US would have, by 1975, an oil deficiency of .6 to 1.8 million barrels a day — this is even calculating the Alaska reserves. However, in 1990, this deficiency will have increased from 7.4 to 9.5 million barrels per day. So in the short run, until 1975 and perhaps 1980, the demand for oil will not be overwhelming. The US can get along with its own, Canadian, and some overseas imports, especially if they succeed in finding some more domestic supplies.

But by 1990 those deficiencies will be so monumental, Canada could not even supply the deficiencies herself.

And so the US government is engaged in the building of a restructured world energy policy, balancing political and economic and military considerations to ensure a secure future supply of energy.

Of that world energy policy, the continental energy scheme with Canada is only a part.

The mechanism that will make us a link in that policy, the moves of the oil Majors in concert with the US and Canadian governments, are already well advanced.

Step one to the solution of the US oil industry's woes is exploitation of Alaskan oil, step two is a continental energy policy with Canada.

In late March of last year, while Canada's Prime Minister was paying his first official visit to the US capital, a high-level committee, comprising some of the most important members of the Nixon cabinet, was established to study the reform of the crumbling national oil policy. Part of its task was to find some answers to the looming depletion of US resources.

The calibre of the men assigned to this task force reflected the concern of the Nixon Administration: Shultz, the Secretary of Labor who chaired the committee and whence the report got its name; Rogers, Secretary of State; Kennedy, Secretary of the Treasury; Laird, Secretary of Defense; Hickel, Secretary of the Interior; Stans, Secretary of Commerce; and Lincoln, Director of the Office of Emergency Preparedness.

The Shultz committee released 393 pages of texts, diagrams and statistics in a cold, calculated look at import policies and alternative sources of supply, and weighed them all in terms of the national interests and security in the United States.

The committee split essentially over replacing the present system with tariffs or keeping the present system of quotas with some minor changes. The majority of the committee chose the first alternative, a minority composed of Hickel and Stans chose the latter.

But both sides basically agreed on one thing — that the needs and security of the United States required the negotiation of a continental energy policy with Canada as soon as possible, as an important supplemental source of supply for the United States.

Quite clearly the US sees political factors and trade relations closely interlocking. The Americans are likewise clear in their own minds that there is going to have to be a further political integration involved in increased imports of Canadian oil, rather than a simple technical and economic change.

The majority report states: "In our judgment, Canadian and Mexican oil is nearly as secure militarily as our own, although complete realization of these security benefits will require fully understood and harmonized energy policies."

It will require more than that. It will require Ottawa agreeing to place the needs of the United States over the needs of Eastern Canada in any petroleum supply emergency.

The minority reports states: "Canada is generally consid-

ered to be a secure source of oil for the United States in an emergency, except to the extent that eastern provinces are dependent on eastern hemisphere oil."

And Greene is promising the Americans that if the Middle East blockades North America, Canada will bind itself to provide its oil to the American market, even though that blockade would mean all Quebec and Maritime industry stagnating for lack of the same Middle Eastern oil.

The criteria by which the US chooses to offer its matrimonial bonds to us are never stated more clearly than in these two quotes from the Shultz report:

"The pre-eminent position of the United States in the world depends in large part on the uninterrupted flow of oil and its products to its armed forces and civilian economy."

And it proceeds to note the contingencies:

"We begin by noting the major difficulties that might attend dependence on foreign supplies:

1) War might possibly increase our petroleum requirements beyond the ability or willingness of foreign resources to supply us.

2) In a prolonged conventional war the enemy might sink the tankers needed to import oil or to carry it to market from domestic production sources such as Alaska.

3) Local or regional revolution, hostility or guerilla activities might physically interrupt foreign production or transportation.

4) Exporting countries may be taken over by radical governments unwilling to do business with our allies.

5) Communist countries might induce export countries to deny their oil to the West.

6) A group of exporting countries might act in concert to deny their oil to us, as occurred briefly in the wake of the 1967 Arab-Israeli War.

7) Exporting countries might take over the assets of American or European companies.

8) Exporting countries might form an effective cartel raising oil prices substantially."

And so the Shultz report outlines the probable guaranteed sources of supply and urges the administration to lock them into energy satellite status:

"The United States should work diligently with Canada to reach a continental energy policy that assures our mutual security. Such a policy should cover energy broadly, and should deal with not only oil but natural gas, coal and hydroelectric and nuclear sources. Pending agreement on such a policy, which may take several years to negotiate, Canada and the United States should develop an effective mechanism to permit an orderly growth of imports of oil and natural gas from Canada."

To hear Mr. Greene talk, the US is offering us this because we've been nice guys, and this "great opportunity for Canada" is completely separate from political considerations. Oh, it might lead to some substantial integration of economies, but, as we know, it doesn't matter where the profits really go — either Wall or Bay Streets.

VII. 'Advance with trumpets...

There was something pathetic about Joe Greene thumping a nationalist fist before the oil men in Denver warning them that Canada will not stand for this or sit idly by for that. Only Canadians might have really believed what he said, and the hollow posture he assumed, because they would like to believe what he said is possible. But the men he spoke to in Denver must have viewed the performance with amusement.



JOE GREENE

If you don't like his principles, he has others.

The fundamental choices were made years ago, when we geared our resource policy to the United States' needs, when we set no national goals on energy exploitation; and even much farther back, when we decided it didn't matter where it all went, Wall Street or Bay Street.

We have been locked into American market and security requirements throughout our entire history as a major exporter.

Canada's first mass oil export was born of California's energy shortage in the time of the Korean War. The basis of the co-operation was, from the beginning, not economics, but political and military security. The initiative was American, not Canadian.

The United States Petroleum Administration for Defense decided in 1951 that California needed more oil, the west's traditional oil shortage having been aggravated by the war. A safe source of oil was required; for strategic reasons Canada was chosen to be the supplier.

A pipeline from Alberta to California was constructed, and a \$65 million tab was picked up mostly by the major American oil companies.

The framework for this first exercise in continental energy planning had been set out in a joint agreement in 1950, which in effect established a sort of economic NATO or NORAD for

scarce resources in time of emergency. It gives us a view of what a continental energy policy would be. That agreement declared that the two governments agree to "co-operate in all respects practicable... to the end that the economic efforts of the two countries be co-ordinated for the common defense, and that the production and resources of the two countries be used for the best combined results..."

What the US wants now is a more explicit agreement making an integrated economic market in resources permanent. Canada decided in its oil policy of the early 1960's not to form its own national goals and markets but to be a supplemental supplier to the more lucrative US markets.

The interim compromise of the early 1960's saw Canada split into two markets along the Ottawa Valley — Alberta produced for the US, while the East was left to foreign imports. It's that compromise that is now cracking under the weight of the international shifts in the market, and the tensions within the US.

Canada did not opt then for a national energy system because of the very structure and development of the oil industry in this country.

Seventy-four per cent of Canada's petroleum and natural gas industry is foreign-owned. Of that, 54 per cent is American, but actually 62 per cent of the industry is under American control.

Percentages are only half the picture. Concentration of ownership is equally important.

A 1964 study showed that petroleum and coal products in Canada created \$2,460 million in sales.

Ninety-nine per cent of these sales were made by the 20 largest firms.

Of these 20 firms, 18 are foreign-controlled.

Since Alberta, in 1968, produced 68 per cent of the total Canadian output of crude oil (Saskatchewan produced 24 per cent), we are basically speaking of Alberta oil. Almost half of Alberta's annual provincial income stems directly from the oil industry.

Canadian oil is too expensive to sell abroad — almost three times more expensive than Middle East oil. So we have a commodity that is unmarketable overseas. But we allowed it to be developed and a sector of our economy and country to become dependent on it.

If our American markets are lost, a massive recession will hit the West. Our economy is, then, controlled by the economic vicissitudes and political decisions of a foreign country.

The American offer today is a simple exchange — yield what political control you have over your energy production, provide for our needs, and reap the economic benefits. Don't, and reap the economic consequences.

It is uneconomic for Canada to have become the ninth largest oil producer in the world. Our oil is only marketable in one market, because of the high fixed and controlled prices.

All these decisions have been made for us — by the US oil companies that determined we shall become a major oil producer; by the US oil companies that control the continental price structure we are locked into; and by the US government that has carte-blanche to blackmail us by simply not buying.

If this is not a continental energy system, then it's the next best thing.

That system is speedily disintegrating, causing massive pressure on the Canadian oil industry.

Canadian producers are getting steadily frozen out of the American market because of such developments as Alaska oil finds, and the building of a pipeline to Illinois that speeds Texas oil to the Northeastern US industries.

The Ottawa Valley line has already begun to crumble, and the big Ontario market has begun to fall to foreign oil. Gold-

en Eagle (Canada) Ltd., Petrofina (Canada) Ltd., Newfoundland Refining Co. Ltd., Gulf Oil (Canada) Ltd. all announced refinery building programs, signalling an impending influx of foreign oil.

In the short run, the US can dry up the Canadian oil industry without suffering any setbacks. But in the longer run, we will be a crucial supplementary source of supply. The long-run thirst that will develop in the US explains Washington's pushing for the continental policy. The short run security of the US market is the club with which it can clout us into that continental scheme.

And these are the choices we have allowed ourselves to be faced with:

- agree to a continental energy scheme and pay the political price of taking a giant step towards further economic and political domination by the United States,

- face the fact that our oil is uneconomic and get out of the oil business, causing a massive recession in the West,
- or make the decision we refused to make over ten years ago (under pressure from the US Majors) and build the Alberta to Montreal pipeline.

The last choice may end up being the least of three evils, but it's no easy way out.

It would mean that we would make ourselves a self-contained market, consuming in the East the surplus that is produced in the West. And we would have to pay the price in dollars, because that oil will be even more expensive in the East than current price levels on the imported oil. We would, in effect, be publicly subsidizing an industry that has grown out of proportion to our national needs — paying the price of the decisions of the US oil companies.

Strangely, this solution has been ignored by those most concerned with Canadian control of our economy. Although New Democrat Frank Auf der Maur campaigned in 1965 and 1968 almost solely on this platform, his party paid no attention. Within a system that allows the basic political and economic decisions to be made by people other than those affected by them, it is the only choice that preserves a modicum of national independence.

Greene has frequently rejected the pipeline idea as too expensive, which, of course, would have no bearing on the possibility of his popping up in Texas tomorrow enthusiastically advocating it.

It seems equally evident that the Liberal government now has no idea what to do. It has, mostly through Greene's effectiveness last December, stumbled right into the position the nationalists wanted it to, and is now trying to claw its way out by assuming the nationalists' rhetoric.

The high-level negotiations towards achieving the continental scheme have been going on for over a year, and obviously close discussions are still being maintained.

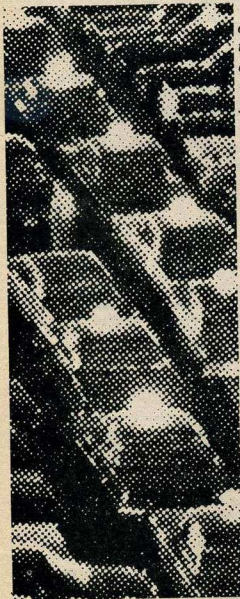
A period of nationalist platitudes by ministers like Greene might be followed by a de facto retreat to the continental scheme after everyone has been duly impressed, on the "Advance with trumpets, retreat with cymbals" principle. Or the Liberals might really be worried, decide that a concession to the "nationalists" is expedient, and opt for the pipeline plan.

A hint of the Liberal agony at being confronted with the forces of nouveau nationalism can be found in Greene's recent suggestion that the Liberal Party will have to assume the position of nationalist spokesman, lest the legitimate demands of the nationalists take on a socialist flavour. This Joe Greene has evidently been putting into practice. It goes a long way towards explaining his Denver speech.

Gordon Cleveland, formerly of the Dept. of Industry, Trade and Commerce is now with the OYND.

LESSONS ON FIGHTING CITY HALL

A STUDY OF MONTREAL'S 'MOUVEMENT DE LIBERATION DU TAXI'



The scene inside the Salon Funeraires Alfred Dallaires isn't exactly somber. To be sure, the relatives — the workers in their Sunday suits come to bury the dead taxi driver — lend an air of traditional respectability. But there are other things that change the scene on that morning of March 18, 1969, at the funeral parlor in east end Montreal.

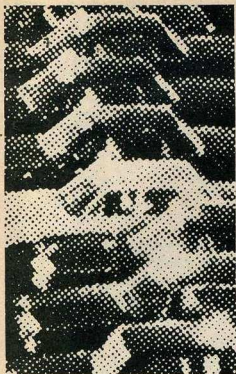
The voice on the tape recorder says: "I read a lot now; three newspapers a day, lots of little booklets, because the more one develops on the level of personal thinking . . . the more one is able to live life fully, to protect himself against things and all that they, society, try to inculcate in you . . . like all the superfluous 'needs' pushed by advertising. People today are very perturbed by the useless things pushed by the ads . . . a lot of people don't have the preparation . . . to resist those things they can't afford . . ."

The voice is that of the man in the coffin. The crucifix on top of the coffin is covered over with a flag and a picture of Che Guevara.

The coffin is carried out by four men employed by the funeral parlor and two men employed by the Montreal Police Department. The funeral director is told the police are needed for "security reasons".

The cortege departs, followed by 150 taxis stretching into a mile-long line, packed with relatives, working men, and an incredible array of radicals — passionate rebels, old-fashioned revolutionaries, run-of-the-mill socialists, misty-eyed Trotskyists, pulpit-pounding Maoists.

The cortege stops at the monument to the Patriote Chenier, a leader of the 1837 rebellion against British colonialism. Speeches blare from loudspeakers mounted atop one car. The voices are those of Mario Briere and Gaston Therrien, veteran cabbies.



The cortege starts again, picking up speed. Now it is moving at 60 miles an hour. Long-haired and crop-haired people are hanging out the windows, waving red flags and clenched fists.

The cortege is going too fast — but the hearse is being driven by the two policemen who want the man buried quickly, without incident.

The red flags are out again at the Cimetiere de l'Est. Two men are playing Swiss Alp horns. A well-known poet is reciting. The coffin is lowered and the large crowd sings l'Internationale.

"I want to die in the simplest way possible," the voice on the tape recorder on top of the coffin says, "that is to say I don't want the traditional farce of religious rites as they exist in Quebec. And when they bury me, to paraphrase Brel, I want people to laugh, to sing, to amuse themselves like crazy when they put me in the hole."

The funeral of Germain Archambault was different from other funerals, but it was part of something that was happening in Quebec. It was the last chapter in a story that began a long while ago.

by Nick
Auf der Maur

In the dingy Notre Dame Street offices that house the City of Montreal archives, there are several volumes of newspaper clippings chronicling the history of the taxi business. One of the earliest clips, now yellowing and brittle, dates back to 1922 and notes the founding of the Diamond Taxi Cab Company.

It takes days to make even a cursory examination of those volumes. But buried in the heap can be found the surprising fact that up until 1964, taxi drivers tried — and failed — no less than 57 times to form some sort of union or association. There was something called the Union Internationale des Chauffeurs de Taxi in 1940; a brotherhood set up in the 30's; an effort by the Teamsters in the 50's; attempts by the old Canadian Catholic Confederation of Labor — all of them short-lived, crushed quickly by the owners or slowly by the impossibility of organizing the unorganizable.

Today there are two taxi driver organizations in Montreal. One is a fink union, an almost non-existent creation of company owners. The other is the Mouvement de Liberation du Taxi (MLT).

The MLT in its rather short life of less than two years has become rather famous, perhaps notorious. Either way, it is an unlikely movement, unique in North America and labor, curiously romantic and earthy. The MLT was born, not because of some collective personality quirk, but because it fulfills a need. The lot of the Montreal taxi driver today is not much better than it was in the forties, or even the twenties. The average driver has to put in 70 to 80 hours a

week, in the worst traffic conditions in Canada, and is lucky if he manages to make a hundred dollars in the good seasons. He has no sick leave, vacation, pension rights or even unemployment insurance.

To begin with, there are too many taxis in the city, too many drivers, too many unemployed people, too many crooks.

Around the end of the war, well-off Montrealers were heard to complain that there were not enough taxis around. People sometimes had to walk blocks or wait several minutes in the rain for a cab. At that time, there were a total of 765 taxis in the city proper, or one per 1,388 population. The civic administration, headed by the fat and flamboyant Mayor Camillien Houde, acted swiftly to alleviate the problem. Houde, fresh from a stunning election victory following his release from a Second World War internment camp (for opposing conscription), put his city executive council chairman, J.O. Asselin, in charge of an inquiry. In March 1946, Mr. Asselin announced that there were not enough cabs in the city. He pointed out that New York had one hack per 665 population, Toronto one per 953. He opened up the previously frozen number of permits, bringing a brief end to permit speculation.

City taxi users were pleased, although there were some unkind cuts alleging that the Diamond Taxi Company had been allowed to grow to almost monopolistic proportions.

Today there are 5,402 licensed taxis on Montreal Island, or one for every 350 inhabitants (Toronto and New York

remained constant in this respect). And, an interesting historical footnote: at the recent Parliamentary Transport Committee hearings, the Diamond Taxi Company was represented by E.T. Asselin, son of J.O., and a former Liberal M.P. whose alleged involvement in school land deals led to a rapid termination of his political career.

As mentioned earlier, there were numerous attempts to organize drivers into a united force to improve their conditions. These efforts were always doomed to failure because nobody really understood the industry, the service and the servants and their problems. But in 1964 a book, published by the left-wing magazine and publishing outfit *Parti Pris*, appeared. It was entitled *Le Taxi: Métier de Crève-Faim*. (The Taxi business, a trade of the starving). The author was Germain Archambault, an intense man in his mid-forties who became Montreal's chief taxi militant and strategist.

He was a veteran driver who got forced into the business when his small grocery-store-cum-hot-dog-stand went bankrupt in Joliette. Before that he had dabbled in trade unionism and, in his youth, been an activist in the war-time Bloc Populaire, as had Pierre Elliott Trudeau, Michel Chartrand, Jean Drapeau and any other French Canadian who had a head on his shoulders.

But by 1964 he had settled into his adopted trade and come to enjoy it. He was tough and ruddy looking, complete with the rough edges that marked him as a member of the working class. He was proud of his *métier* and the fact he knew the city streets inside out and provided a good service. Still, the hours, the working conditions, the injustices and the monopolies rankled him.

A compulsively energetic man, standing a bare five-foot four, he devoted most of his spare time researching and writing about the taxi business. He hoped his book would expose it all and, confident in the Drapeau administration's sense of justice, expected a much-needed and thorough overhauling of the system. After all, Archambault reasoned, Jean Drapeau had been involved in the Bloc Populaire, and in 1960 taxi drivers had helped the reform candidate ferry voters to the polls. Those who knew him could imagine his brain conjuring up delightful visions of reform, recalling an old conversation he once had with a socialist who had told him about Upton Sinclair's book on the Chicago meat plants, *The Jungle*.

The book came out. Nobody paid much attention to it and nothing happened.

At first Archambault was dejected, but soon, even though his health was poor, he began organizing. Organization was the only thing that would help the taxi drivers. It was slow at first but by the spring of 1967, drivers showed up at the Casa d'Italia restaurant and formed the Comité d'Entre'aide Sociale des Chauffeurs de Taxi de Montréal.

Three days later, on April 13, 1967, Germain Archambault and three committee members went off to City Hall to see Lucien Saulnier and present their complaints. As a starter, they wanted an end to "Sputniks" (unlicensed cabs from outside working within city limits) and a uniform dome light to distinguish Montreal cabs. Mr. Saulnier, the city executive committee chairman, promised he would act.

Archambault went on organizing with great zeal. He wanted to form a union, set up a social centre for drivers and elaborated a program. He wanted to diminish the transient aspect of the business by helping drivers gain a sense of dignity and pride in their work. He met Expo officials and got them to enlarge the taxi area at La Ronde. The committee started its own magazine, *Le Fiacre*.



Founder of the M.I.T., the late
Germain Archambault

Montreal taxi drivers were at last developing a united voice and articulating their grievances. It rapidly became evident that the drivers held at least one thing in common: their antagonism towards the Murray Hill Limousine Service Ltd.

Murray Hill held all sorts of privileges and monopolies — it had the lucrative airport concession, deals with the major hotels, prime downtown public parking spaces for its tourist buses, access to the City's Mount Royal Park, tolerance from the police when doubleparked in front of busy hotels, and a fat charter business. In addition, Murray Hill picked up passengers on call from private homes and ran what amounted to a taxi service with several hundred vehicles even though it didn't (and still doesn't) own a single municipal permit.

Germain Archambault flailed away at Murray Hill. The committee issued tracts and pamphlets. And grew. But after that first meeting with Lucien Saulnier, the city refused any further encounters.

In the early fall of 1967, the Comité called a meeting to consider the situation. About 200 drivers crammed into the slightly derelict Bar des Arts on St. Catherine Street East.

The next day, Montreal newspapers reported there was "dissatisfaction" among the city's cab driving fraternity.

Ten days later, 1200 dissatisfied taxi drivers assembled at an East End school hall during the rush hour to denounce Murray Hill and the civic administration. The speeches, including a reasoned if vociferous analysis from Archambault and intense diatribes from some politically polished Greek and Italian spokesmen, resulted in a call for action.

"On veut justice!" came the cries. "A l'hotel de Ville." "We want to talk with Drapeau."

And off they went to City Hall: 1,200 enraged cabbies. "We want Drapeau, we want Saulnier," they cried. The police guarded city hall and nobody came out or went in. As word spread over car radios, more cabs arrived, surrounding the old Victorian building in a sea of non-uniform dome lights.

"Don't honk," someone shouted. And the horns began incessantly, at first playing the trumpeters "charge" from the Montreal Forum, and then building up into a *crescendo*, a massive and collective fog horn. A warning signal. The first of the big Montreal taxi demonstrations had started.

"This is useless," Archambault said after a time, "there is nothing more to do here. Let's disperse."

Fifteen or sixteen hundred cabs moved off in all directions. And the urban taxi guerrilla was born.

Bands of taxis, with sometimes as many as 300 cars, careened around the city, disrupting downtown traffic, making the Murray Hill dispatchers at the hotels nervous.

Murray Hill limousines were harassed. Taxis followed the big green and white buses. Some tires were slashed. The taxi bands artfully avoided police patrols sent out to intercept them as individual cabs reported all police activity through the radio network. The noisy, sometimes frenzied demonstration was entirely spontaneous. It went on for hours and finally petered out about 4:30 in the morning.

The demonstration was judged to be a huge success. Archambault reasoned that if his book didn't change much, at least now the authorities would pay attention to their complaints and act.

The Comité d'Entre'aide Sociale des Chauffeurs de Taxi de Montréal, flushed with success and boasting 1,500 members, opened a combination office-social centre on Fullum Street. Unfortunately, a few days later in early October, Germain Archambault suffered a heart attack. It wasn't fatal, but he was laid up for a considerable time and forced into relative inactivity.

But there were others to take over — guys like Noel Boutin, Denis Chretien, Robert Monet and Guy Vincent.

Around the beginning of 1968, they switched their focus onto the activities of the fleet operations. In Montreal, about half of all taxis are owned by about a dozen individuals or companies who, along with smaller owners, rent the cars out to the taxi drivers at rates averaging \$10 to \$16 a twelve-hour shift. The Comité thought these rates excessive and organized a strike against Gold Circle Limited, a fleet operator with 40 to 50 cabs. The strike spread to Gamma Co. Ltd., Martin Station Service and others.

The taxi business being what it is, the strike was hard to enforce. Scabs were plentiful and taxis were hard to keep off the road, since they operated out of so many different garages and locations.

The strike proved ineffectual, although a few converts were made.

Gaston Therrien, now a veteran MLT activist, recalls: "I was cruising along Sherbrooke and a car full of guys pulled up. 'Haven't you heard about the strike?' they asked. 'Hell, if there's a strike, I'm in it too'. It wasn't time to argue."

Because of the wrecked strike, the dashed hopes and the loss of Archambault's effervescent enthusiasm, the Comité d'Entre'aide floundered.

A riotous meeting at the Plateau Hall, in Lafontaine Park, forced the executive to resign. It was spring and there was great tumult, but alas, the committee died.

However, because of the depth of bitterness, the general taxi movement in the city proved to be resilient. Although little had been accomplished in the way of concrete gains, a few individuals with a great deal of optimism and grandiose plans came to the fore. And then began one of the more bizarre episodes in the history of the city's beleaguered taxi industry.

It was still Spring when a former CNTU organizer turned taxi driver, by the name of Louis Joseph decided the time had come to organize a genuine union. He, along with a small group, also decided that if it was going to be done, it had to be done properly.

They started off by announcing their intentions at a press conference at the Queen Elizabeth Hotel, complete with open bar for the journalists. That's the usual procedure at most press conferences, but then again most people who hold press conferences have a bit of power — and money. Chalk up a \$400 debt.

Since it was going to be a genuine union, they needed full-time organizers. Chalk up \$150 a week for the president, \$125 for the vice-president.

A general convention was set up for July 14, Bastille Day. At the beginning, the Syndicat des Chauffeurs de Taxi de Montreal was financed by personal savings and loans. Money was flowing out but only a little was flowing in. However, Louis Joseph had a stroke of genius — and the budding union decided to organize a \$5,000 lottery. That's how the models got involved.

Sales weren't going too well when it was decided to organize the Queen of the Taxis contest. Fifteen girls from a modelling agency were recruited. The idea was that they would sell lottery tickets, for a commission, and the one who sold the most tickets would become Queen of the Taxis. A grand prize, featuring a trip to Europe was mentioned.

A Queen of the Taxis lottery float, replete with colored lights and frills, was constructed. It was greeted with amused looks from taxi drivers and passersby as it was towed through the downtown area and to the garages and stands, but nevertheless, ticket sales picked up a bit.

An accountant was hired (\$125) and the union went to l'Université de Montreal for a marketing research man. They got an industrial relations graduate instead. Fresh out of school, he ended up pushing lottery tickets to students and UGEQ.

Meanwhile, the union organizers were trying to interest the Confederation of National Trade Unions, the Quebec Federation of Labor and the Canadian Labor Congress to help out. Louis Joseph, accompanied by one of the lottery princesses, even went down to New York to see the AFL-CIO.

By the time the big Bastille Day convention rolled around, the union was deep in debt (the lawyer alone was owed \$3,000). However, in their search for prestige, Robert Bourassa of the Liberal Party, Gerard Rancourt of the QFL and Mathias Rioux of the militant Montreal teachers' association were lined up to speak. The convention was held at the Queen Elizabeth Hotel.

About forty curious drivers turned up to see what was happening. Aside from the speeches, very little was happening. The taxi drivers weren't impressed. The delegates voted to fire the president but he refused to resign. The Queen of the Taxis was supposed to be named but nobody was interested. The SCTM died a natural death.

The local taxi drivers were left without a movement. But the sense of frustration, of impotence, of outrage persisted.

In the late summer of 1968, a small group of disgruntled drivers, still smarting from past experiences but more militant than ever, gathered together at regular meetings to discuss "what must be done." They came into contact with other radical activists, mostly students and the "social animators" that abound in Montreal. Regular meetings were held, usually at the end of night shifts, around 3 a.m., in a little shack located in the school yard of l'Ecole des Beaux Arts.

At the beginning of September, the new group invited Germain Archambault to come out of his semi-retirement



and help with the organization. Archambault proposed that the group be called the "Mouvement de Liberation du Taxi."

The fall of 1968 proved to be a time of general unrest in Quebec. The St. Leonard affair was in gestation, striking Domtar workers occupied a factory, and the CEGEP students launched their "October Revolution." Militancy was in the air.

There seemed to be an incessant series of demonstrations, big and small. Newspapers were full of stories about "contestation" and the growth of the independence movement. Strikes, legal and wildcats, appeared to be more frequent. And the bombs of the FLQ were starting to be heard again.

MLT spokesmen toured the city, visiting occupied schools, picket lines and separatist party conventions. The first public manifestation of the MLT was a demonstration of solidarity with striking Liquor Board employees, led by taxis flying red banners.

The MLT was installed in a St. Denis street office where it started producing tracts, pamphlets and documents denouncing the Murray Hill monopoly. One of the survivors of the old SCTM proposed that they revive an old Comité d'Entre'aide plan to block off the airport in protest. "Le scandale Murray Hill" became a rallying point for left-wing activists. It was ideal, a microcosm of everything wrong in Quebec.

Murray Hill was owned by an English-speaking capitalist, Charles Hershorn, who lived in Westmount luxury. For \$60,000 he held the exclusive airport concession, depriving



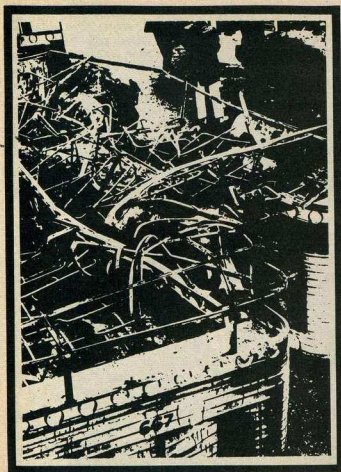
The skirmishing and blockade lasted for about three hours, witnessed by crowds of arriving passengers who couldn't get out.

honest working men of millions of dollars in revenue yearly, the drivers said. The contract was granted by the Federal Government. The \$60,000 payment, according to the MLT, wasn't enough to cover the expenses required to police the airport to keep Montreal taxis out.

On top of it all, owner Hershorn treated (and still treats) his employees scandalously. Drivers (who are mostly classified as hotel doormen for labor law purposes) earn \$1.20 an hour with overtime only after 60 hours a week. Most of his drivers put in a minimum of 70 hours a week. Hershorn has successfully fought off repeated attempts to bring in a union. (One Murray Hill driver has two framed letters in his home, one from the Federal Labor Relations Board, the other from the provincial board. Each letter refers his complaint about getting less than the legal wage rate to the other board. "What the hell," he says, "it's the only job I can get now at my age.")

In addition, drivers have to pay the costs for any minor accidents they incur.

There was one argument that particularly elicited sympathy



Before it was over, at least thirty people, most of them taxi drivers, were wounded.

thy from French Canadians: nothing could be done about Murray Hill because of conflicting jurisdictions. The Federal Government runs the airport, the Provincial Transportation Board licenses the firm's operations, municipal regulations were being flouted. This prompted one left-wing paper to write: "Murray Hill knows this (jurisdictional) jungle like the Viet Cong knows the Mekong Delta and, on this terrain, hasn't tasted defeat up until now."

The MLT also alleges that Hershorn contributes to the Liberal Party, a charge supported by Frank Howard, NDP-Skeena. At the same time they point out that Lucien Hetu, former Director General of Services for the City of Montreal, is now retired and sitting on the Board of Directors of Murray Hill. It's also said Murray Hill has excellent relations with the Quebec Transportation Board.

October 30 was the date selected for the airport blockade. The MLT solicited student support. The idea was to fill taxis with supporters and drive out to the airport to block access roads. Archambault said they would shut down the airport for two, three, five days if necessary. The Murray Hill monopoly must be broken.

On the day of the demonstration, a few hundred taxis showed up at l'Universite de Montreal. Others picked up

students at McGill and various CEGEPs. In all about 700 cabs converged on the Airport from different parts of the city.

A large group of students and drivers, on foot and waving red flags and clenched fists, confronted the police contingent guarding Canada's biggest airport. Molotov cocktails flew and within minutes the Murray Hill depot was littered with burning cars and buses. The skirmishing and blockade lasted for about three hours, witnessed by crowds of arriving passengers who couldn't get out. Murray Hill was forced to take its vehicles off the roads and few passengers managed to get to the airport.

Buses and limousines on the roads were forced to a stop by taxi guerrillas. Passengers would be politely asked to disembark and then the vehicle would be set ablaze.

Once again bands of taxis roamed city streets.

"Dorval (the airport) was a liberating experience," admitted one veteran. The Federal Government announced it would review the Murray Hill contract.

The demonstration became a national story and the MLT achieved overnight prominence. Sympathizers organized a benefit for the movement at the Paul Sauve arena. More than 3,000 people showed up for the TAXICHAUD and heard some of Quebec's top singers—Robert Charlebois, Tex, Pauline Julien, Raymond Levesque, Le Jazz Libre du Quebec and Yvon Deschamps, Quebec's Dick Gregory.

In the following months, outside elements departed from the organization and the MLT settled down to looking after its constituency.

The MLT embarked on a research program to study the needs of taxi drivers, their family budgets and the general transportation system in the area. (Last December, during hearings by the Parliamentary Transport Committee inquiry into ground transport at airports, observers judged the MLT brief as more solid, better researched, better presented and written than the one prepared by the City of Montreal.)

In the meantime, Germain Archambault continued to proselytize in the cafes and bars where taxi drivers hang out.

He had nine years of formal education, but he understood the society around him and the need for people to be free:

"The more one develops on the level of personal thinking, the more one gains knowledge, the more one is able to live life fully, to protect himself against things and all that they, society, try to inculcate in you...like all those superfluous needs pushed by advertising. People today are very perturbed by the useless things pushed by the ads...unfortunately a lot of people don't have the preparation, the personal philosophy to resist these things they can't afford."

"Germain knew he was about to die," says Gaston Therrien of the MLT, "but his rancour and frustration about the taxi business made him want to leave with a grand coup."

A year ago he was found dead inside his taxi cab parked at a stand in Phillips Square. Doctors had told him he should cut down on his 70-hour work week and other activities because of his weak heart.

Hundreds of his colleagues took the Spring morning off to mourn his death. His widow and three children were surprised at the presence at the funeral of all manner of separatist radicals.

The MLT continued its education and recruiting efforts throughout the summer, meeting every Tuesday. On Tuesday, October 7, 1969, the members gathered at their Garnier St. office mulling over a letter received the day previous from City Executive

Committee Chairman Lucien Saulnier. The letter was a response to the MLT's umpteenth request for a meeting to discuss their grievances. For the umpteenth time, Mr. Saulnier turned down the request and said, in the letter dated October 3: "Je crois, en effet, qu'actuellement, il y a trop de dialogue pour ce qu'il y a d'action." (Roughly translated: I think there's too much talk going on for there to be any action).

By 1:30 in the afternoon, most of those present were talking about the strike by city policemen. City Hall and news management being what it is in Montreal, there was absolutely no forewarning that such a strike was even remotely possible, much less imminent. The radio said, yes, there was a strike, that thousands of cops were gathered at the city-owned Paul Sauve arena, a favorite spot for strike meetings. It took several hours for most people to get over their incredulity.

Dozens of sympathizers drifted by during the course of the discussion in the MLT office, which ended up centering on what, if anything, the organization should do about it. A few of the members went over to the Paul Sauve arena to see what was up. They reported that the police were royally pissed off at the Drapeau-Saulnier administration. There appeared to be common assent. It was decided a show of solidarity in front of City Hall was in order. A convoy went down to Old Montreal and honked horns in front of the aged Victorian building. Other taxis showed up.

The flotilla of cabs went off through the downtown area. "Down with Murray Hill!" became the cry.

It didn't take long for the drivers and their radical friends to gather outside the Murray Hill garage. And it didn't take long for the fires to start or the shotguns to fire.

Before it was over, at least 30 people, most of them taxi drivers, were wounded. An undercover Quebec Provincial policeman, milling with the demonstrators, was killed by a shotgun blast. (A coroner's inquest failed to place responsibility for the death, although it was shown that several Murray Hill employees were armed with shotguns. One demonstrator went home to fetch a .303 and returned the fire.)

The crowd left and made its way to the city's main commercial area and attacked: (1) Mayor Drapeau's restaurant (2) the Queen Elizabeth Hotel and its Murray Hill depot (3) the Murray Hill office in the Mount Royal Hotel. After that the predominantly English-owned commercial area — the stores that sell all those "useless things pushed by the ads" — were fair game for the crowd that gathered to watch.

Again the MLT shot into nation-wide prominence, as the villains of course.

In December, 1969, there was another attempt to set up a union for the Montreal taxi industry. This one was the work of the Canadian Federation of Independent Associations, a formation of company unions which specializes in keeping real unions out.

The CFIA had made inroads into the transportation field before. Back in 1961, when drivers were able to boast a \$58.38 paycheck for 70 hours' work, the Teamsters had tried to organize a union at Murray Hill. They signed up a majority of the company's workers, and applied for certification before the Quebec Labor Relations Board.

A few days before the Board was to render a decision, eight of the organizers were fired. The rest went on strike and in the days that followed a dozen company vehicles were damaged by baseball bats.

The company obtained an injunction against the union.

A short time later a gentleman named Elie Allard stepped out of a Cadillac in front of the Murray Hill depot and announced he represented the "new" union. "The president (Charles Hershorn) has met me on the picket line and is willing to do business with me," he told the strikers and non-strikers. He represented the Canadian Federation of Independent Associations. About 30 men signed cards, and the Teamsters saw their slim majority slip away.

Ten days later, the Labor Relations Board ruled that Murray Hill was outside its jurisdiction because it operated under a federal contract. That was the end of unionism at Murray Hill.

The CFIA is represented by the law firm of Guertin, Gagnon & Lafleur, the same firm that represents Murray Hill.

Eight years later, Elie Allard, the gentleman in the Cadillac, turned up last December as a spokesman for the Association des Employées de l'Industrie du Taxi de Montréal, affiliated with the CFIA. In a press release, the Association claimed it had 10,000 members and called a general meeting at a school hall.

Montreal police visited the MLT's offices the day of the meeting and warned its militants to stay away. That night the school was guarded by members of the police riot squad.

Four taxi drivers showed up.

Montreal taxi drivers have tried everything to present their grievances. They've used all the democratic means — petition, peaceful protest and the like. When Jean Drapeau was campaigning for Mayor as the reform candidate, his committee approached the drivers for help in ferrying people to the polls. They obliged — after all, he promised them a fair hearing. But all the time he's been in power, the problem has simmered. (The city did, in 1964, take Murray Hill to court for refusing to take out any municipal permits; the case has languished in the courts for six years.)

The problem still simmers. The MLT has presented numerous briefs — well thought out, intelligent and, above all, workable, to municipal, provincial and federal agencies. Other groups before them did the same. Nothing has ever been done.

Recently, during the Quebec general election, taxi drivers ferried people to the polls for the Parti Québécois, as they had once done for Jean Drapeau, reasoning that since the old parties had all scorned them, they had nothing to lose by helping the PQ.

It is the repeated rejection of just demands by the federal, provincial and municipal authorities that has backed the taxi drivers up against the wall, and resulted in such violent confrontations as the Murray Hill demonstration last October.

"For me, it's not a question of violent struggle," said Germain Archambault shortly before he died. "That becomes a dogmatism and I'm not dogmatic. I'm a pacifist and we, as conscious people, at least conscious of social problems, must arrive slowly at our conclusions using the same words, the same dialogue and the same daily perceptions as the people, so that they can 'prend conscience'."

"If afterwards, all the people become aware, through a total 'prise de conscience', of all the abuses of the capitalist regime, there would have to be a revolution of some sort ... and I wouldn't oppose that."

Nick Auf der Maur is a member of the Last Post editorial co-operative. Formerly of the Gazette, he now works for the CBC, as well as free-lancing for several publications.



A Last Post report on the Maritimes

When Sir John A. Macdonald prodded the anti-Confederate Joseph Howe that he would yet "become one of us", the Nova Scotian declared "Never, never, you shall hang me first."

But Howe did, finally, offer up his support in return for a "better deal" for the Maritime provinces. Today his statue, coated green by the Halifax fog, peers at the provincial legislature, which is engaged in competition with the governments of its sister provinces to attract industry.

A few blocks to the north, Scotia Square, built by the remnants of the Family Compact he once fought, rises amongst the worst housing and ghetto problems in the country.

Down the rise, the natural harbor from which the city grew becomes steadily more silent as ships churn past, heading for more prosperous docks....

The knitting mill that is a cornerstone of the economy in the town of Truro, Nova Scotia, bears the proud name of Stanfield's Ltd. It was built up by F. Thomas Stanfield and is now run by three of his four sons; the fourth one Robert, pursued a law career instead and went on to become Leader of the Opposition in Ottawa. With the help of Nova Scotia labor laws, the weakness of the province's labor movement, and its own paternalistic concern for its workers, Stanfield's has successfully resisted several attempts at unionization.

The Stanfields are one of a network of families, tightly bound to each other through corporate connections and intermarriage, that has retained its grip on Nova Scotia long after family compacts elsewhere have given way to more modern forms of control. F. Thomas Stanfield's son Gordon is on the board of directors of Sobey's Stores Ltd., the Maritime supermarket chain whose president, Frank Sobey, also sits on the boards of twenty-three other corporations. He renews his acquaintance with Gordon Stanfield at board meetings of Maritime Telephone and Telegraph. And when Robert Stanfield set up a certain crown corporation soon after becoming Premier of Nova Scotia in 1956, he appointed Frank Sobey to be its president.

The élite, which runs every enterprise in Nova Scotia more important than the corner grocery, is larger than these three men, but not much larger. Lt.-Col. John Crerar MacKeen, honorary chairman of the same crown corporation of which Sobey was president, sits on twenty-nine boards of directors. His brother, Col. Henry P. MacKeen, is the immediate past Lieutenant-Governor of Nova Scotia. MacKeen's successor as Lieutenant-Governor is Brig. the Hon. Victor deBedia Oland; the Oland family's brewery, Oland and Son, is a Maritime institution. Victor Oland sits on the board of the Bank of Montreal, among other corporations.

Roy Jodrey, perhaps Nova Scotia's richest man, was one of two Nova Scotians on the board of the British-controlled Dominion Steel and Coal Co. (the other was Frank Sobey), which sent shivers up the spine of every Maritimer when it announced it would close its Sydney steel mill three years ago. When the government moved in to rescue the mill and the people who depended on it, it appointed a member of the élite, R.B. Cameron, president and chairman of the new Sydney Steel Corporation. Sobey was made a director.

These men, along with perhaps a dozen others, are firmly in control of Nova Scotia's government, education, and local business. In neighboring New Brunswick, there is another corporate élite, and it is even smaller. Its name is Kenneth Colin Irving.

In the 1920s K.C. Irving, just home from the war where he served in the Royal Flying Corps, acquired an agency to sell Ford cars and Imperial oil in Buctouche, N.B. Imperial, perhaps under pressure from Irving's local rivals, withdrew his franchise. Yet, Irving was not to be deterred. He borrowed \$2000 from the bank, bought an old storage tank and a few trucks and went into business for himself. His gas and oil he bought from Oklahoma, South America, and the Middle East.

Today there are 1600 Irving oil stations in New Brunswick—the number of Imperial stations trails far behind Irving's possessions. There is also an Irving oil refinery, an Irving steel plant, an Irving shipyard, an Irving drydock, two million acres of Irving-owned timberland, two Irving pulp mills, four Irving saw mills, several Irving bus lines, Irving-owned

hardware stores, ocean-going tankers, tugboats and construction firms, an Irving television station, an Irving radio station and five Irving newspapers—all the daily English-language papers in New Brunswick.

Irving's stranglehold on the management of his native New Brunswick is so firmly entrenched that the province was shocked when Premier Louis Robichaud attempted to rescind some of his numerous tax concessions. Granted over the years by various municipalities, the concessions were to be repealed to finance the government's Equal Opportunity program. Incensed, Irving came personally before the legislative Committee and warned that "no one is going to become involved in a major industrial development in the atmosphere of distrust that this legislation will create." The government backed down. Irving, not Robichaud, would develop New Brunswick.

When Irving was slammed by the Senate Committee on the media for his virtual monopoly of the New Brunswick press, he replied, "I make no apology for my attempts to build a better New Brunswick." Yet despite K.C.'s own development projects, despite those of three provincial governments, despite a long series of federal grants, the Maritimes remain chronically poor. Per capita personal income in 1967 was \$1712, as compared with the Canadian average of \$2317. Unemployment as of March 21 was listed by the Dominion Bureau of Statistics at 10.8%, considerably higher than the Canadian figure of 6.7%. And unemployment would be even higher if people did not continually leave for greener pastures elsewhere—the net loss to the Atlantic in the five years from 1961 to 1966 was 103,076 people.

These problems have become a part of Maritime life over a period of a hundred years. And when the Maritime provincial governments and their backers decided to go all out to solve them in the late 1950s and early 1960s the power of the Nova Scotia family compact, even the might of K.C. Irving, was not great enough to do it. Help had to be recruited from the outside.



"Let's not forget that in some cases Upper Canadians are the worst type of foreigner." — K. C. Irving, July, 1961

The British colonies on the Gulf of St. Lawrence grew quickly from military and fishing settlements to distinct communities, with thriving local economies. Fertile land, timber for shipbuilding, coal for fuel, fish to be exported, and a crucial location that allowed the ports of Saint John and Halifax to conduct most of the trade between England and its North American hinterland all nourished this growth. An influx of United Empire Loyalists in the 1780s and a steady stream of British settlers afterward bolstered the colonies' population.

By the middle of the last century, the push for railroads, larger industries, and general expansion gave rise to the call for Maritime union. But local institutions were strong; only in 1864 did representatives of Nova Scotia, New Brunswick and Prince Edward Island finally agree to meet.

But the Charlottetown conference was not permitted to serve its original purpose; what awaited the Maritimers was the first of a series of skilled power plays by the magnates of their larger, richer neighbor, the Province of Canada. The Canadians, themselves seeking railroads and a strong eastern base from which to conquer the western prairies, twisted the plan of Maritime Union into a grand scheme of British North American Confederation. Opposition in the Maritimes was almost total; Prince Edward Island rejected the scheme outright and New Brunswick in 1865 elected an anti-Confederate government by a large majority. But the politics of Sir John A. Macdonald, the power of the British governors, and the self-interest of a few local businessmen

imposed Confederation on the people. For years afterward, the Maritime provinces would send anti-Confederates to Ottawa, and premiers would be elected by threatening secession. Joseph Howe, the old Nova Scotian fighter for Responsible Government, prophetically warned that "the centre of power and influence will always be in Canada. It can be nowhere else". But he advised his fellows to accept the verdict with dignity, adding that if Nova Scotia became like Ireland, raising milk and potatoes, "we will take up our rifles".

Other visions saw the new railroads to Canada bringing more goods to the Maritime ports, industries to the Nova Scotian coal fields, and manufactured goods back to the expanding west — the area would be rich. But the men who built them, and their bankers, had other plans; soon the coal was riding the rails to Upper Canada, ships were travelling more frequently to Montreal instead of Halifax or Saint John, and "made in Ontario" goods were sold down east.

On April 19, 1923, H.W. Corning, Leader of the opposition in Nova Scotia, rose in the legislature, attacked both the provincial and federal Liberal governments and closed by stating "I demand a referendum on the question of Nova Scotian secession from the Dominion." There was a flurry of excitement, for Corning had accurately grasped the feeling toward Upper Canada; in the two years following the First World War shipbuilding had declined by two thirds and fishing by half. Corning and the newly-formed Maritime Rights Movement complained of the tariff which kept trade away to protect Ontario manufacturing, and rail rates which added to the cost of supplies to Maritimers. Prime Minister Mackenzie King sent it all to a Royal Commission.

The Conservatives were elected two years later, but their government, like that of the Liberal secessionist Fielding in 1886, could not reverse the trend. Too many materials, from potatoes to coal, had been shipped out for too long. There were too few businessmen making enough money in

the Maritimes to challenge the growing power of Montreal and Toronto.

As local development stood still, then began to shrink, the industrial elite of Nova Scotia tightened its grip on what remained. The relatively ignored interior of New Brunswick was open to Irving for the conquering and a few dealers in export and equipment took control of the fishing and farming that were Prince Edward Island's only sources of livelihood. The prime resources of the area became easy pickings for outsiders. Growing poverty made most labor cheap, and insecure enough so as to cancel out chances for militant unionism.

The wealth of Upper Canada, and the increasing influence of her U.S. backers, allowed projects like the St. Lawrence Seaway, cheaper production of farm equipment, household goods, food processing — all of which meant less income for Maritimers, and greater dependency on central consumer goods.

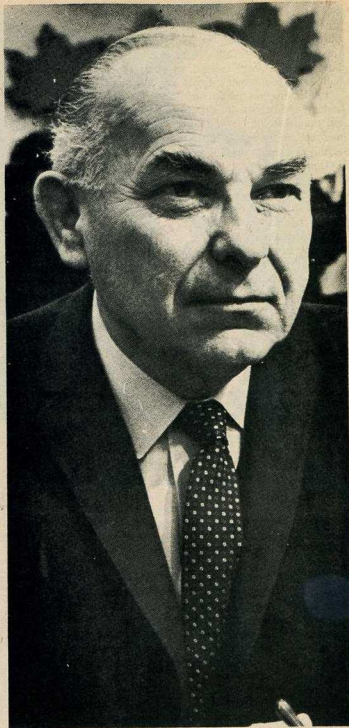
Overlooking one of the many inlets of Cape Breton Island, hidden by the spruce trees which supply a foreign-owned pulp plant, stands a testament to the power of this outside control — and a reminder of the uncertainty and dependence that is day-to-day life for most Maritimers. Now, it is a private hide-away, owned by the former manager of the Dosco steel plant in nearby Sydney. It was built by the men who worked that plant for their bosses at the Hawker-Siddeley Group; the mansion, its own power generator heating a luxurious pool, was used to entertain administrators from London, England, and their corporate guests.

The estate was sold, when Hawker-Siddeley decided to pack up the Sydney operation — a decision announced from London on October 13, 1967. That day is still recalled as 'Black Friday' in Nova Scotia. For it spelled the end not only of 3,200 jobs, but of all the small businesses which they supported; the steel town of Sydney would become a ghost town, the people sentenced to join the stream of Cape Bretoners to Ontario in search of jobs.

When the provincial government stepped in to preserve these jobs it inherited a dilapidated plant which Hawker-Siddeley had allowed to fall into disrepair over the years (despite ample government loans for maintenance). Yet within a year the new Sydney Steel Corporation (Sysco) was making a profit; something Hawker-Siddeley executives insisted from their London boardrooms could not be done. Surprising, perhaps, that a private corporation would lose money on the operation to the point where it had to sell out to the government, but then, not so surprising when one considers the profit made on the government sale, and a similar one made to the province of Quebec for its new Sidbec steel plant at Contrecoeur.

With other industries, as with Dosco, the wealth springing for Maritimers' work is collected elsewhere, for the benefit of others. If you are a rich man in Toronto, you don't build houses, parks, colleges for Bluenosers, if you build them at all.

The Ontario visitor is likely to be taken aback at being called an "Upper Canadian" in 1970, and may too easily ascribe it to the "backwardness" of the people in an area still a century behind the times. Yet if the term hasn't changed, it is because many hold the same view as expressed in 1886 by the Halifax Chronicle: "The people of Nova Scotia know the Ontario or Quebec man. . . He generally conveys the impression that in his own estimation he is a very superior being, whose condescending patronage is a great privilege to enjoy. . . He saps our resources, sucks our money and leaves a lot of shoddy behind him."



Isaac Smith, Premier, Nova Scotia

*"If we were to make the decision to go ahead again, I would support it."
— Premier Isaac Smith, discussing the heavy water plant at Glace Bay*

When the federal government announced the acceptance of a bid by the U.S.-owned Deuterium Corporation of Canada to produce heavy water, a coolant used in nuclear reac-

tors, at a plant to be built in Glace Bay, the newspapers reported that there was "joy in Cape Breton." Not only would the plant provide employment in construction and operation, but it would be an assured market for Cape Breton coal — something the moribund industry desperately needed.

Twelve million dollars was to be poured into the project by Industrial Estates Limited, a Nova Scotia crown corporation set up to attract new industries. IEL was to own a shade over 50% of the equity in the plant. In a joint statement, Deuterium of Canada president Jerome Spevack of New York and IEL president Frank Sobey said the plant "could make Cape Breton one of the leading centres in the western world for research and development in the nuclear power field."

That was in December, 1963. Today, more than six years later, the plant — which IEL now owns outright — has not yet returned a dollar to the people of Nova Scotia. It has not used an ounce of Cape Breton coal. In fact, it has not yet been put into operation.

If it ever is, it will run at a loss (but the loss will be \$4.4 million less than if the plant does not operate, according to Premier Smith).

The contractor, Brown and Root (the Texas firm that has a virtual monopoly on construction of American government installations in Viet Nam), did a construction job that even Premier Smith admits "left much to be desired." Its labor policies led to twenty-four strikes in less than three years, with 13,000 man-days lost. Toward the end of construction, salt water, intended to cool the plant's heat exchangers, was allowed to stand in the system, corroding millions of dollars worth of metal — any Nova Scotia fisherman could have explained that salt water corrodes unless it moves.

By last fall, the heavy water plant had cost the people of Nova Scotia an estimated \$120 million — and more would be needed if it was ever to open. What had started out as IEL's most spectacular find ended as its most spectacular failure.

IEL was the fulfilment of an election promise, made by Robert Stanfield in his successful campaign of 1956, to reverse the trend of underdevelopment and provide jobs for Nova Scotians. But the capital to build new industry didn't exist in Nova Scotia. So what Stanfield, Frank Sobey and the rest of the Halifax elite had to do was to invite in outside capital — in effect, to invite in competition for themselves. And they had to invite that capital in on its own terms.

In its worldwide search for industry, IEL offered to finance 100 per cent of the cost of land and buildings and 60 per cent of the installed cost of new machinery, promised substantial tax concessions and flaunted "an industrious, adaptable work force at competitive rates... well able to meet the challenge of diversified industrial production." Every board of directors knew what that meant; cheap, unorganized labor. But Nova Scotians did not complain too loudly; after all, a low-paying job was better than no job at all.

But in many cases, the new jobs existed only on paper. When Michelin Tire was talked into settling in Nova Scotia instead of Quebec two years ago, it created 500 new jobs — and in so doing ended the operation of Cosmos, a local supplier for Dunlop which had merged with Michelin. Total gain: about 100 jobs.

Another goal of IEL is to widen the tax base — with more industry there is more productive land to tax, more income to tax, more goods sold to tax. But property taxes are set at one dollar a year for a determined number of years (usually ten) as part of the bargain in which the industry came in. For the company too, the easy deal begins to look less pro-

ducing. Tax concessions run out; the rising cost of living drives wages up. The company leaves, along with its jobs and the people's investment. Or else it overextends itself, runs into difficulty, and has to be bailed out by the government.

Peter Munk and David Gilmour were two enterprising Toronto businessmen who began the Clairtone Sound Corporation in the late 1950s. In 1964, Clairtone was lured into Nova Scotia with an eight million dollar loan and began to build a large, modern plant at Stellarton. Soon its workforce had reached 640 people and was expected to increase to more than 1000.

But in August, 1967, Munk and Gilmour suddenly sold control of Clairtone to IEL in return for an additional two million dollar investment. A few weeks later, after the transaction was completed, they reported an \$800,000 loss for the first half of the year. And Clairtone, now owned by the people of Nova Scotia, has continued to lose money ever since — its total deficit has reached \$18 million. Its stocks are worth less than a tenth of what the government paid for them in 1967. There are fewer than a hundred workers at the Stellarton plant.

At the steel town of Sydney, another story of IEL development is unfolding. Two years ago the government supplied the money to build plant and services for General Instrument (Canada) Ltd., an electrical-components firm whose Texas-based parent has gotten rich from Pentagon contracts and a string of subsidiaries in various outposts of the American empire. IEL boasted that GI would soon provide up to 1,500 jobs.

At its peak, GI provided 600 jobs; there are now about 490 workers at the Sydney plant. The "industrious, adaptable work force" which IEL advertised turned out to be largely untrained women. When the legal minimum price of cheap labor went up by a nickel per hour, the plant's overhead jumped 11 per cent. Even with the tax concessions and other benefits, GI is finding it difficult to get necessary supplies, transportation costs are high, and IEL is reluctant to put in more cash. And it faces tough bargaining for higher wages this fall from the International Brotherhood of Electrical Workers on a contract which runs out December 31.

General Instrument really wants to stay in Cape Breton, says divisional manager Andrew Szegda; but he is quick to add "we could be forced to leave."

In Halifax, Isaac Smith, Stanfield's long-time number-two man who inherited the premiership when IEL's creator went off to Ottawa, remains outwardly unfrustrated and continues to defend his predecessor's brainchild.

Gerald Regan, leader of the Liberal opposition, blames IEL's problems on the disadvantages of a small province competing for industry with richer, more central locations, and on the government's incompetence. He wants to see IEL taken out of the hands of the family compact and run instead by modern efficient administrators. He proposes that its books be opened to the public, and that the taxpayers share in the profits of its clients.

New Democratic Party leader Jeremy Akerman sees deeper factors at work: "When the government took over the Dosco plant it was falling apart, now it is making a profit. Yet they want to sell it back to private enterprise. They continue to give our money to any fast talker from the outside, while local operations can't get support. If we are going to create solid industries here, we have to do it ourselves.

"We will never get a fair deal from the outside corporations"



"Little Louis" Robichaud, Premier, New Brunswick

"Great leaps forward are not a Chinese monopoly. The Province of New Brunswick has been leaping forward on both the economic and the social welfare fronts for about seven years." — Louis Robichaud, 1969.

When the United Empire Loyalists moved into New Brunswick in the 1780s they pushed the small band of Acadians who had survived the expulsion by the British up out of the fertile St. John river valley into the rocky northern counties which they inhabit today. The new aristocracy bypassed the already-existing commercial port of Saint John; instead they founded the gentleman's city of Fredericton, centre of government and learning, and further upriver built the beginnings of the potato belt.

Rich but not overly rich, the Loyalist élite kept control of government and sent such young men as Max Aitken, R.B. Bennett, and Dalton Camp out to seek their fortunes in other lands. Meanwhile, K.C. Irving, unimpeded, directed his growing empire from the Golden Ball Building in Saint John; industry was not for the sons of the sophisticates. Only in the late fifties did government feel itself pressed to confront the worsening economic situation, to help create employment. Premier Hugh John Flemming followed the lead of his fellow Conservative Premier in Nova Scotia in 1959, setting up the New Brunswick Industrial Development Council, with the same purpose and powers as IEL.

But "development" in New Brunswick was not to follow the path marked out by Stanfield and friends. The long-ignored Acadians, now bearing the brunt of an economic slump, were about to exercise their power as nearly one half of the population; the new leader of the Liberal party was about to

give them the means.

Inexperienced and unspectacular, Louis Robichaud did not seem to have a hope against the Conservatives, directed by the experienced Flemming. He was allowed the party leadership in 1958 through a general lack of interest; the 1960 election was supposed to be another wipe-out for the Liberals. But the country lawyer who never attended law school shrewdly estimated his support, barnstormed the Acadian counties, arranged some outside financial backing and scored a resounding upset victory.

Loyalist Fredericton was miffed; there had been a French Canadian Premier before, but never an elected one. But for Irving and his Saint John industrial colleagues, there was no cause for concern. A Premier is, after all, only a Premier.

Robichaud opened the first New Brunswick French-language university, made French an official language and allowed it to be spoken in the legislature. He and Irving proudly opened K.C.'s Brunswick Mining and Smelting plant at Bathurst and he arranged a \$20 million loan for the company's subsidiary, East Coast Chemical and Smelting, daring the opposition to vote against it. They didn't.

The friendship bloomed for three years. But then, little Louis, the Acadian lawyer from Richibucto, only a few miles down the road from the first Irving gas station in Buctouche, decided to apply his political cunning to the development of New Brunswick. He kept Flemming's Development Council, but laid the main emphasis on an overall plan to integrate the province's resources, services, and talents. New Brunswick would be able to build its own industries without outside help, and without the help of K.C. Irving. Robichaud was about to accept the challenge the Conservatives had sagely refused.

In 1963 he called a snap election, won it easily, then unveiled his Equal Opportunity program. On the surface, it was a new administrative arrangement to integrate and expand all educational, welfare, judicial, and health services under Fredericton direction. Arising from the Byrne Commission on municipal taxation, which documented the pitiful state of municipal and county governments, it especially appealed to Acadians, for so long deprived of these services.

The commission also uncovered the untapped reservoir which could finance it: for years municipalities had given away in tax concessions the money they needed to serve their people. K.C. Irving was a prime beneficiary; his refinery had a fixed evaluation for 30 years and fixed taxes ranging from \$51,500 in 1960 to \$75,000 for the 15 years from 1975-90. The pulp and paper company had varying fixed taxes for a 30-year period starting in 1951. The Bathurst smelter obtained fixed taxes in 1963 ranging from \$20,000 to \$56,000 (last five years) for 30 years — to name but a few. And other industrialists had similar guarantees.

Robichaud, needing capital to make his scheme work, saw the logic of the situation and decided to get the money back. Political observers were stunned by the legislation; Irving could not be mauled this easily. And he wasn't — his "warning", delivered in Fredericton, made the Premier back down. To go ahead, Little Louis would have to go into debt.

The government's equivalent of IEL, renamed the New Brunswick Development Corporation, was treading the same course, and faring no better. It offered the same services, the same tax concessions, the same cheap labor ("The New Brunswick labor force will adapt to virtually any industrial requirement — technical, skilled or unskilled. There is also a large female labour force available.")

Up the coast from Saint John, where the Memramcook

River meets the Bay of Fundy, the town of Dorchester was to be transformed into the centre of a booming industrial complex — Westmorland Chemical Park. The Corporation enticed a fertilizer processor to become the centre of the development. A plant was built; electricity, roads, even a rail line installed. A floating dock was constructed, and dredging operations begun on the harbor to allow deep-sea ships to bring raw material from the Caribbean and haul the product to U.S. markets.

But the tides of the Bay of Fundy are strong; as quickly as the sludge was dug out, it poured back in. Building a harbor proved impossible. For a price of \$6 million the Westmorland Chemical Park employs only watchmen.

The government prefers to forget that one, boasting instead of its successful construction (after some difficulty) of the huge Mactaquac hydro dam in the interior. Built in 1966, it was the crown of Robichaud's "Great Leap Forward" — another New Brunswick resource controlled by the province which could become the basis of future development.

But the dam cost the people of New Brunswick \$110 million to construct, and added to the provincial debt, a debt which had increased by \$4 million from 1960-65. The power created now runs along the lines of the International Grid into Quebec and Maine, another resource exported to pay for itself.

The box Robichaud finds himself in is familiar in the Maritimes. He had hoped to change it, making his main electoral pledge in 1960 a refusal to create a separate tax for hospital care. He has kept the promise, but increased the general debt to finance it and other projects; and to pay off the debt he has had to increase a two per cent sales tax up to eight per cent. Although Equal Opportunity has centralized public services, it has not been able to expand them. Rents are, along with those in Halifax, the highest in Canada; food costs continue to increase.

No wonder, then, that many New Brunswickers look to the power of Irving for a sign of hope. He does, after all, employ some 14,000 people, most of them in New Brunswick. But for all his antagonism to the foreigner, and the Upper Canadian in particular, even K.C. has not the might to keep their hands off New Brunswick resources. If anything, he has developed and centralized them enough to make them worth taking.

Irving Refining, a booming operation just outside Saint John serviced by an offshore dock, is now owned 51 per cent by Standard Oil of B.C., and thence by the U.S. giant, Standard Oil of California. His pulp and paper company is owned 35 per cent by Kimberly-Clark, the American manufacturer of Kleenex whose tentacles spread throughout the Canadian pulp industry.

But the biggest loss, and one Irving is now trying to reclaim, was the smelter at Bathurst which he and Robichaud so proudly opened. The Brunswick Mining and Smelting Co., and its wholly-owned East Coast Chemical and Smelting Co., were brought out by the Toronto-based Noranda group for \$50 million. Noranda, which hauls similar minerals out of the Quebec earth just across the Baie des Chaleurs at Murdochville, has not only the mines and smelter, but a host of housing, fertilizer, and development companies around the coastal town of Belledune as well.

In the town of Bathurst, boosted by the smelter's construction, there is one short main street. Along it you can count branch offices of seven different finance companies. For the individual and the government, the economy has taken a great leap in the direction it was already going: further into debt, and further out of New Brunswick.



Alex Campbell, Premier, Prince Edward Island

"The Plan"

In 1966, a young handsomely-groomed Liberal named Alex Campbell replaced an aging and corrupted provincial administration in Prince Edward Island, the "Garden of the Gulf". One of the first things the Campbell government did was to set up a Crown Corporation to devise a program of "planned development" for Canada's smallest province. The Economic Improvement Corporation, as it was called, proceeded to investigate the conditions of the 108,000 people of P.E.I. and concluded three years later that they were decidedly bad.

The majority of islanders make their meagre living through farming and fishing. The real income from these enterprises has been steadily declining since shortly after the Second World War. Like primary producers throughout the Atlantic region, P.E.I. farmers and fisherman have been viciously en-

snared in the web of the cost-price squeeze — the cost of production rises; the price for a product remains stable, or drops.

The farmers are more and more at the mercy of the produce dealers. One of the largest of these buys mainly strawberries and potatoes. He forced farmers to sell potatoes at 20 cents per hundredweight below market value if they wished to sell him their strawberries the next year. He offered to buy the strawberries at 23 cents, but at the point of exchange would give only 19 cents.

The farmer is treated no better by the food-processing operations, the island's only industry. Aided by liberal loans and grants from the provincial government, these plants have also established a reputation for anti-unionism, and for paying wages that begin at 85 cents an hour.

The EIC's answer to these problems was a project called the Comprehensive Development Plan, aimed toward long-range development of a self-sustaining economy in PEI. It was signed jointly in April, 1969, by the provincial government and Ottawa, which provided most of the funds. The government boasts that this is a "people's plan", formulated by and for the people. There is even a Public Participation sector whose function is continually to inform the people that they are participating in the people's plan.

Thus far, the scheme, which is expected to consume \$750 million over a fifteen-year period, has produced the following results — an increased number of food-processing plants, without any change in their attitude toward producers and workers, a "land consolidation" program which squeezes small owners off the land and creates a monopoly of a few large farms; and a formal priority of education which was subsequently vetoed by Ottawa.

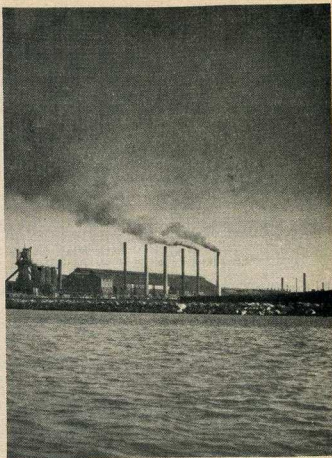
When fifty local farmers marched on Premier Campbell's residence last year to demand producers' control of the Seabrooks Food Plant, they were greeted by closed doors. The provincial administration was not about to listen to the people of Prince Edward Island.

As the three provincial governments escalate their desperate attempts to build up industry and avoid falling further behind economically, the suggestion of Maritime Union is again being heard.

Pushed by the Atlantic Provinces Economic Council and advocated, in different forms and for different reasons, by many politicians, the proposal is mainly a defensive strategy. One government would have more strength to face foreign corporations, more bargaining power within the federal structure.

In the hands of men currently in control of the Maritimes, it could simply be used as a more efficient mechanism to drain out resources. That avoided, however, it could also mean the creation of a more secure base from which Maritimers could take back control of their land.

One hundred years ago the Maritime provinces held a meeting for Union; it was co-opted by Confederation. Now the same solution is put forward, not for expansion, but to lessen the havoc which that Confederation has wrought. Whatever the outcome this time, the real struggle against "underdevelopment" will take place, not in the meeting halls of government, but in the mines, on the farms, and in the fisheries. It has begun.



Sydney Steel Plant

*In the town of Springhill you don't sleep easy
Sometimes the earth will tremble and roll
When the earth is restless miners die
Bone and blood is the price of coal.*

—Peggy Seeger and Ewan MacColl

In 1923 in the Cape Breton coal-mining town of Glace Bay, striking workers marched to the town hall, occupied it, and ran the red flag up the flagpole. It lasted barely a day, but it was the only workers' soviet in North America, and it is still talked about in the Cape Breton collieries.

Labor militancy took root in the island's red soil almost as soon as Englishmen and Americans began to exploit the coal fields in the latter half of the nineteenth century. For the life of a coal miner is a precarious one. He is faced with the risk of a disabling accident, and with the possibility of a major tragedy like the Springhill disaster of 1958. Since the 1920s, the markets for coal have shrunk and resources have dried up. As more and more collieries have closed, jobs have disappeared and the young people have left — the average age of workers in Sydney is 54. And wages for those who could find work dropped as low as \$40 a month during the 1930s. The miners quickly recognized that they could obtain even the most rudimentary benefits only by banding together.

A home-grown union appeared in the coal fields as early as 1877; the Provincial Workmen's Association

concentrated mainly on benefits for its members and pressure on the government. By 1906, the workers had also established the C.B. Co-op Movement, through which they set up a co-operative hospital, with doctors paid by check-off, co-operative banks, and co-operatively financed housing.

The PWA, with its conciliatory attitude toward management, soon came to be seen as a tool of the operators, and the miners were receptive to organizers from the rapidly growing United Mine Workers of America.

The 1920s marked the end of the coal boom that had reached its peak during the First World War. The Montreal-based British Empire Steel Corporation, which owned the Cape Breton collieries, responded to shrinking markets with a series of drastic wage cuts (when asked if the savings would be passed on to the consumers as lower prices for coal, Besco vice-president McClung replied "No. We need the money for our bondholders and shareholders."). And the workers also resented the fact that all of Besco's decisions were made in Montreal.

Led by a fiery native of the Scottish Lowlands, J.B. McLachlan, the UMW struck against a wage cut in 1922 and again in 1925. During the 1922 strike, District 26 demanded "the complete overthrow of the capitalist system, peacefully if we may, forcibly if we must," and announced its intention to join the Red International of Labor Unions. But the strike was crushed with the help of provincial militia, District 26 was repudiated by UMW international president John L. Lewis, and McLachlan was jailed for "seditious libel." During the 1925 strike, company police opened fire on June 11 and killed a miner, William Davis—Cape Breton has observed June 11 as Davis Day ever since. When Lewis recommended acceptance of a federal Royal Commission report that upheld the wage reduction, that strike died too.

The mine-owners, the provincial and federal governments, and the union's American headquarters were successful; there would be no more militant strikes. McLachlan and Clarie Gillis led a radical challenge to the UMW in the 1930s but their Amalgamated Mine Workers of Nova Scotia was soon absorbed by the old union.

The militant tradition expressed itself electorally with the formation of the Independent Labor Party in 1920, which, with the backing of the recently organized farmers, demanded the end of the capitalist system and workers' control of the means of production. This farmer-labor alliance, similar to the one that arose in the west out of the Winnipeg General strike, provided the same base for strong CCF support in the thirties. Cape Breton sent CCF members to the legislature even at the height of Angus L. Macdonald's power and the undaunted Clarie Gillis represented Cape Breton South in Ottawa until the Diefenbaker upsurge in 1957.

The CCF was complemented in the depression days by an indigenous co-operative movement, built up almost single-handedly by Father M.M. Coady. Coady went into the isolated coastal areas organizing fishermen and farmers to run their own banks, and to sell their goods collectively. His work was part of the "Antigonish movement" created in 1930 at St. Francis Xavier University; it included an extension department for adult education to train workers and farmers to run their co-ops.

But the CCF leadership began to sacrifice its militancy to attract the middle-class voter, and the effectiveness of the local co-op movement brought down the threat of

government legislation. The miners turned away from the CCF and the new Antigonish leaders held their movement back; today the extension department still exists, teaching labor leaders to avoid undermining the economy; the miners still distrust the federal NDP, the CCF's successor, some referring to it as "their party", meaning the intellectuals who took control of it.

But the tradition, the struggle to put control into the hands of the producers, was not wiped out. Fishermen, long ignored by union organizers and, for those on larger vessels, ineligible for union membership since they were classified as "co-adventurers" sharing in the catch, are beginning to unionize. National Sea Products, largest of Nova Scotia's corporate fish processors, allowed the union in peacefully, but when Acadian and Bothe Fisheries set up plants on the Strait of Canso, unions were kept out. As a result the militant, British Columbia-based United Fishermen and Allied Workers Union moved in and this spring went on strike for recognition. Union head Homer Stevens expressed surprise at the state of unionism in the Maritimes, noting that strikes for recognition, where there is no inter-union quarrel, are a thing of the past in most parts of Canada.

Most notable, perhaps, is the rapid growth of the National Farm Union. Farmers struck by the cost-price squeeze in all three provinces are responding through the union.

In New Brunswick's potato belt the farmers are fighting both government and agri-business. Last fall the Robichaud government decided to establish a new marketing procedure and set up the Potato Joint Council, to be controlled by producers, processors and exporters, with each having one-third representation. But one firm, owned by the McCain family, dominates both processing and exporting, as well as selling fertilizer and equipment to local farmers and buying up much of their mortgaged land for its own expanding Valley Farms.

Robert McCain was made President of the committee to organize the Council; each sector was to elect its representatives. The farmers, however, saw no chance for themselves on the Council and, organized by the Union, refused to send their representatives. The Council was subverted; the Farm Union declares that it will conduct its own affairs and bargain collectively as equals with the other levels of the potato industry. Its membership is climbing in both New Brunswick and P.E.I.

More traditional labor organizing is also increasing as prices continue to rise, and the Maritimes feel the brunt of Trudeau's anti-inflationary policies (to protect whose industries?), more and more workers see the necessity of collective agreements. One of the most significant organizing drives is being carried out by the Canadian Union of Public Employees (CUPE) in the expanding civil service of Fredericton. It is no surprise that hospital workers—like those in Saint John where the largest group, uncertified Nurses' Auxiliaries, make an average weekly wage of \$48.45—see the value of at least one "outside" institution.

The rise of unions—by those who work on the sea, on the land, or in the public service—is not, however, without opposition. Nor is it merely the usual opposition, for the same forces which made the region "depressed" and have thwarted government attempts to industrialize it, are also at work suppressing the workers' attempts to take control of it.



*You cannot bribe, nor twist
The British journalist,
But seeing what the man will do
Unbribed, there is no reason to.*
— old newspaper credo

Isaac Smith brushes off the assault charge against one of his Conservative backbenchers, explaining the man is not really a "member of the government". As for the Minister of Agriculture, who lost his license for highway infractions, he "just needs to learn to handle a car with more care." The Deputy Speaker, fined for leaving the scene of an accident, may be replaced; as may the Speaker, Gordon Fitzgerald, convicted of failure to file income tax returns.

The Premier was not overly concerned about his fellow Conservatives' foibles; neither was the Opposition or the local press. And this is indicative, not of any moral lassitude but rather of a deep-rooted conservatism which makes public outcry at either a ministerial conviction, or the loss of millions of taxpayers' dollars, unheard of.

Last year when truck operator James Kaizer was unable to find work on the highways, he wrote to the *Halifax Chronicle-Herald* claiming he was "a victim of discrimination". Not true, said the paper in a reply a few days later. "The

department of highways, the contractor and myself have gone out of our way to assist Mr. Kaizer, and he can have employment for his truck when he complies with the regulation..." An answer from the Minister of Roads? Not quite. From Albert H. Croft, president of the Lunenburg East Progressive Conservative Association.

Roads, post offices and other government projects are as much a part of electoral politics now as they were at the turn of the century. The political system that Angus L. MacDonald so fully understood and controlled during his 16-year reign as Premier of Nova Scotia still prevails. And an ingrained pessimism, by-product of the economic decline of the Maritimes, strengthens the conservatism, and impedes attempts to change it.

In Nova Scotia the man who would replace Smith, Liberal leader Gerald Regan, says the reason he does not demand inquiries into patronage — although he says everyone knows it exists — is because "I don't think anyone would believe me. They would think 'he'll only get in and do the same.'" In this atmosphere the struggles of the union organizer or farm union member become that much more difficult. Clarie Gillis was confronting a basic problem when he declared "I am not afraid to be called a socialist."

In New Brunswick, the reorganization undertaken by Premier Robichaud is breaking down old political and social formations. Intense CUPE organizing in the expanding Fredricktion bureaucracy and growing farm unionism as the potato industry is modernized are two results of this. But Robichaud understands and manipulates the ancient political process well; he has so far managed to avoid allowing the system to crack, as happened following the Quiet Revolution in Quebec.

His Leader of the Opposition is debonair Richard Hatfield, an old-style Tory hailing from the Loyalist stronghold of Woodstock. The NDP is, at the moment, leaderless; it had a leader briefly last fall when it accepted the offer of a disenchanted Liberal MLA named W.J. Senechal, who thus became its only sitting member. Senechal had fallen out with the Liberals because he thought they had unfairly attacked K.C. Irving; shortly afterward, he found that this was not the best reason to lead a "socialist" party, and crossed back to the Liberals.

Only in Nova Scotia are the forces of opposition promising to break through the stultifying traditional politics. Last year the miners of Cape Breton succeeded in electing their man, Jeremy Akerman, leader of the provincial NDP over the opposition of the party's Halifax intellectuals. The young Welsh archeologist and former open-line radio host tours the province emphasizing the need for locally-oriented and controlled forms of development.

If government holds all the power in an aging political process, it also has the advantage of a toothless local press. It is rare to find evidence of patronage appearing as in Kaizer's letter; it is not surprising to hear fisherman organizer Homer Stevens questioned, not about the conditions of fishermen, but about his "Communist leanings"; it was standard procedure that IEL fiascoes would only come to light when, once again, an industry has been rescued.

In Nova Scotia owners of the media are closely tied to the Halifax corporate elite; in New Brunswick all English language dailies are owned by Irving. (K.C. claims he cannot sell since he would not like to see outside ownership; but last year when a group around the *Mysterious East* offered to buy one, keeping it in the province, the response was a quick no.) There are provincial differences: Smith is rarely

attacked; Robichaud, as of late, is regularly slapped.

But, in essence, whether the media are owned by the elite or not, the old British verse holds fast. It is in the *Globe and Mail*, not in the local papers that opposition parties find their information, that people can read about the IEL development fiascoes. Even the CBC, responsible only to the public, cautiously avoids mentioning Irving except to praise him.

This is, after all, a depressed region. Why gamble on eliminating the small income the area has by exposing the few men in control?

Nevertheless pockets of opposition are starting to appear. Four alternatives to the established media have sprung up recently, and are finding a solid readership — *The Highlander* in Sydney, the *Fourth Estate* in Halifax, the *Mysterious East* based in Fredericton, but serving the whole region, and the *Eyepener-Eastern Graphic*, in P.E.I.

The universities serve only to obscure the problem of Maritime underdevelopment. Since the emasculation of the radical work done by the St. Francis Xavier group no university has probed deeply into the causes of this economic "misfortune".

When Henry Hicks served a brief term as Nova Scotian Premier, between Angus L.'s death and Stanfield's victory, he boosted government aid for education. But a look at the history department of Dalhousie University, of which Hicks is now President, reveals that the main areas of study are British Empire, Africa and Canada, in that order; there is one Nova Scotian, two other Canadian, three American and a half dozen British trained professors. Most of the history of the department's own province remains unwritten.

Where are the economists who could be detailing the flow of money in and out of the Maritimes? What part of those federal grants were drained out of the Maritimes in resources, purchases and taxes?

Not surprisingly, student unrest has not been of the magnitude of other Canadian campuses. At UNB, where students receive a "safe" education, studying quietly in the Beaverbrook room of the Harriet Irving Library, the only uproar came when a professor from the United States, Norman Strax, formed *Struggle for a Democratic Society* and organized a "book-out" to protest new library regulations. The university was subsequently censured by the Canadian Association of University Teachers for its use of local police to oust Strax and supporters from the premises.

But the SDS has lapsed, its radical impetus picked up by the New Brunswick Socialists, who organize speakers and do research into the fundamentals the university is ignoring.

At l'Université de Moncton, an element of change in itself, the sociology department began to give students insights into their community. The department became the centre of radicalism; soon university buildings were under occupation. When the administration imported Philippe Garigue, Dean of Social Sciences at l'Université de Montréal, to study the situation, he easily spotted the problem: social science radicals. The department was quickly purged.

Most Maritime universities have never incurred the problem of local radicalism; their social sciences deal in American methodology and abstract conceptual debates. But the lid doesn't stay on forever. The beginnings of a research program by the Dalhousie New Democratic Youth surfaced this spring with the publication of "The Board", a study of the corporate directorships of members of the Board of Governors (which includes J.C. MacKeen, R.B. Cameron, Lady Beaverbrook). It was one of the first public claims that such a situation is not what the Maritimes need.



*"We're pretty well off by our own standards
— Isaac Smith*

As the loss of economic control to central Canada and the United States has meant impoverishment and a harder fight for repressed groups, it has also magnified the problems of the Maritimes' urban centres.

In March of this year, The Black community of Halifax in alliance with the city's labor movement marched on City Hall to demand the reconsideration of the appointment of one Robert Oldland as city manager. Oldland had acquired a reputation during his tenure as city manager of Oklahoma City as a racist and anti-unionist. The appointment was reversed only when Oldland himself, fearing possible repercussions, decided to stay home in Oklahoma.

The Oldland affair served to crystallize the dissatisfaction of many groups with the way Halifax had been run since the British selected it in 1749 as a site for a fortress to challenge the French citadel of Louisbourg to the east. The clique of merchants, war contractors, and officials which dominated the city busied itself with its business connections in England and maintained virtually no communication with the rest of the province. Its patron, Joshua Mauger, retired to London and succeeded in getting himself appointed the principal 'impartial' advisor on Nova Scotia to the Colonial Office.

The coming of the United Empire Loyalists in the 1780s served only to reinforce the connection of the Halifax élite with Britain. Halifax became the centre of aristocratic social life, political conservatism, and the Church of England.

But not all groups who were enticed to Halifax by the promise of freedom fared so well as the Loyalists. Black freedmen, many of them professionally skilled, entered the province at the same time; others were brought in during the war of 1812 to serve in His Majesty's land or sea forces. They were soon to discover that they had been deceived. As industry declined after Confederation, the new contract relations between Blacks and Whites were dishonored. Servants ceased to have the protection of effective bonds. The Black people of Nova Scotia became the wards of the British churchmen

in Canada. Any degree of power and self-respect which they had gained dissipated rapidly. Only a complex of myths remained — myths which served to protect the people from the harsher realities of trying to eke out a daily living. At the centre of these myths is the notion that 'things are better up here.'

Today Nova Scotia's Blacks live in ghettos — in Sydney, in Truro, in New Glasgow and Kentville, in the north end of Halifax, and in the centre of Halifax. Their low-cost housing is in the process of disappearing in downtown Halifax, blotted out by a fast-expanding, modern, upper-Canadian-style shopping plaza which houses such well-known firms as Air Canada and the Toronto-Dominion Bank. This bland complex, called Scotia Square, is spreading like the plague northward from the Angus L. Macdonald Bridge to the low-cost tenement area housing the City's Blacks.

The housing situation in Halifax is desperate, with people often paying as much as \$150 a month for a one-room tenement. Very few people in Halifax own their own homes — over 90 per cent of the city's official 'poor' rent or lease housing. Ex-mayor James Vaughan set up a Rental Review Board to investigate the exorbitant cost of living in Halifax, but did not grant the Board the authority to alter rents. The sum total of low-cost housing in Halifax is three prison-like structures named Uniacke Square, Malgrave Park and Westwood. The small units, boxed together to form individual quarters, are clean and neat — in fact, sterile. But there is one major catch for the people who are lucky enough to get compartments in the first place: rent is based on income. The standard of living of all the occupants remains static, for when income goes up, rent goes up.

Yet the main new development, since construction of the Royal Bank Building overlooking the harbor, is Scotia Square. Government-assisted, it is a project of Halifax Developments, on whose board of directors we again find the Sobeys, MacKeens, and Olands.

The housing situation is not the only one that hits the Black community especially hard. Black unemployment is high even by Maritime standards. A 1968 survey of 1,742 blue-collar jobs in Halifax showed that only 45 were held by Black people. Blacks are shut out of the craft unions. Even those who go to vocational schools are not able to find jobs. Less than two per cent of the Black population has advanced beyond grade 12 and less than 25 per cent has gone beyond grade 9.

In response to this, organization in the Black community has grown steadily more militant. The Nova Scotia Association for the Advancement of Colored People (NSAACP), patterned after the NAACP in the United States, is the oldest Black organization, and still the largest, but in the mid-sixties Nova Scotian Blacks, like Blacks elsewhere, began to talk about Black Power. Rocky Jones, a Truro native who had earlier established a drop-in centre for lower-class Whites and Blacks, now set up a SNCC project. White liberal support dwindled. Later, an Afro-Canadian Liberation Movement (ACLM), headed by Jones, sprang up and began holding meetings in the Black community.

The Halifax city government remains a major focus of discontent. The city built a drop-in centre in the north end 'to keep the kids off the streets', then refused to provide enough money to equip it or staff it properly. The centre's annual budget is \$600, which must cover expenditures for equipment, maintenance and entertainment. Its beleaguered staffers have become disillusioned with the project. They have finally turned to 'bumming our stuff' in a desperate ef-

fort to generate some activity in the community. The city tries to prevent them from doing this 'because they say it doesn't look good'. Cops walk in constantly and hassle the kids.

Whatever remaining credibility survived the city's show of good will in constructing the drop-in centre was wiped out by the Oldland affair. That incident also accentuated a new shift in the mood of the Black community. Younger Blacks are rejecting the existing leadership (now grouped in the Black United Front, with a \$500,000 grant from the federal government for research). They feel that even the more militant leaders deal too much in rhetoric and not enough in action, and that they are out of touch with the community, can only react to events. There is talk in north-end bars of bringing in some Black Panther organizers during the summer months. And a young Black leader predicts, "Halifax gonna blow up this summer."

If Halifax does 'blow up' this summer, this will not be the first time. In December, 1968, Montreal Black organizer Rosie Douglas, in Halifax to address a meeting of the community, was arrested for "loitering". "I was arrested for being a Black man," Douglas said at his trial. "It seems to be a crime in this city to be Black."

For many Nova Scotia Blacks, this incident (and the subsequent attempt to bribe Douglas into paying his fine instead of staying in jail by offering the Blacks television time to describe the harassment of their community, acceptance by Premier Smith of their proposals for the Human Rights Commission, and leniency to other Blacks on trial) drove the final nail into the coffin of the myth that 'things are better up here.'

Many feel the Maritimes should be left as they are — people leading simple, unhurried lives; salmon rivers, seaside resorts, Reversing Falls for the tourists.

But, as the falls now carry the stink of upriver pollution, so have the lives and work of the people been taken into the grasp of industrialization. Black slum dwellers in Halifax, potato farmers in New Brunswick, Cape Breton coal miners, Nova Scotia fishermen don't rest easy in the manner ascribed to them by the myth.

Like the tides of the Bay of Fundy forcing muddy waters up the St. John River, then relenting as the steady stream of New Brunswick soil is carried into the sea, government measures can't stop the extraction. They merely rip up more soil to be carried to Upper Canada and the United States; in the guise of "development", the people now support Reversing Grants, Reversing Industries, Reversing Welfare Plans.

For many, the cycle has gone on too long, hope of breaking it has disappeared. And for those who are organizing, the pessimism that pervades the Maritimes is another burden to be overcome. But there is the knowledge that, as their own history shows, the cycle is not eternal like the tides of the Bay of Fundy, but something they can end.

The Maritimes article was researched and written by Peter Allnutt, Robert Chodos, Jock Mackay and Sandra Schecter.

If someone asks you what Berio played and you say catcher for the Yankees... brother, you're losing business!

AMPEX
STEREO TAPES

— (a hype)

Heavy, heavy. Yep, this is what we call a strictly hype group." Of course, he said the group was artistically "great", even though he doesn't know what art or music or greatness really is; what he meant, though, was that the hype, the concentration on image, the pushing of it on an eager public, was going to sell a lot of records. Record men can go on like this all day.

Briefly, hype is the art of selling or pushing a singer or musician over on the unsuspecting, but highly susceptible, public. It is the act of making the public believe what you want it to believe about a certain commodity. This is done in many ways, some of which I wish to recount here.

Basically, there is a certain psychology involved. The job of the hype artist (or con man) is to remain one step ahead of the game. One way of hyping a group is to exaggerate its abilities so that the public is made to believe that this group is just **too good** to pass up. The public, of course, is always made to believe that it is interested in worthy stuff. If the urge for quality is not there, the hype man will create it. An audience always likes to feel that it is "right", "special" and, "look ma, somebody really **does** care just for lil' ol' me." Hype men take care of them very handsily. The audience's ego is satisfied.

How? Sell a group or a singer that appeals to the particular neuroses or hang-ups or prejudices of the audience; tell the audience that the group "be-

longs to them", and "speaks for them"; tell them the group is great and has something brilliant to say; the audience puts 2 and 2 together. "Gee, I heard this great group yesterday. They speak for us, gee, they're really great."

"Judy Collins has captured and isolated a fragile moment. Take the time. Live your life again. Recollections from Judy Collins on Elektra."

These are the days of love, peace and revolution. Many young record buyers and enthusiasts who say they have a stake in these three things firmly believe that the days of hype are over. Well, maybe not over, but "we're too smart for the hypers." Only dummies believe hype. They say this because the hype men have told them to.

Actually, these so-called hip kids are the ones who are being hyped most convincingly. It has all been so subliminal that the adored and revered love generation is not capable of seeing through it. They are unable to because, essentially, they are wrapped up in a glorified, self-righteous image of themselves (re. Judy Collins: note the word "fragile"; "Live your life again"). And it is an image that hype men have helped, without too much difficulty, to create.

Oh yes, much hype is simply a pack of lies:

**THE MOST IMPORTANT MUSIC
IN THIS COUNTRY TODAY IS**

AN ESSAY ON HYPE
by JUAN RODRIGUEZ

You'd better believe it. Believe, believe, because otherwise you're just plain out of business. If you don't believe the hype, you are, as they say, out in the cold. Manufacturer, artist and consumer alike. They all play the hype game. They have to, because the recording industry revolves around a thing called hype.

Hype: the word isn't in the dictionary because it simply cannot be defined in a few phrases. Some view the word with disdain (although they are being hyped, without their knowledge, every day); others openly employ it without embarrassment.

A record company promo man recently told me of some new group he was pushing: "It's a heavy hype group.

COMING FROM DETROIT. THE FROST IS DETROIT'S GREATEST ROCK BAND.

The key word here is "important". Everyone likes to believe that what he is listening to is "important" and worthy of his precious time (of course, he is also made to feel that his time is precious). It hardly matters that the most important music does not come from Detroit. Nor does it matter that the Frost is only a mediocre group.

Instead of acne remover, hype men sell status, which today comes in the form of revolution and "importance". As Frank Zappa of the Mothers of Invention has said: "Revolution is a fad". He should know, because he's one of the most successful hype men around.

Hype was created to sell bad performers (translate: worthless product). But hype is so commonplace these days that it's come to the point where good pop musicians need the hype almost as much as the baddies. The rock audience is so used to being hyped that it has come to regard a group that is not hyped as one not worthy of their valuable attention.

In the "good old days", the days people don't like to talk about anymore (whiter shades of payola; who needs payola these days?), there was Fabian and Paul Anka and a host of young, greasy, starry-eyed teenage pop singers. The NFB film "Lonely Boy" encapsulates the Anka phenomenon very nicely. At one point in the film, Paul is playing the Copacabana and his manager says revealingly that Paul is the first under-21 to make it in the adult music market.

This was a big thing in those days, to be a Perry Como at age 20. But it was the secret of the Fabian-Anka craze. Here were teenagers, literally off the street, who were successful only because of their winsome looks. The hair, combed and styled and trained on so perfectly, the twinkling eyes, the suits, those boy-next-door smiles, the ability to say sweet nothings to Teenage America's Big Daddy Dick Clark — these were the components of their success.

You didn't have to possess any talent for musical expression. Consequently, the songs of this period (1958-63) were pretty awful. Looks were all. A record by Fabian or Anka or Bobby Vee or Bobby Curtola or Bobby Rydell was packaged with a suitable-for-framing color pin-up on its cover and the kids lapped it up. The songs were incidental; the kids enjoyed them because they worshipped their singers. (The same relationship is at work in advertising: the consumer buys a box of suds not because he believes it to be necessarily better than Brand X but because he has been entertained by the method in which the box of suds has been advertised on television.)

Put a Fabian picture on your wall or under your pillow (you had to buy another album if you wanted an extra picture). Sweet dreams. Fab was nothing but an image; the music drew its inspiration from this image. The kids who were making it at the time were all good-looking (sex appeal was never mentioned; Elvis was in the Army). They were clean, good-living, hard-working. The lacquered hair appealed to the kids because it was "neat" and to adults because it was groomed.

Adults fed on this type of pop because it was the direct antithesis of the Presley days. After all, Jerry Lee Lewis, one of the great rock n' roll originals, had been outlawed when someone found out that he had married a 13-year-old. Clean-living was the key. The kids would be encouraged by record men and parents alike to enjoy this latest pop fad, because they'd "grow out of it" in no time. They would grow up to be model citizens.

By 1964 the kids were ripe for change. Pop works in cycles and "a good thing" can't last forever. Thus, the reason for the Beatles.

Pop analysts have searched and dug up meanings for the rise of the Beatles until they were blue in the face. Simply, the Beatles were different. They were fresh, crazy, alive; their music was real, it was bright; and, of course, the long-hair. The Beatles hit the Uni-

ted States and The World because of a fantastically timed and executed combination of publicity, exposure and hype. The Beatles were the most merchandized group of all. There were magazines, sweat-shirts (all manner of Beatle clothing), souvenirs, etc., in addition to the records. This was big, big business. It made many middle-class, middle-aged men rich.

Yet the intensity and power of the Beatles hype was somewhat different in character than the Fabian days because no one had to invent the Beatles. They told, indirectly or directly, the truth. They didn't believe in God, so they said so. They freely admitted that their hair was just a "lark", but it was fun and why shouldn't kids have fun instead of growing up into their parents' lifestyle? While the record company execs collected money, the kids were being liberated by the music and style of the Beatles. The Beatles were real people, and creative people too, and these qualities were most alien to the way pop businessmen thought of "image".

So, the old hands of pop ran into trouble for a couple of years. The "created", clean-cut singers of American Bandstand went out of business and were replaced by long-haired groups from England. Some of these groups, like the Rolling Stones and the Animals and Manfred Mann, showed a strong identification with American black music, which had never attained success on the hit parade because it was too real, because it was a legitimate musical form of expression.

Soon, the Rolling Stones were making it big. And so were black singers, such as Mary Wells, the Four Tops and the Supremes. Then there was "folk-rock" which, despite its sophomoric excesses, was a creative period for pop music. The hype men had little control over what the public wanted to hear. They could only follow and hope for a better day.

"What your sons and daughters have put on this wall, our artists have put in this music."

In The Beginning God Created The Heaven And The Yardbirds...

The Beatles, who helped quell the bad breath of hypemen for a while, gave them a new lease on life when they issued "Sgt. Pepper's Lonely Heart's Club Band" in the summer of 1967. Sure, there were the usual protestations about the so-called references to the use of drugs on Pepper, but the nature of the album's unbelievable reception gave the hype industry some measure of hope.

Bluntly, Sgt. Pepper was a gimmick. It was a carefully packaged album, complete with "freaky" cut-outs, a "head" fold-out photo of four supposedly stoned Beatles, and complete song lyrics on the back cover. Follow the bouncing ball. The front cover, what with all those infamous faces, was the big attraction. It was, both the trade and rock magazines of the day announced, a "concept" album, a record that brought pop music to the levels of high Art. Actually, "concept" is merely another name for "gimmick". And the gimmick was swallowed without hesitation by a new class of record consumers — hippies, college kids, the "love generation".

Just as they did in the days of Fabian, the pop audience began to get excited over the packaging of an album (the "groovy" pictures on the cover, etc) rather than the music itself. The music was merely a facet of the concept-gimmick. The response addressed itself to this concept and what it represented. Thus, the songs glittered on the surface, like the cover, but underneath there was little that did not have to do with gimmickery.

However, the rock audience was so hepped (hyped?) up over Sgt. Pepper's gloss that it refused to see beyond the surface. Besides, there were new interests to protect. Sgt. Pepper was a "hedd" album; thus, only heads could understand it. Richard Goldstein, one of the very few critics to question this hip hysteria, wrote: "The idea that certain progressions, tonal nuances, and lyrical flights are comprehensible only to the turned-on smacks of critical fascism." Of course, Goldstein was bitterly vilified by the love generation. Sgt. Pepper was released when the young, physically or spiritually, were drifting to San Francisco, "don't forget to wear some flowers in your hair"; thus, it became an anthem and everyone, young and old, gets uptight over the defacing of your national or spiritual anthem. "All you need is love": sloganeering sudden-

Announcing the smash follow-up to the Tokens' first commercial hit single in 9 years: Their first non-commercial hit single in 9 years.

ly became very hip.

The entire Sgt. Pepper schtick provided a generation with a name and an inflated image of itself. But it also helped lock minds into a sort of "hippie conservatism" that manifests itself in passive non-thought and non-action. And, of course, Sgt. Pepper gave the hype industry a new, highly receptive

audience to cater to.

Since Sgt. Pepper, there has been a spate of singers and groups of varying shades of mediocrity and hollowness. It is their exteriors that appeal to the rock audience, however, and the images have been helped along by eager hype men. Instead of greasy hair and twinkling eyes, today's "sophisticated", "transcendent" rock audience goes for rhetoric and mumbo-jumbo about love, peace, the "awareness revolution", and "the counter-culture". Recording groups have come to represent such fodder, and the young have merely become an interest group, with its own set of predictable neuroses, fears and concerns.

Sensitivity and fragility are the stuff of which poetry is made — according to today's "hip" record audience, and the people who feed them hype are perfectly aware of this. Poetry is a big thing these days in rock music. There used to be a time when the sheer physical freedom and personal magnetism of rock would be enough to satisfy the rock fan. This was its "content", and the best rock 'n' roll music has always played in whole or in part upon these two elements.

Today, the rock fan feels that he is more sophisticated; the rock fan is a man of the world; his sensibilities are studied and catered to in modern universities. Rock has become textbookish, and so has the mentality of many of its listeners. The music is no longer considered good if it immediately grabs you in some undefinable (and, thus, "dangerous") way.

The rock fan likes to feel he "knows" what he is listening to; there must be a word for it, there must be something he must refer to in order to feel the security of knowing he has listened to something worthy of Art or "important" in a political or social sense. These demands (based upon such old-hat desires as status, insecurity, the longing to be noticed — the groovies have yet to escape these straight jackets of thought and action) are met by the hype man.

"Listen to Joe South. The man with insight into pseudo people who think having is being."

Here we have the old superiority feeling again. Rock fans, who have been constantly reminded by their gurus, their media, and their hype men that they are part of the awareness explosion, seem to genuinely believe that they have some sort of monopoly on sensitivity. Joe South

supposedly has "insight into pseudo people (yer average parent, businessman, middle-class-monger, and so on) who think having is being". Of course, the hip young generation knows better, and Joe South is hyped as reflecting their "insight". Actually, Joe South is a rather talented composer-singer-guitarist-producer, but from the hype, and from the way the young by necessity read into his simple lines, one would think that Joe South is a huge snob. The hype, however, appeals to snobbery.

Much hype distorts, as in the case of South, but an equal amount actually contributes to the wretched, poor qualities of a particular group. For instance, here is a brilliant piece of banality:

*"Because there is beauty
In the sunlight and the shadow
There is Hedge, and there is
Donna
And there is their music."*

Hedge and Donna, the subjects of this soapy little hype, are white and black, respectively. (heh, heh, "sunlight" and "shadow", get that?)

Again, we have the preoccupation with fragility and sensitivity that is supposed to make the average rock listener believe he is under some sort of grace of God. But, the hype is rank banality and so the music of such types as Hedge and Donna, as well as Joni Mitchell, Richie Havens and so many of the other faceless hip wonders, is simply bland, simplistic and, ultimately, banal. Beauty and sunlight and shadow, et al, are crammed into their songs like a sack of potatoes. Yet, it all gets accepted, and praised, in the name of Sensitivity and Awareness. This is the Sensitized Generation.

So sensitized in fact, that it will not accept anything less than candid to their golden sensibilities. The old-fashioned ad come-ons are out, supposedly because the kids wouldn't bite anymore. But they're still around, except now the hype is frank and straight-from-the-shoulder and "hip".

How's this for telling it like it is? **COVER. THEY JUST MADE ONE HELL OF AN ALBUM.**

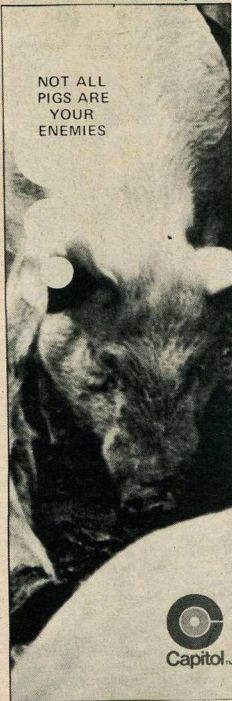
The hype man appeals to the supposed increased-intelligence of today's rock fan and gives him this to chew on:

"Four albums guaranteed to prevent the feeling you've been crapped on again."

Then there are the ultimates: hypes that come all over the page with hip sincerity; hypes that wind up saying, and meaning, nothing:

"The Moody Blues: To Our Children's children. Perhaps the

**NOT ALL
PIGS ARE
YOUR
ENEMIES**



greatest musical achievement of the past decade . . ."

Consequently, there are some Moody Blues fans out there who, when asked why they liked the damn record, will spout without hesitation, "It's perhaps the greatest musical achievement of the decade . . ."

Finally, contemplate this funky little number:

"John Mayall's first great album on Polydor can only be exceeded by his second great al-

bum on Polydor."

Hype men spend millions of dollars a year on conning the rock fan. And today's rock fan is a pretty easy take; he thinks he is demanding and right-eous. An unbeatable combination, one that today's record industry has no difficulty taking advantage of. A record that sells for \$5.00 may only cost 25 cents to produce. After recording expenses, artists' fees, and distribution costs, almost all that remains is accounted for hyping the record. And, of course, there are the profits.

"Heavy rock" is the latest pop fad, thanks to groups such as the Doors and Led Zeppelin. The latter is heavy and turgid but has gained its reputation on supposed "free-form", "experimental" qualities. The Doors are moody and intense and boring and dull. They are certainly one of the very overrated groups of our time. The hype for their latest album goes like this: "The Doors. MORRISON HOTEL. Anywhere. Everywhere. Come take refuge awhile." Thus, the sensitive heavies run for cover to the Doors. All five of the group's albums have sold to the tune of a million dollars.

With the Doors have come a plethora of groups with similar images and hypes. Of course, no two are the same (just like fingerprints) but the psychologies of the hypes are. Make the listener feel his importance ("the customer is always right . . ."); give him something "different" and "heavy" (fill in your own cliché; there are a million o' them); pick up on Dylan's "you know something is happening but you don't know what it is do you Mr. Jones" — in other words, make the listener (BUYER) feel that he most definitely is not Mr. Jones. Good masturbatory technique.

Case History 789: The Guess Who. This is a Canadian Group that hails either from Vancouver or Winnipeg (only their real fans know for sure . . .) and they had a fairly world-wide hit years ago with "Shakin' All Over", a pretty good rock 'n' roll number. They faded out of sight but they kept on working and, as showbusiness will have it, they stormed back to the Hit Parade a year and a half ago with a ditty called "These Eyes", a reasonably compelling pop love ballad that sounded great on car radios across the nation. They followed up with "Laughing" and "Undun", both in a similar vein. Suddenly, The Guess Who, from Western Canada of all places, was one of the biggest pop acts in the business.



But there was one nagging problem: while they were not exactly square, they weren't quite, uh, hip enough to appeal to the heavy rock audience which, as everyone knows, is so big these days. So they decided to change their image. An ad in *Rolling Stone* (Dec. 13, 1969) went like this:

The next guy who puts down the Guess Who as a mushy top-40 group ought to be made to spend a night with their albums.

Readers were alerted to the fact that The Guess Who, the same group that had recorded that soppy old ballad "These Eyes", had also laid down an eleven-minute composition called "Key" (11 minutes, wow, real heavy gang). Three months later, time for the hair to grow longer, time for a good change of clothes, time for a "head change", *Rolling Stone* ran another ad for The Guess Who. It was a photo collage of a depressed street, garbage all around, tall buildings on each side, the Statue of Liberty huge on the horizon. Underneath, the caption was: "American Woman" is an unexpected statement by The Guess Who. The group, DIG, is now into "statements" and the Hip Generation is just crazy about statements. A statement a day helps keep the (fill in) away. It also kills any sort of free, creative thought-processes.

"American Woman" is merely a silly, but "hip", song capitalizing on pointless anti-Americanism. It has no relevance to the reality of what is going on in America these days and it implies (if only from the fact that The Guess Who have kept their Canadian identity—smart move: being Canadian is "in" these days) that the same things don't happen in Canada. "I don't need your war machines, I don't want your ghetto scenes..." Such bits of "heaviness" are crushingly stultifying. They lead to repression of free-thought instead of liberation of spirit, which most good rock songs

JESUS CHRIST

That's the name of the world's newest rock opera.

It's on Decca Records.

Jesus Christ. It's only logical.

manage to do, even if it's for only the duration of the record.

Hype is an essential part of the recording industry and popular music in general. Despite the phoniness that it entails, it should be noted that hype often leads to many pop inspirations. Hype, in its best sense, is everything frantic and hectic and momentary and super-charged and, in its own peculiar, imitable way, real about pop. But here hype is used as a quintessential quality, it is a vital part of a pop song, it has some sort of pop magic and so it works (everything from Tom Wolfe to the Rolling Stones).

But when hype builds up and creates expectations that can rarely be filled, it has a deadening effect on an audience. Audiences traditionally feed on their own prejudices and vices and the hype man is all too well aware of this. Rock artists stand or fall on account of hype. And so do their audience. It's not the healthiest situation in the world.

Finally, the true life sage of one Dion DiMucci, formerly of the pimply teenage group of the early sixties, Dion and the Belmonts, now just called Dion.

He really didn't have much talent. The only way to think of the Belmonts' big hits these days is something resembling nostalgia or even Camp. But Dion stuck it out, lived through all

the put-downs of that greasy music, and, yes see it now, he **changed!** He grew his hair a bit and he started playing folk-type guitar. Then Martin Luther King and Bobby Kennedy fell in quick succession and Dion rushed out "Abraham, Martin & John", which was an up-date version of that old standard "Where Have All The Flowers Gone?"

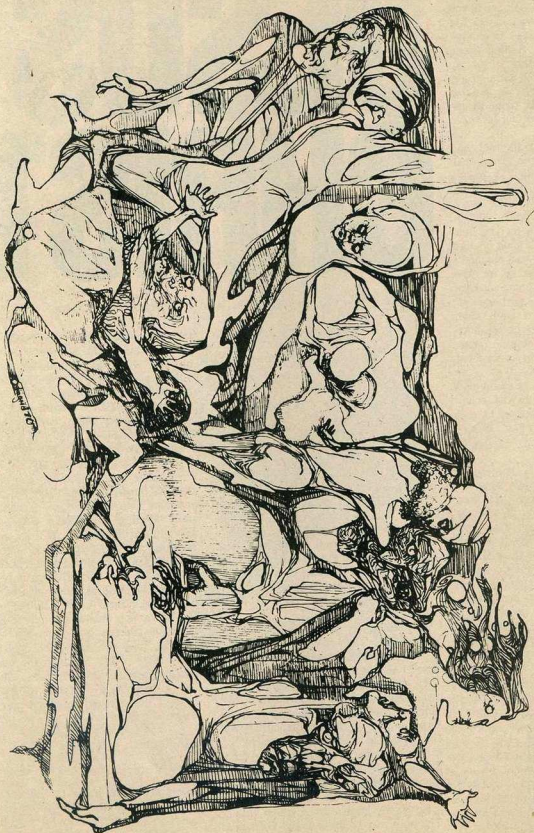
Dion had a monster hit on his hands. He became the "new Dion" and people revelled in the opportunity of being magnanimous and forgiving and actually **digging** what Dion was on to. Dion has truly become a man for all seasons and his hype takes pains to point this out. His latest album is called "Sit Down Old Friend" and it is an atrociously pretentious smorgasbord of all the folk-blues cliches in the book. But many pop fans are going for it because it represents a "change" and, besides, they are so fed on this stuff that they can't distinguish vacant cliché from reality anymore. An ad has a caricature of Dion, with steel-framed glasses and mustache, in the shape of a diamond:

"A DION IS FOREVER"

Unfortunately, it's true.

Juan Rodriguez is the rock critic of the Montreal Star. His articles and reviews have also appeared in a number of other publications.





DRAWINGS BY
INGRID SCHULMAN

THE CARIBBEAN

The people rebel against Canadian control

While rich Canadian tourists lolled about the gleaming resorts of the Caribbean islands a few weeks ago, their easy living was shattered by news that did not fit their fantasies of a holiday in paradise: revolution, it seemed, had broken out in Trinidad. Black power 'mobs' were surging through the streets, a large part of the army had mutinied, demonstrators were being shot down in Port-of-Spain, and foreign businesses, very definitely including Canadian businesses, were surrounded by hostile crowds. The troubles of last February, when such sacred cows as the Royal Bank of Canada were stoned and smashed, were starting all over again — only this time, things appeared far more serious.

The governments of the foreign countries that own and control the economies of the West Indies certainly thought things were serious. Canadian External Affairs Minister Mitchell Sharp assured the House of Commons that plans were ready to evacuate Canadian citizens — though he refused to say what the plans were. That any plans were more likely to involve invasion than evacuation was made clear by the United States — frantic as always with fears of another Cuba — which immediately sent a fleet of six ships, including a helicopter carrier with 2,000 Marines, a landing ship dock, a landing ship tank and an amphibious troop-carrying attack vessel. Arms were quickly flown in to the beleaguered government of Prime Minister Eric Williams, the good friend of Canadian, American and British businessmen.

The rich Canadian tourists, whiling away the dregs of winter in an area of the world that Canada in large part dominates, must have felt a little uneasy as they accepted soothing beverages from immaculate Black servants who called them "Mister Peter, please", who giggled at their jokes and who

wept as they left (to quote a Jamaican tourist advertisement).

Why, they must have asked, was there such 'ingratitude' — the same sort of 'ingratitude' that Black West Indian students at Sir George Williams University had shown when they helped smash a computer last year — among a people upon whom Canadian business had showered millions of dollars in investments?

The more hard-headed and unscrupulous among them knew the answer. In Trinidad over 15 per cent of the population is unemployed. The figure reaches one-third among youths between 15 and 19, and 27 per cent among those who are 20 to 24. One-fifth of those who are able to find work at all are employed for less than 32 hours a week. And the situation is the same — or worse — in the other islands of the Commonwealth Caribbean.

Canadian investments in Trinidad and throughout the Caribbean do little to help, for they are made not to help but to exploit — employing only few people by using the latest labor-saving machinery, and paying a pittance to those who are permitted to work; enjoying the profitable bounties of tax holidays and other concessions; and after an initial investment, taking more out of the islands than they put in. Although the Gross Domestic Product of the islands increases by six per cent a year, this does not help the Black or Indian workers, for what it measures is the increase in the rate of profit of Canadian and other foreign businesses in the area. The bauxite and alumina used in the Canadian aluminum industry comes from Jamaica and Guyana, but every dollar's worth of finished aluminum contributes 83 cents to the Gross Domestic Product of Canada, only 17 cents to that of the West Indies.

Canadians at home know little of their country's economic

and political power in the West Indies. Yet it is massive and growing. And it is made not to help the poverty-stricken people, but to manipulate them in the interests of businesses and financiers in Montreal and Toronto whose names are household words.

Driving into Nassau from Windsor Field Airport, you can see Canadian money sprinkled along the route like icing on a cake.

You pass the site of a \$20 million condominium project by Toronto's Residential Resorts Development, said to be the largest single housing project in the Bahamas. There's the Canadian-owned Nassau Beach Hotel; the home of F. Ronald Graham, late Vancouver sugar millionaire; the home of Oakville contractor Joseph Tomlinson.

You can see the balconied 20-bedroom house where Canada's most famous Bahamian expatriate, Kirkland Lake gold prospector Sir Harry Oakes, was hacked to death in 1943.

Venturing further, you may catch a glimpse of Lyford Cay, E.P. Taylor's millionaires' ghetto, where the average home costs \$700,000 and police man the gates. Of 12,000 developable acres on New Providence Island, E.P. Taylor owns 5,000, while another 3,000 are held by Morry Wingold, a Toronto investment broker.

You may spot the Lucayan Beach Hotel, a \$12 million investment in opulence and crime that helped bring about the spectacular collapse of the Atlantic Acceptance Corp. in 1965. Toronto mine promoter Lou Chesler lavishly cultivated politicians to extract a gambling concession from the government, with the idea of turning the area into a new Monte Carlo. At least \$1 million in 'consultant fees' went to finance minister Sir Stafford Sands, who also held down a chair on the board of the country's largest bank, the Royal Bank of Canada. The resulting casino with its 'Whites only' policy soon fell out of Canadian control and into the hands of American gangland syndicates.

The Bahamas are only the tip of the iceberg of Canadian financial penetration of the Caribbean area, a penetration political as well as economic because of the tight interlocking of government and business elites. The result is a situation that differs little from colonial slavery, in which the source of wealth is foreign and White, the source of labor local and Black.

The release of colonial bonds brought only a more subtle enslavement to North American financial interests, rather than independence. But the people are beginning to see that the idea of harmonious multi-racial societies is sheer nonsense in a social system where a five per cent non-Black minority controls all the country's natural resources in the interests of foreign shareholders.

In Trinidad, thousands marched through the cane fields and a branch of the Bank of London & Montreal was nationalized. In Guyana, the Student Society of the University of Guyana backed a demonstration in front of the Canadian High Commission, a Royal Bank and the Demerara Bauxite Co., an Alcan subsidiary. In Jamaica, the students formed a wall to block Governor-General Roland Michener from the campus of their university.

When the revolution comes, Canadians and their \$500 million investment will be in the front line of targets.

And Canadian businessmen know it.

Shortly after the takeover of the Sir George Williams computer centre in protest over Canadian racism, a battalion of 850 Canadian troops landed in the mountainous Jamaican in-

terior to conduct a tropical training exercise.

Since then, two more Canadian regiments have practised their counter-insurgency techniques in the Jamaican hills, while island politicians held closed-door talks on "subversion" and banned Black Power exponents.

Popular ideology has it that the concept of Canadian imperialism is absurd. Few believe Canada covets foreign natural resources because, it is argued, she has plenty of her own.

Yet Canada is deeply involved in the Caribbean, with a web of investment that snakes through banking, insurance, tourism, real estate, minerals and secondary manufacturing. So sensitive about foreign ownership in her own preserve, Canada is blind to its dangers in other economies. This country imposes ownership restrictions on its own banking and mineral resources, while continuing to cloud its monopolization of Caribbean resources behind a smokescreen of 'good corporate citizenship' and 'more jobs'.

These rationalizations conceal more than they reveal. An examination of Canadian capital at work shows that its investments serve to maintain the Caribbean economy in a state of dependence, disintegration and perpetual underdevelopment.

The expansion of Canadian concerns into the preserve of their nearest Commonwealth neighbors is not a recent development. Because of the salt fish and rum trade links between Halifax and Jamaica, the Bank of Nova Scotia was transplanted to Jamaican soil in 1889. By 1910, Canadian banks had sprouted a network branching through Bermuda, Cuba, Mexico, the Bahamas, Puerto Rico and Trinidad.

After building the Canadian Pacific Railway, tycoon William Van Horne left Canada to lay rails across Cuba and Guatemala, and won notoriety for his ability to extract scandalous concessions from governments. In turn-of-the-century Cuba, he took advantage of Spain's defeat and his influence in U.S. financial circles to start building a trans-island railway before any government had the power to stop him. And in Guatemala, he is reported to have said, "we asked for everything we could think of and we got all we asked for."

Axe-murder victim Sir Harry Oakes took the fortune he had garnered from Kirkland Lake, Ontario gold, and retired to the Bahamas to escape his taxes. There he developed a country club and bought Nassau's largest hotel, the British Colonial, sinking half a million dollars into redecorating it to match the color of his wife's favorite sweater. He also gave the island an omnibus service but charged the islanders for rides.

Recognizing the area's economic importance, Canadian politicians have been suggesting a political takeover of the Caribbean for the last fifty years. As early as 1919, Prime Minister Sir Robert Borden considered laying claim to the islands as Canadian possessions, on the grounds that Britain owed Canada something for its sacrifices during the First World War. However, Britain wanted the islands' resources for herself and blocked the transfer.

Since then, the idea of political occupation of the islands has masqueraded under less offensive names. Millionaire eastern Caribbean developer Ken Patrick of Montreal's Marigot Investments called the West Indies "the right size problem for Canada", and suggested a "monetary and customs union", in which Canada would play senior partner to the smaller islands and provide for their defence and external diplomacy. In return, the junior partners could pro-

The company frowns on any but the slightest contact between staff Guyanese and the workers.



vide access to a good climate, agricultural products that previously had to be imported from the U.S., and a tropical terrain in which to train the Canadian Mobile Command (this suggestion antedated the force's actual deployment in Jamaica).

Other proposals have included "associate statehood" and turning the area into Canada's eleventh province. Senator Paul Martin stated the case very succinctly before the Senate Foreign Affairs Committee hearings on the Caribbean when he said: "Britain's withdrawal and the apparent disinclination of the United States to increase its commitment in the area leave a neat geographical sphere of influence where Canadian effort will not be overshadowed."

As for sphere of influence economics, the Canadian banks have contributed more than is commonly realized to setting up Canadian capitalists in their exploitative positions. There is no doubt that the banks encourage the sale of resources to foreign investors rather than the development of a native entrepreneurial class, and also counsel investors to extract superprofits to compensate for risk. The Canadian banks have worked closely with island governments in attracting North American investment through tax incentives and condoning profit repatriation, leaving no money in the island economy except inside the ministers' pockets. The late Robert Winters, when he was trade minister, called the Canadian Caribbean banks "good ambassadors" — the recent stonings of bank windows and rampages through their premises in several Caribbean countries are an indication of the warm feelings they engender in the local population. In Jamaica's tourist centre the native businesses are festering holes, while the Canadian banks, three in one block, are outrageously large, modern and mushrooming. In Kingston, they have even gone drive-in.

The Canadian insurance companies, at least a dozen and in control of 70 per cent of the area's business, are only beginning to yield to the demand to become good corporate citizens. In previous years, they drew complaints even from the tame local governments for taking West Indian savings and investing them in Canadian projects.

Because of the lack of economic integration, foreign investors play off one island against another in their efforts to get the biggest tax concessions for their ventures. A **Financial Post** history of one Canadian West Indian subsidiary shows the results.

The company is Cooper Canada (formerly Cooper-Weeks), a Toronto sporting goods manufacturer. By setting up a Barbados subsidiary, it is allowed to import raw materials and factory equipment duty-free, and enjoys a ten-year tax holiday, followed by a corporate tax rate of 12½%.

Labor, mostly women, can be had at salaries of \$9-12 a week, enabling the company to make a pair of hockey gloves in Barbados for 35 cents, which cost \$1.40 in Canadian labor

costs. Add on shipping and import duties, and the gloves can still sell on the Canadian market for 25 to 30% per cent below their domestic competitors.

An added bonus, the **Financial Post** reporter points out, is that management can be flown in from Canada until the local government begins to exert pressure. This, despite the fact that Caribbean satellite operations are justified in the name of more jobs for the local population.

"The Barbados government is very hot — some would even say a bit too anxious — to get local talent at the helm."

John Jack Cooper, president of the parent company, is confident that what happened in Trinidad won't happen in Barbados. "I have such great faith in the people of Barbados that I really don't think it can happen here. We just have to take that chance."

What he has faith in is their continued ignorance. For when a company pays trifling wages, no taxes, no duties and exports all its profits as well as its products, what benefits does it offer the economy it lives parasitically off of, using native tax revenue to finance its roads, harbors and other infrastructural conveniences?

Canadian manufacturing concerns that have exploited government-offered tax concessions to relocate in the West Indies include Bata Shoes, Ogilvy Flour, Seagram's Distillery, Hiram Walker Distilleries, Waterman Leather, True-Form Industries, Polly Cello Packing, Dominion-Canadian Timbers, Vachon et Miron, Salada Foods, Moore Business Forms, Forsyth Shirts, Wellinger & Dunn and Imperial Optical.

The new Caribbean Development Bank, to which Canada is one of the major contributors of development funds, is also expected to encourage satellite manufacturing operations — for example, flying down computer components for circuit wiring, then shipping them back for further processing. This kind of enterprise leaves the island none of the value added in later processing, and is highly capital-intensive, making few ripples in the vast idle labor pool.

This is especially true of the bauxite industry which, through Alcan Aluminum Ltd., guarantees only 9,000 jobs in the whole area. In Jamaica, where Alcan contributes 28% of export earnings, it provides only 3,300 jobs, employing 0.05 per cent of the total labor force.

Not that this is the only disadvantage of leasing this vital resource out to foreign developers. Alcan has successfully resisted years of attempts to get a smelter installed in Guyana so that the Caribbean could get its hand on the value added in fabricating — a long ton of dried bauxite is worth \$104 after processing into alumina in the Caribbean, as compared to \$1837 after smelting and semi-fabricating.

Former Guyana Premier Minister Cheddi Jagan says in his biography that a United Nations study was done, indicating



*I don't like you because
you're Black. . .*

that an aluminum smelter in Guyana could pay for itself out of profits after 10 years. Alcan has never acknowledged this report, and says that it will negotiate with Guyana if power becomes available "at an economic cost." It is unlikely that hydro power in Guyana or nuclear power in Jamaica could ever be competitive with the vast source at Arvida, Que., even though it may be economically feasible.

And when the worried government of Guyana reacted to the upsurge in Caribbean discontent recently by hinting it would like to buy a controlling interest in Demerara Bauxite, Alcan replied flatly that as far as it was concerned, both company and government were bound by the 25-year contract signed in 1958. Sources within the Burnham government admitted that negotiations were expected to last "a long time" before the miracle would come to pass.

Alcan is one of the many examples of American capital

operating through a Canadian management base. Formed in 1928 as an offshoot of the Aluminum Co. of America (Alcoa), Alcan has only 34.7 per cent Canadian ownership and is dominated by the American Mellon-Davis interests. President is Nathaniel Davis, whose father Arthur Vining Davis, (after whom Arvida, Quebec is named,) left an aluminum estate of \$400 million.

The Demerara Bauxite Co. in Guyana was first set up by Alcoa in 1916, later becoming an Alcan subsidiary. Aided by government concessions, Demba paid no royalty on bauxite mined on its own lands up until 1947 and only 10 cents per ton on crown lands.

The centre of the industry is Mackenzie, the Guyana town that grew up around the Alcan mines. Until recently, it was a company town in the worst sense of the term, practising an active policy of apartheid. And even today, it is to a large extent a segregated society.

In Mackenzie, Alcan owned the land and the houses, ran the high school and appointed its teachers, governed the recreation centre, the cinema, the swimming pool and the only all-purpose store. It even sponsored the president of the local YMCA. Those who did not live in the town — mainly workers who lived in Wismar on the opposite bank of the Demerara River — had to carry and present passes before they were allowed to land on Mackenzie soil.

Even within Mackenzie there exists effective segregation. The workers live in a depressed, slum area to the north called "the village". Staff members live in the plush area of Watooka, with exclusive clubs and social amenities such as a golf club.

Workers can seldom rise in the employment hierarchy, are poorly paid, are at the mercy of the arbitrary power of foremen, and are subject to a severe list of penalties, at the foreman's discretion and without appeal. It is hardly surprising that the workers react with violence (of 32 work stoppages in the period 1962-67, only two were called by the unions) or that theft directed against the company is common and not regarded as in any way dishonest.

A serious target of complaint is the company hospital. Workers say that whatever their ailment they are always given the same treatment: a bottle of unidentified and useless medicine that they have named "ADT", — "any damn thing".

Guyanese who are on the administrative staff are better treated, but even here intolerance is pervasive. The company frowns on any but the slightest contact between staff Guyanese and the workers, and too many trips from the management ghetto of Watooka to the workers' village of Mackenzie is frowned upon. Both Guyanese and white Canadians on staff are nominally paid the same salary — \$1,000 a month. But the "natives" are paid in Guyanese dollars and the foreigners in Canadian dollars — one Canadian dollar is worth \$1.63 in Guyanese currency.

Alcan's track record in Jamaica isn't much more impressive. In production since 1952, Alcan offers fewer jobs here than in its smaller Guyana investment and employs only 40 per cent Jamaican management.

After the land is mined out, the company replaces the topsoil for grazing but operates no reforestation program. A *Globe and Mail* journalist reported seeing a 3000-acre pond full of unusable iron oxide sludge and was told that the mud is "a small price to pay for it all".

Alcan owns a total of 48,000 acres of Jamaican land, renting out 20,000 acres not currently in use to 4,500 tenant farmers, and farming 10,000 acres itself. To show that 4 acres of land and leases of less than seven years aren't insuperable obs-

tacles to being a good farmer, it has started a 'Farmer of the Month' program, as an "example of what small farmers can do if given understanding and the right sort of encouragement."

This investment in farmer training is a strange outgrowth of a company whose main business is aluminum extraction and processing. Even more surprising when you consider what Alcan boss Nathaniel Davis told the Senate hearings when asked why Canadians are more suited to developing the Jamaican bauxite industry than Jamaicans: "We believe basic economic sense should prevail and that these countries should use their resources in areas that they can develop better themselves." If Jamaicans aren't even to control their own farming it's difficult to see what other 'areas' Davis has in mind — if any.

Alcan's thinking seems to be based on concern for an undiversified economy dependent upon a wasting asset. Yet what will help the country more: taking over native land holdings then renting them back, or processing its bauxite output for industrial uses? Davis admits that little or no industrial research is done in Jamaica, an indication that Alcan is not ultimately interested in the contribution of the bauxite industry to modernization of the economy as a whole.

After the Canadian government's recent blocking of the Denison Mines uranium takeover, and limitation of foreign ownership to 33-1/3 per cent how can it condone the operation of wholly-owned mining subsidiaries in other countries?

Besides Alcan, Canada has another 'multi-national corporation' soon to capture a controlling position in another island economy. Ontario-based Falconbridge Nickel Co. (also American-controlled) is developing a \$195 million investment in the Dominican Republic, with ferronickel production slated to begin in 1972. The Dominican government has a 9½ per cent equity interest in this investment, which was announced soon after the U.S. Marines invaded the country and stabilized the economic climate for American-Canadian investment.

While Alcan tries to improve the agricultural industry, Canadian investments in tourism help retard its diversification. North American hotels take up good arable land or hold it for speculation then on top of that import most of their foodstuffs, (removing it as a source of livelihood for the islanders). The hotels make heavy demands on the water supply, draining off large amounts for watering lawns and filling swimming pools.

In countries where the land is fertile enough to grow anything, large amounts are spent on food imports, mostly for the hotel industry which tailors its menus to North American tastes. Building materials are also imported, so that at least 40 per cent of tourist profits leave the country as import costs.

The combination of low wage rates and North American room rates (\$50-75 a day in season) has attracted large Canadian investments in tourism, mostly in Miami Beach-type hotels. Commonwealth Holiday Inns, for example, currently has two hotels in Antigua and Barbados, three more under construction in St. Lucia, Granada and St. Vincent, and plans on paper for five more in other islands. Toronto Skyline Hotel just opened one in Kingston, Jamaica and has another planned for Ocho Rios.

In view of the large hotel investment, the Canadian government has tried at various times to set up a school for hotel management in the Caribbean, but found itself blocked by inter-island squabbles about its proposed location.

Real estate developers are often guilty of the same crimes. The *Toronto Star* tells the story of a Toronto developer, Ken

Eaton, who bought a 200 acre chunk of good agricultural land in tiny Montserrat and divided it into 780 housing subdivisions, with about 80 per cent Canadian residency. As an incentive for locating there, he persuaded the government to lower income tax and abolish death duties for residents. But at the same time, the existence of his housing project required a massive tax outlay for a deep water harbor, roads and shopping facilities.

When told that his housing project was a ghetto, Eaton could not understand what was wrong: "Naturally our standards are higher. We have barbecues on the beach and we cook T-bone steaks. Do you expect the natives to eat the same food? ... In Canada, a truck driver doesn't live in an executive's house."

E.P. Taylor has plans to build a city of 100,000 people next door to Nassau, to include five golf courses, a millionaires' ghetto and at least one resort hotel. His New Providence Development Co. has already generated revenues of \$1.1 million without having erected a single building. He profits from the sale of byproducts of the development process — from gravel, to water, to ice cream from the grazing cows.

A *Financial Post* columnist has said that Taylor is probably the most powerful single voice in the Bahamas' economy. He's chairman of the Trust Corp. of the Bahamas, which handles the affairs of 1,000 registered companies; chairman of RoyWest Ltd., a bank consortium which is the main source of the islands' venture capital; and unpaid chairman of the economic council. The F.P. columnist says, "Canadians in fact are Nassau's new colonizers and E.P. Taylor is their prophet."

Canadian aid figures to the Caribbean reached \$24 million last year, a relatively small amount but the largest per capita allocation to any underdeveloped area. Like most other aid-giving countries, Canada ties its aid to the purchase of Canadian goods and services, but has lowered the tie factor from 80 to 66-2/3 per cent. This still has the effect, however, of subsidizing exports of domestic manufacturers and making it harder for island governments to complete their priority projects.

Because Canada has no fleet, up to 25 per cent of loans get eaten up by shipping and insurance charges. With all the aid administered through inefficient and corrupt island government bureaucracies, there is incredible waste. A Senate witness told the hearings about a shipment of Canadian school furniture which sat around on Antigua docks for at least two months before anyone came around to pick it up. By that time, much of it was missing or destroyed.

As a last resort, a partial solution to the grave unemployment problem — a problem Canadian business helps to create — would be to throw open Canada's doors to immigration from the West Indies. Canadian concerns reap gigantic profits from their Caribbean investments, then bring most of the profits back to Canada. If the profits aren't allowed to remain with the people, the people ought at least to be allowed to follow the profits.

Nothing is less likely to happen. Canadian elites remain thoroughly racist in their attitudes. It is true that the new immigration laws passed in 1967 ended gross discrimination through quotas, but they replaced this with a nine-point test in which the most important factor is arranged employment. And what sort of employment is arranged? For most West Indian girls, the best that can be hoped for is a job as a domestic servant. At least 10,000 girls from the Caribbean are now engaged in this refined form of penal servitude in Montreal and Toronto.

Their lot in Canada is seldom easy or happy. More often it is deeply humiliating. Although the families who employ them try to hide their contempt beneath a mask of good manners, the children that the girls have to clean up after are less restrained and reveal the attitudes they have been taught by their parents. To be told bluntly by a five-year old child, "I don't like you because you're Black" is a frequent experience.

And the situation worsens when the girls try to break out of their domestic prisons and get other jobs. Reported one girl after applying for a job: "When I arrived for the interview I was told the job was already filled." Said another who applied for a position as saleslady in a shop in Montreal's rich English suburb of Westmount: "I was told 'I'm sorry, but in Westmount I couldn't have a colored saleslady.'"

Another time-honored way to enter Canada was through the farm labor program, by which West Indian labor was imported for two to three months to harvest crops on Canadian farms for \$1.65 an hour — a rate higher than the Caribbean standard, but lower than Canadians are willing to work for. This year, however, the Canadian government announced a cutback in the program, closing off even that outlet.

Canadian companies with money to invest have been welcomed with open arms by the Caribbean governments, in the hope that industrialization would solve unemployment and other problems, and on the assumption that only foreign investors could provide the capital for industrialization. There have been industrialization drives, long-term tax holidays, customs rebates, free industrial parks, generous government loans and so forth.

But the program, although enormously successful, has defeated itself. Canadian and other foreign capital has poured in — but the benefits have poured back out. The concessions handed out left and right to attract capital mean that the governments get little in the way of tax revenue. By promising investors a cheap supply of labor, the governments have ensured that little money stays in the islands in that

form of wages. And Canadian firms, by using the latest machinery and organization methods, have employed few workers so that the unemployment pool, far from being drained, continues to swell. Where the area is truly rich in resources, as in the bauxite of Jamaica and Guyana, those resources are stripped from the ground for advanced processing in Canada — and it is the advanced processing that confers the greatest benefits, so that it is Canadians, rather than West Indians who profit.

As the Caribbean governments hand their islands over to foreign business control, they progressively lose the ability to help their people by anything other than drastic means. But, so far, those governments have shown no appetite whatever for drastic measures. On the contrary, they continue to act as willing partners in the growing bondage of their islands to Canadian, American and British businessmen. So helpless have they become that, since the recent uprising in Trinidad, the best solution that the island's politicians have been able to come up with is the reintroduction of the barbaric punishment of flogging as the penalty for civil disorder.

With bankrupt governments now apparently helpless to resist the demands of the Canadian and other investors to whom they have bound themselves, the West Indian peoples are turning to direct action. It is a natural and inevitable response to the greed of foreign investors and the connivance of weak and often corrupt governments. It is the response of a trapped people seeking freedom and justice.

There will be more uprisings in the Caribbean — and there will be more rich Canadian tourists who will find their jolly larks rudely disturbed by the smell of gunfire and the sound of breaking windows, until the day arrives when there will no longer be immaculate Black servants calling the rich Canadians 'Mister Peter, please', giggling at their jokes, and weeping when they leave.

The Caribbean article was researched and written by the Toronto staff of the Last Post.

LETTERS

Dear Last Post:

Each week 25 to 40 young American war resistors arrive in Vancouver, tired, frightened and unsure of their legal status. Some sympathetic Canadians have been helping these boys by providing welcome, homes, and jobs so

that they can become legally landed immigrants. But now that more and more are arriving every day, the task is growing beyond us, especially here in the West.

In Vancouver we have a small centre, the Committee to Aid War Objectors, which consists of an unheated office, two telephones, one qualified counsellor who works for \$25 a week, and some voluntary helpers. But the work is now too much for this small staff. They need a better office, a secretary and at least two additional counsellors.

The Co-ordinating Council, a group of responsible citizens, was formed in January, 1970, to try to bring local resources together. Our work is entirely voluntary and we try to help the Committee by writing letters, finding jobs, housing etc, when we are asked. But

what is needed most of all is money — to rent a new office, pay more counsellors, buy tickets to jobs in the North or on the Prairies, set up a hostel for transients, and for boys who are not yet ready to face a new life in a strange land.

We therefore appeal for funds so urgently needed to carry on and expand our work on behalf of these young men. If you can help, please send a cheque marked "refugees" (on a regular monthly basis if possible) to:

Father James Roberts,
St. Josephs,
Port Moody, B.C.

Dorothy Drexel,
Secretary,
Vancouver Co-ordinating Council
for American War Refugees

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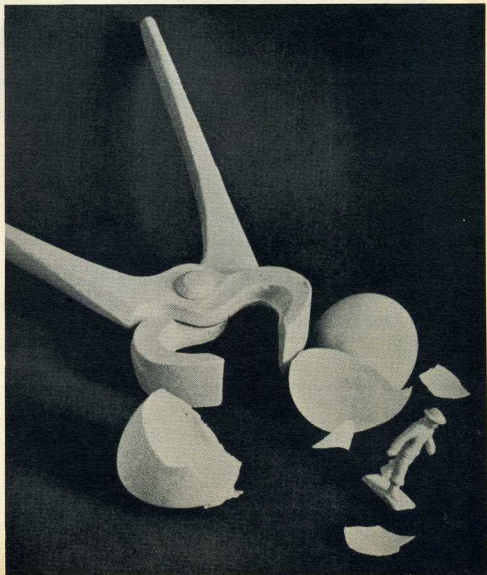
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