

**LADY
POD**

THE LAST POST October 1971

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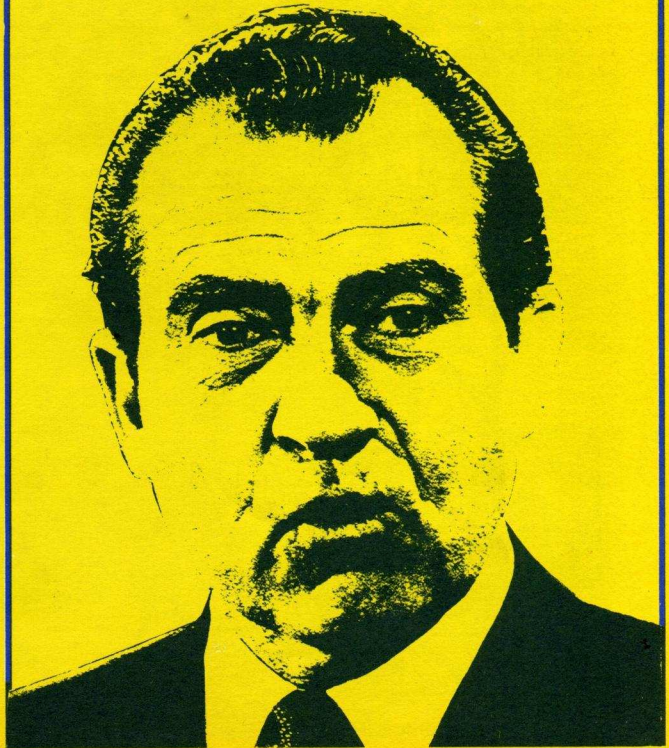
**LADY
POD**

**Jim Laxer on
Nixon's
northern vision**

**Vietnam: ready -
aye - ready**

**Vancouver: the view
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**The Lapalme guys:
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LAST POST

THE LAST POST Vol 2 No 1
a radical Canadian newsmagazine

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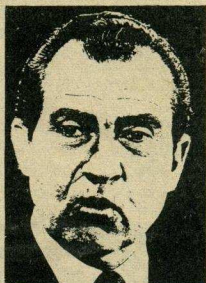
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special section



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Canada and Vietnam

Xa hoi hoa.

In Vietnamese it means socialism.

Xa. The village community, connotations spiritual and social: an interior landscape. What ecology meant to the Greeks: a moral binding, a sense of place...

Hoa. A verb. Applied specifically to those actions which through the "mandate of heaven" civilize a country and bring into flower all that the social character of man contains...

It is night in the White House. The Texan paces gloomily. He has come there by strange routes. One year earlier, his Defense Secretary has written him a secret memorandum. About Vietnam.

"My appraisal may be overly pessimistic," the Secretary reports. "We should watch the situation very carefully, running scared, hoping for the best, but preparing for more forceful moves..."

"I'd like a Scotch and water right now," the President grumbles to his nocturnal visitor. "but I can't. I've got planes up tonight."

With clean hands and pure heart

Chapter One

In which sundry press lords clap hands and dance

Shouldn't have been on this flight tonight

— Joni Mitchell

ON the muggy Sunday of June 13, with the humidity index pushing 78 in the city, New Yorkers awoke to find a three-column headline in the *Times*. It said that United States involvement in Vietnam had been growing over three decades.

They went back to sleep.

Not so the Justice Department. Always fast on the draw, it reached for its injunction. The shot was heard around the world. The Pentagon Papers were born.

The Supreme Court found in favor of the *Times*. The decision was an occasion for satisfaction among editorialists: phrases unheard since musty high school debates reverberated over the land — freedom of the press vindicated, autonomy of the fourth estate inviolable, essence of a free society an informed public. Visibly moved, the *Toronto Globe and Mail* saw a moral in it all: the United States, it editorialized, “is proved a democracy by the very battle its Government lost in its courts.”*

It has been observed that certain societies, when faced with insoluble difficulties, do not tackle the problem so much as re-define it. Press treatment of the Pentagon Papers is a case in point. For the squib set off by Daniel Ellsberg illuminates a fabric of deceit that includes not only the Pentagon warlords but reaches into the newsrooms of newspapers all over the country.

Faced with the evidence of their own moral recidivism, the newspapers redefined the Vietnam problem as an exercise in American constitutional theory. Press barons strutted in the robes of Jefferson. Amiable corrupt old troupers such as Pierre Salinger could be caught on late-night talk shows, bosom heaving, a catch in the voice, explaining it all to someone in a plum jacket. Freedom, if not in the air, was at least on it.

The press in Canada was part of that fabric of deceit. So was the government of Canada. That the newspapers should wave high the Pentagon Papers in vindictory expostulation is as understandable as it is preposterous. Populist rhetoric hides a multitude of sins.

“Power without responsibility,” once thundered Stanley Baldwin in the British House of Commons, referring to the Beaverbrook press, “the prerogative of the harlot throughout the ages.”

There is no record of the whore turning herself in voluntarily.

“Clean as a whistle, yer Lordship,” she will mutter, “squeaky clean.”

Let us now, as they say, examine the record.

* * *

Operation Plan 34A was the name given to the secret war against North Vietnam. It began on February 1, 1964. It included destroyer patrols, code-named De Soto patrols, in the Gulf of Tonkin. It further included the invasion of Laos by T-28 fighter-bombers flown by the pilots of Air America, a company owned by the Central Intelligence Agency.

By August of 1964, Operation Plan 34A had paid off. After months of bombardments of North Vietnamese shore targets by

American-assisted South Vietnamese patrol boats, sabotage by guerrillas dropped into the DRV by the U.S. Air Force, the bait was finally swallowed: North Vietnamese PT boats, searching out the South Vietnamese boats that had shelled the Rhon river estuary 24 hours before, fired on the U.S. destroyer Maddox. Within hours, the United States Air Force was winging northward. The joint Congressional resolution, already drawn up by William Bundy as far back as May, was pushed through, only Senators Gruening and Morse dissenting.

Later, when the B-52s had done their work (four North Vietnamese vessels had already been sunk by the destroyers), the major part of the North Vietnamese Navy had been eliminated, over ten per cent of its oil storage tanks obliterated.

No U.S. vessels had been sunk.

No U.S. sailor had been wounded.

One bullet hole had been found in the Maddox.

But one bullet hole is apparently enough for a press whose love for hard facts takes second place to its paranoid streak. For it is not only generals who fight the last war; in this instance the press decided to rework the Korean caper, replete with reds who are yellow and yellows who are red.

The lead was taken by the *New York Times* — “the beginning of a mad adventure by the North Vietnamese Communists.” This Goon Show vocabulary was to be repeated endlessly. Out of 27 editorials polled in the U.S. press, 24 favored the bombings.

Once more, the *Globe and Mail* saw what was really at stake behind that single bullet hole. Why had the United States attacked? The *Globe* put the answer in its headline:

ATTACKED TO SAVE ASIA FROM RED CONQUEST:
U.S.

Of course, of course, what else? And yet, there were questions to be asked editorially. For example: why is Hanoi so crazy? “Are the Vietnamese so isolated from the facts of the situation that they have no conception of the strength of their opponents?” asked the *Globe* from the lofty position of one not isolated from the facts of the situation. As for President Johnson, his reaction “has been what it should be, strong and punishing, but controlled... The bad kid had to be spanked.”

In casting about for a suitable image for President Johnson's behavior, the *Globe* editorial writer had dredged up that of a firm but kindly housemaster in one of the better boys' schools. (“Trousers down, Jones Minor, trousers down... No, no, the buttocks, laddie, the buttocks.”) Elsewhere in the paper, other commentators had decided that the enemy was much more than a naughty boy.

J.D. Harbron, for example, saw the sceptre of a mammoth Red Navy. “The size and warlike potential of Communist naval power in Asia is considerable,” he wrote in the *Globe* of August 7. “... The sudden North Vietnam attack by the smallest and least powerful of these navies points up the danger from the unknown and largely unheard-of Communist navies.”

That these navies were unknown and largely unheard-of was not to deter the redoubtable Harbron from dilating, for three full-length columns, on how dangerous they were. Since these navies were largely non-existent, Harbron's thesis was predictably wan. However, he saved it from total extinction by inserting in the middle of his copy a photograph of a Soviet submarine.

Over on King Street, the *Toronto Daily Star* was not to be outdone. On August 5, it handed over its op-ed page to one J.B. Lamb. Mr. Lamb's target turned out to be the “peaceniks.” “The peacenik,” observed Mr. Lamb, “for all his moral pretensions... is accepted by the community as just another kind of vagrant, a sort of beat bum, and, generally speaking, nobody takes him very seriously.” After all, he continued in the same spirit, “Force established Western civilization and force alone sustains it in the face of absolute dictatorship.”

* Many such oddities were washed up in the wake of the Pentagon Papers. Thus Arthur Schlesinger, Jr. used the occasion to point out that U.S. involvement in Vietnam was a clear example of excessive “moralism.” Mr. Schlesinger holds the Albert Schweitzer Chair of Humanities at the City College of New York. He is also a film critic.



THE TEXAN
I've got planes up tonight

Such candor is refreshing. It prepared Star readers for the editorial of the following day:

"Not even by the loose rules of the Cold War is there any excuse for the hit-and-run attacks on the U.S. warships off the coast of Vietnam. One attack might have been explained as an accident or miscalculation. Two attacks mean bellicose intent... Mr. Johnson has done what he had to do in the face of an attack on his country's ships in international waters."

But it was left to the *Toronto Telegram* to put the matter with proper magisterial authority. For Mr. Bassett's editorialists, the main enemy was not North Vietnam:

"Essentially the southeast Asian war is an aggressive war, mounted by the Communist Chinese, aimed at the subjugation of the peoples who inhabit the lands south and west of its borders."

Essentially.

The wily Chinese theme, stated boldly in the editorial, is picked up on the front page by the bassoonist, Washington correspondent Gordon Donaldson. "On Formosa," wrote Donaldson, "Nationalist Chinese officials claimed the Vietnamese attacks were directed by Chinese Communists operating from Hainan Island in the South China Sea."

After this Cook's Tour of Somerset Maugham territory, Donaldson wakes positively Augustan: "The President got angry," he reported. "Last night he used the full majesty of his office and every electronic advantage to make a tough response."

Yet it was not until the following day that the *Telegram* reader was to feel the full roundness of the Donaldson style. Where other newspapers, exhausted no doubt after their support for Mr. Johnson, has moved onto other matters, Donaldson was still there, tooting away.

This time it was Saigon that was to be over-run by the Red hordes.

MASSIVE BUILDUP FOR EXPECTED ATTACK TONIGHT screamed the *Telegram*.

BIG BOMBERS READY

by Gordon Donaldson

WASHINGTON — "Thirty Canberra jet bombers few into Saigon today as U.S. forces massed to meet possible Communist attacks tonight..."

"There is no indication, the Pentagon added, that a nuclear attack is expected... The crisis is nearing its peak..."

Apart from the question of what kind of indication one would look for in the event of a nuclear attack, it is clear that Donaldson, the MacFlecknoe of Foggy Bottom, has moved into realms of speculation unknown to ordinary mortals. In his eagerness to bring the private thoughts of the Pentagon, the President and the Nationalist Chinese to Toronto, he had reached the end of his tether.*

From a single bullet hole to a nuclear war. All in 48 hours. Never has the Cold War taken such a toll of truth.

But perhaps this eager acceptance of Pentagon myth-making was confined to Toronto? Surely in Ottawa, where government hand-outs are constantly under suspicion, the Cut And Thrust Of Parliamentary Debate induces a healthy sense of relativism? Surely here, at least, one would look for a skeptical note in the Press?

Surely one would not.

On August 5, we find the *Ottawa Citizen* carrying the eighth instalment of a fulsome biography of Lindon Johnson by his good friend William S. White.

This particular section is headed:

HIS DISTRUST OF DOCTRINAIRE SOLUTIONS STEMS FROM INSIGHT

On August 6, the *Citizen* finally pronounced:

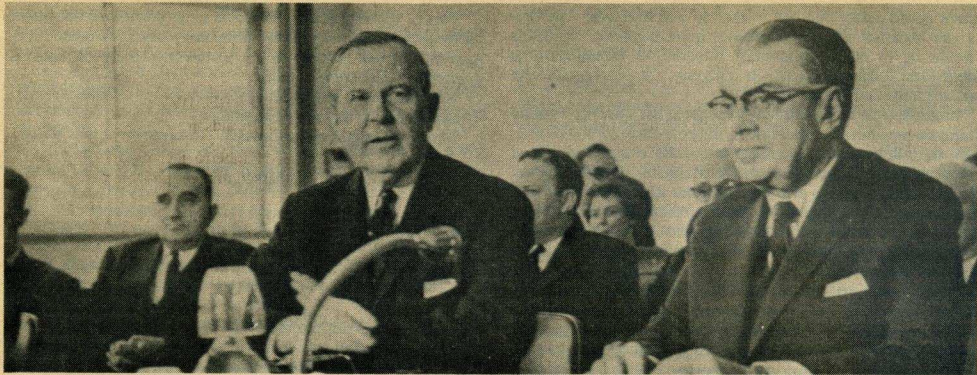
"Whether they give active or merely moral support to the immediate crisis, it is now for Washington's friends to rally to the United States — as indeed a majority in Canada's Parliament is doing... North Vietnam, which now has thousands of troops in South Vietnam, so clearly the aggressor..."

The minority in Parliament refusing to be stampeded comprised T.C. Douglas and some of his fellow New Democrats. The implication in the *Citizen* editorial was that their skepticism showed them to be not Washington's friends, in the *Citizen* lexicon a shocking state of affairs.

Op-ed in the *Citizen*, John Roderick of the Associated Press was set loose on Ho Chi Minh. Under the heading: RUTHLESS MARXIST NOW U.S. ADVERSARY, Mr. Roderick gave us Ho: "Stragly-bearded Ho Chi Minh, one-time cabin boy, cook and Soviet follower." Mellowing to his task, Roderick dips into the collective consciousness of the Caucasian, finally surfacing with an assist from the vocabulary of the 13-year-old boys' stories, of the evil Dr. Fu Manchu, prowling the Limehouse docks: "Behind his benign exterior hides one of the most single-minded, skilful and ruthless Communists..."

We are not told why it is necessary to be ruthless if one is skilful. Apparently the adjectives go together. In a separate article on the op-ed page, there is some good news for Ottawans. Under the heading: NORTH VIETNAM IN GRIP OF ECONOMIC DEPRESSION, they are led to believe that the North is about to collapse; along the way, the article mentions that North

* Later Donaldson was to forsake print to become an authority on moon shots for the Canadian Broadcasting Corporation, in which position he endeared himself to millions (in our opinion unfairly) through his eccentric pronunciation of "moon".



PEARSON AND MARTIN
Just like Washington says

Vietnam's "16,000,000 people are ruled by Ho Chi Minh, one of the most skilled and ruthless of the world's Communist leaders."

Clearly, August 6 was not Ho's day in Ottawa.

And yet and yet. Tucked in the corner of the same page was a Canadian Press story. It was headed: ANSWERS TO VIETNAM PUZZLE DIFFICULT.

Tentative, of course. Nobody was yet saying that the Emperor had no clothes. Yet already it was evident that at least his flies were open.

Why did the press in Canada believe that a few minuscule gunboats would seek out and attack the destroyers of the United States, thereby inviting massive retaliation? Why did the press justify the actions of the United States government?

The most charitable answer would seem to be that there was, after all, some kind of attack. There was that bullet hole, was there not? Perhaps Communists are crazy, the wily Pathan finally flipped his lid? In any event, the U.S. bombings were "retaliatory."

What, then, would the response of the press in Canada have been if Lyndon Johnson decided to bomb without having been attacked?

That would have been a different story, wouldn't it?

No, it would not.

Let us examine the record further.

Chapter Two

In which we put the wagons in a circle
and hunker down

Is everybody happy?

— Ted Lewis, bandleader

IN February of 1965, the bombings of the North resumed. After the first attack, there was a three-week lull. Peace moves to North Vietnam made by U Thant, Premier Kosygin and General de Gaulle elicited an enthusiastic and positive response. The United States sat pat. Peace pleas were made to Washington by Prime Minister Shastri of India and by Pope Paul. On March 2, 1965, systematic bombing was resumed; shortly afterwards, the U.S. Marines landed in Viet Nam.

The scenario had been written long in advance.

For Martin Goodman, now Managing Editor of the *Toronto Daily Star* and in 1965 the paper's correspondent in Washington, March 1 was no different from any other day. True, his paper

that day had carried warnings in an AP-UPI dispatch from "reliable sources" that "destructive air and sea attacks will be carried out on key installations in North Vietnam."

But for Mr. Goodman, such an unpleasant eventuality was not to be countenanced. A friend of the arts, he had discovered in Washington another devotee of Higher Things — none other than the President. Under the head: **CULTURE BOOMS IN THE GREAT SOCIETY**, the *Star's* man reported: "If Lyndon Johnson has his way, life in the Great Society will be blessed with art and culture as well as affluence."

Washington is, in truth, a many-faceted city; and Martin Goodman was not alone in discovering that there is more to Life than napalm. Bruce Philips, the Southam's man in the U.S. capital, was also able to see behind the headlines and grasp the realities of the larger picture. Not normally given to what might be called the personal mode, Mr. Philips nevertheless chose March 3, the day after 160 U.S. fighter-bombers had pulverized the North, to pen a curiously affectionate portrait, for the Southam readership, of the page boys on Capitol Hill. In one particular passage, which rose to almost Vidalesque heights, he wrote:

"Unlike the piping-voiced, apple-cheeked youngsters on Parliament Hill, the page boys who run errands for Congress are all in various stages of young manhood, with all the agonies, frustrations and temptations of the age."*

Thus amid the whine of the bombs, even in the cannon's mouth, the combined readers of Philips and Goodman learned of Adolescence and Art — the acne, as it were, and the ecstasy.

One of the more extraordinary kites of the entire war was flown by the *Toronto Star* on March 2 to correspond with the new rounds of "unretaliatory" bombing. Writing from London, correspondent Mark Harrison suggested that Canadian troops in Europe be moved to Southeast Asia. "The new threat," Mr. Harrison helpfully explained, "comes in the form of wars of national liberation." These wars are fought by "shadowy guerilla forces such as in Viet Nam or the Congo." (Sic.) Such wars, of course, are "inspired by a militant and expansionist China."

In the absence of any clearly-defined focus that would supply a rationale for the new wave of explosives, the press found itself falling back on a combination of the domino theory and the red-

* Philips would later lead the hearties of the National Press Club in their battle to keep women out. He lost.

yellow horde theory that had worked so well in Korea. The *Globe and Mail* felt the new bombings quite justified; to do less "would be to invite Communist imperialism throughout the South East Asian peninsula, in Malaysia, the Philippines and perhaps India and Japan."

Impressive as this Communist shopping list was, the *Toronto Telegram* was nevertheless able to improve on it. For Lubor J. Zink the alternative to bombing was "the communization of Thailand, Burma, India, Indonesia, Malaysia, the Philippines, and eventually perhaps also of Japan and Australia." And Mr. Zink concluded with one of his more tiresome historical analogies: "United States withdrawal from Viet Nam." he reported, "would have the combined effect of an Asian Munich and Yalta."

What is noteworthy about all of these certainties is that in the United States itself, such hobby horses had long since ceased to be ridden. Indeed, in the spring of 1964, the annual journalism awards had without exception gone to journalists who had become increasingly critical of the entire Vietnam enterprise: the Pulitzer to David Halberstam of the *New York Times* and Malcolm Browne of Associated Press, the Louis M. Lyons award to Neil Sheehan of United Press, Overseas Press Club awards to Peter Kalischer of CBS, photographer Horst Faas of AP, etc.

But the agonizing reappraisal had not yet reached the periphery. One had the uncomfortable experience of trying to explain to American visitors who knew perfectly well that their Government was lying why it was that the press in Canada continued to print the most outrageous fantasies.

In the narrow space of two years, the press had become *plus royaliste que le roi*.



SEABORN
Chore-boy for Moloch

Part of the explanation has to do with the culture lag suffered by peripheries of empire. (Thus in Sydney, Australia, a less than enthusiastic attitude to Her Britannic Majesty may still be greeted by a punch in the mouth.)

Yet Toronto is not Sydney, Ottawa not quite Alice Springs. The answer must be sought elsewhere.

It must be sought in the Canadian Government of that period.

Chapter Three

In which full and frank discussions are seen to be held

One of us cannot be wrong
— Leonard Cohen

EVEN with the most adept padding, books written on Canadian foreign policy in the Sixties remain woefully slim. This is understandable. There was none.

It is said of Lenin, after the Bolshevik Revolution, that when asked what he was going to do about Foreign Relations his face fell. "Do we," he asked wistfully, "have to have foreign relations?"

Similarly with the series of governments headed by Lester Pearson. An administration burdened down with the antics of Hal Banks and Lucien Rivard, with the fumbblings of the well-meaning Favreau, with the *Cosa Nostra* hogging the government phone lines; while, like a wraith from old Weimar, Frau Munsinger's high heels splattered mud all over the floor of the Commons — such an administration, far from making any history, was intent only on surviving it.

In place of foreign policy, there was a scheme. And a scheme, as the poet wrote, is not a vision.

The scheme was a simple one: to accept and actively to propagate imperial theories concerning the nature of peasant wars in the twentieth century.

That such activity was not, and could not be in the long-term interests of a middle power whose trading projections pointed clearly to the Pacific and to the developing world was not part of the official Canadian calculus in the Sixties.

The American government lied about Vietnam. So did the Canadian government. The effect was stereophonic.

Only too eager to criticize the Pearson administration on Quebec matters, the press remained a willing partner on Vietnam. When the U.S. State Department 1965 White Paper said that "infiltrators from the North" formed the "hard core" and "the backbone of the entire Viet Cong operation," Paul Martin would repeat the formula unblinkingly:

"In South Vietnam there is now a full scale civil war supplied, directed and inspired from the Communist North Vietnam... the United States for their part have responded to the requests of successive South Vietnamese governments for help in the form of training and equipment against this externally organized and supported insurgency."

In the search to justify escalation of the war, the Canadian government was an active partner. U.S. Secretary of State Dean Rusk had visited Ottawa; the Canadian representative on the International Control Commission, Blair Seaborn, had already been instructed to relay to Hanoi the threat of bombing. Martin knew the plans were already laid.

"Paul Martin can still call on the seemingly limitless resource of his wit to field awkward questions," wrote Peter C. Newman, the *Toronto Star's* Ottawa editor, in his most approving vein.

As for Blair Seaborn, Washington's front runner in the I.C.C., "a chore boy for Moloch," in James Eayrs's phrase, he was the subject of an affectionate portrait in *Maclean's Magazine* of November 15, 1965.

"Seaborn's name," said MacLean's, "is repeatedly linked with secret American attempts to start up some sort of dialogue with the Communists."

We now know what kind of dialogue that was to be. "The North Vietnamese Premier," the Pentagon Papers relate, "fully understood the seriousness and import of the warning conveyed by Seaborn."

In MacLean's, however, such unseemliness has no place. Seaborn is simply "our man in Saigon, a slight, bespectacled, and deceptively bookish-looking Canadian civil servant from Toronto..."

Interviewed in his "French-colonial style" mansion in Saigon, sipping iced drinks, the deceptive Seaborn turns out to be something of a botanist *manqué*. The tree outside the mansion, he explains to MacLean's, is a frangipani tree. "Its foliage lasts just about all year. That's why I like it."

Meanwhile back at the ranch, Seaborn's master had other plans for the foliage in Vietnam.

On March 11 of 1965, Robert Thompson of Social Credit was moved to query the Canadian role. The exchange in the House went as follows:

Thompson: ...Is there any pressure from the United States to influence the foreign policy of Canada in regard to Vietnam?

Some Hon. Members: Oh, oh.

Right Hon. L.B. Pearson (Prime Minister): No, Mr. Speaker.

A cryptic exchange, none the worse for its brevity. The Hansard of the period is dotted with such exchanges, signs along the cynic route.

When Seaborn's cover was finally blown by the Pentagon Papers, Stanley Knowles asked that the details of the messages he carried be appended to Hansard. Mitchell Sharp demurred. Since the documents involved the U.S. Government, Mr. Sharp opined, "it would have to be consulted..." In any event, the external Affairs Secretary opaquely told the House, "the gist of the messages had been that "the Americans were not thinking of pulling out of Vietnam and were prepared to increase their commitment there if this were considered necessary."

Thus the bombing of the North was simply "an increased commitment," a perfect example of what Norman Mailer once called totalitarian prose. And the press, once more, felt no need to comment. Peter C. Newman's thumbnail sketch would be allowed to stand: "Mitchell Sharp," Newman had written in 1965, "his face beaming like a beacon of absolute rationality in a dark irrational world is the most effective parliamentarian of his party."

Effectiveness was very big in the Sixties.

* * *

By 1968, it had become obvious to all concerned that Vietnam

was not going to disappear. As the decay and violence of the American city began effectively to interfere with commercial life, the great metropolitan news empires of the Eastern seaboard grew increasingly querulous. Victory abroad could only be bought at the price of shattering the entire social matrix at home. That price was too high. The war was bad for business. And so the commercial press reacted.

In February of that year, in the wake of the NLF's Tet offensive, Secretary of State Rusk was reduced to such absurdities as the following:

"None of your papers or your broadcasting apparatuses are worth a damn unless the United States succeeds. They are trivial compared to that question. So I don't know why, to win a Pulitzer Prize, people have to go probing for things one can bitch about when there are 2,000 stories on the same day about things that are more constructive in character."

And yet, in an odd way, the testy Rusk was right: what the newspapers were angry about was the same thing he was angry about: the U.S. was not winning the war. Vietnam, that "chickenshit little country," in President Johnson's homely phrase, refused to cave in.

Gradually the tissue of lies disintegrated: the yellow hordes were not to be found, the Ho Chi Minh trail as elusive as ever, the daily body count a wild power fantasy. The enemy, it appeared, didn't even have an air force.*

With the release of the Pentagon Papers, the game was up. Aaron Einfrank of the *Toronto Telegram* promptly labelled them treasonous, while adding that "the essential scenario contained in the report has been known for years." *Telegram* readers, however, had not been privy to any of the "essentials" during the period from 1963-65 when Mr. Einfrank had covered Vietnam for them. He now says that he knew all along. He just wasn't telling.

John Aitken, the *Telegram's* man in Washington from 1967 to 1970, was more candid in his reaction to the Pentagon Papers. "A free nation," he writes, "must have a free press, to ferret out the realities rather than simply repeating the political rhetoric..." The press failed to do this, he adds, "when President Johnson contrived the Gulf of Tonkin incident."

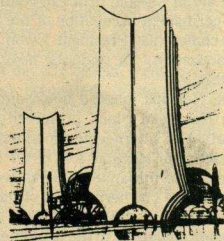
Perhaps it was all a matter of censorship. Here Mr. Aitken makes some startling disclosures. He ran into "various forms of implied or de facto censorship. White House regulars, for example, would be frozen out by Lyndon Johnson's press secretary,

* On June 3, 1965, the *Toronto Star* had yet another scoop: SOVIET JET BOMBERS IN NORTH VIET NAM was the startling headline over a story concerning "an undisclosed number of Ilyushin-28 medium jet bombers capable of attacking Saigon." The twin-jet aircraft had "a 1,500-mile range and carried a payload of some 4,000 pounds." Closer examination showed the story to be picked up from the *Chicago Daily News*, whose source remained in decent obscurity.

North Viet Nam never had airstrips capable of handling Ilyushin-28's. Nor does it today. The *Star* carried this Pentagon-planted story without comment.

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Toronto



George Christian, if their articles ran too critical, and they would be excluded from the informal press chats in the Oval Room until they had written a pro-administration story and handed the carbons over to the White House staff as proof."

It would be instructive to have the *Telegram's* Gordon Donaldson's reaction to this information. Was he, in those fulsome tributes to a majestic President, in his almost carnal fascination for the death-dealing technology of the *ubermensch*, was he really writing his stories for the eyes of a foreign president rather than for the Canadian people?

The advantage of blaming Lyndon Johnson for the tribulations of earth is considerable. It has not been missed on our press.

Conventional wisdom now has it that the war in Vietnam is winding down. The Canadian media doggedly persist in this fallacious notion. And herein lie the real dangers of the *Pentagon Papers*. They obscure the fact that the press has lied in the past; they further obscure the fact the press is lying now. (It is noteworthy, incidentally, that the horror of My Lai had to be unearthed by Seymour Hersh, and not by the commercial press.)

For the *Papers* conveniently allow the media to regard Vietnam as an unhappy but nevertheless now closed chapter in the history of the new imperialism. This is a profound error.

The war in South East Asia has expanded overtly into Laos and Cambodia. Official American figures show that 5,795,160 tons of bombs were dropped on Vietnam between January 1965 and March 1971. Of this total, 2,593,743 tons have been dropped since Mr. Nixon assumed office.

These figures do not include the bombs dropped by the Saigon air force, an organization that now has more combat helicopters than any of the European NATO countries and will soon have more combat aircraft than either France or Britain. Senator Edward Kennedy has estimated that between 25,000 and 35,000 civilians have been killed last year in Vietnam — a fifty per cent reduction as a result of the diversion of American bombing raids into Cambodia and Laos.

According to the U.S. correspondent Alvin Shuster, almost 75 per cent of the air war is outside of South Vietnam: in Laos two million tons of bombs have been dropped since 1968; in North Vietnam, reports *Agence France Presse*, extensive defoliation missions are being carried out.

Vietnamization has been accepted gratefully by the press. White hands will no longer be seen with blood on them. The savages can be set upon one another, while the blond pilots watch the action from the sky, releasing their bully-bombs if the score needs evening up. It is the ultimate fantasy of the Master Race.

Writing in a recent issue of *The Nation*, Eqbal Ahmad, a military strategist and Fellow of the Adlai Stevenson Institute, sees the Nixon doctrine as a formula for mass killing:

"An increasing reliance on technological-attritive methods signals the shift of counterrevolutionary foreign intervention in a genocidal direction. When a war to crush a revolution has been definitely lost...a great power...can negotiate withdrawal, as de Gaulle did in Algeria, or it can continue war, and subsequently a quasi-permanent occupation of the belligerent country...It is the latter choice that President Nixon has made with his policy of Vietnamization. 'A semantic hoax,' as Senator Harold Hughes described it."

The Romans, bogged down among the tribes of the sullen North European Plain, preserved their alien writ through the instigation of internecine blood-letting; an English king would equip the dour Hessians and throw them into the line against the Yankees; the turbaned Ghurka would help keep the sun from setting on the northern passes of the empire; led by Beau Geste, the flotsam and jetsam of the back alleys of Europe would carry the mission civilatrice to the benighted millions of North Africa.

Mr. Nixon is in the great tradition. What is more surprising is

that the tribal news sheets of his largest colony should applaud his tactics as being those of a benign and all-seeing panjandrum.

"As for removing ground troops from Vietnam," Cambodia's Prince Norodom Sihanouk comments in an interview in *Newsday*, "Nixon is just playing domestic politics. Your soldiers have no more will to fight anyway — why should they? What really matters is your air force! That's what prevents the patriotic forces from capturing the main cities and keeps the crooks you call allies in power... But I've heard nothing about withdrawing air support."

As for withdrawing ground troops, this too remains vague. William Selover of the *Christian Science Monitor* mentions strong hints from presidential press briefings that long-term U.S. presence in South Vietnam "could remain at the 50,000 level indefinitely."

At no time did the French have more than 50,000 nationals in Vietnam.

In the meantime, the latest set of peace proposals made by the Provisional Government of South Vietnam have been rejected by President Nixon. One can see why. Acceptance of them would remove the underpinnings of his strategy: continued presence of ground forces (he has no intention of removing them) and support for the tawdry Thieu regime, the last flimsy cover for the American occupation.

Yet "winding down" has become a cult word in the domestic press. "The dwindling American battle casualties," writes the *Telegram*, "are a sign of the times in South Vietnam." We are not told what times the signs are a sign of. On several occasions, the *Toronto Star* has unilaterally declared the war over.

In is as if the press releases from the White House as well as the editorials in the Canadian press were being written by John and Yoko.

The strategic aims of the United States remain the same. For the Vietnamese, the goal is also the same, articulated as it was by Ho Chi Minh before he was unceremoniously drubbed out (complete with rented morning suit) of the Versailles Conference in 1919.

What is less obviously clear-cut is the role to be carved out for itself by the press in Canada in the future. It requires no great insight to forecast that the end of this unhappy century will be pockmarked by wars fought by peoples who wish to put an end to the imperial hegemony in their own countries. It will be interesting to note how this story will be told to the Canadian people by our press.

The lessons of the past are not encouraging.

Rae Murphy and Patrick MacFadden are members of the Last Post editorial board.



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Marginalia

OCTOBER PARANOIA

The E.B. Eddy Co. — A major Ottawa river polluter — recently concluded a collective bargaining agreement with three international unions that says a lot about Canada. Subsection one of section 58 dealing with Company employment policy states: "the Company will not employ, nor continue to retain in employment, any person whom the Management believes to hold membership in any organization or group advocating or suspected of advocating the overthrow of the Government by force." It looks as if Garfield Weston, the Patriarch of the Eddy-Weston empire should be out of a job. He's a notorious supporter of the Whites-only rebel regime that controls Rhodesia.

PROTECTING COMMERCE

The Bourassa government in Québec has let the people know what it means by the term "consumer protection". Of the 15 members on the newly-appointed Consumer Protection Council, seven come from the business world. One of them, Raymond Girardin, is vice-president of Niagara Finance Co. Ltd. Another, Charles Perrault, is vice-president of the newspaper La Presse, which recently locked out five unions in a contract dispute. Financial Institutions Minister Bill Tetley announced the businessmen were included "because we have to protect commerce and the economy."

SELECTIVE OBJECTIVITY

On July 19, Toronto Telegram publisher John Bassett circulated a memorandum to his newsroom ordering respected labor reporter Marc Zwelling removed from his beat. The reason: Bassett had decided that it was "not professional" for a trade union official to be covering labor. Zwelling is president of the Toronto Newspaper Guild, which unites newsroom employees at the three Toronto dailies.

In fighting the move, the Guild pointed out that the Telegram has a rabbi, Reuben Slonim, covering the middle east situation. "I do not agree that the case is comparable," was Bassett's response.

PRE-EMPTIVE STRIKE

Montreal Assistant Chief Attorney Normandin was getting garrulous in his hotel room at the Couchiching conference last August, as he talked with a few guests about the War Measures Act. Apparently assured that no one would quote him, he stated frankly what most "subversives" in Quebec have been saying for months:

The federal, provincial and municipal authorities "knew very well" that they couldn't make charges stick to the hundreds of people they arrested after Oct. 16. It was necessary, "in a situation of chaos" to "get the leaders off the streets" and decapitate the left and the nationalists, "in case they got tempted to violent action."

The authorities were so panic-stricken that, Normandin revealed, an armed attempt to take over Montreal's City Hall was expected, and troops surrounding the building had orders to shoot on any crowd trying to illegally "storm" the building.

Asked how the lists of "subversives" were compiled, he said that anyone with "separatist or left leanings" was someone to be watched.

It's interesting to note in the light of this that Quebec announced the setting up

of a special agency to gather material on potential subversive groups, and that the federal Solicitor-General's department is recruiting people for similar offices across the country.

TAKING A STAND

Perhaps without knowing it, the federal government recently took a stand on an issue that has long divided English and French Canadians.

The \$550,000, government-commissioned report of the Committee on Youth contains a province-by-province survey of what young Canadians want. The section is illustrated with a graphic of four young people, with a white-on-black outline map of Canada across their chests. The graphic is repeated on ten different pages, each time with the province under discussion being marked out in solid white.

The marked-out portion indicating Quebec includes the disputed territory of Labrador; the portion indicating Newfoundland (officially known as the Province of Newfoundland and Labrador) does not.

THROWING IN THE TOWEL

Just after a meeting of the Waffle caucus in the Château Laurier hotel last April during the New Democratic Party convention in Ottawa, a conservatively dressed tall, thin young man with light brown hair approached a prominent official of the Quebec NDP.

The youth, who had been around meetings of the Waffle and the Quebec party all through the convention (although nobody knew him except to say hello), said that perhaps the official could help him and asked whether they could get together. The official suggested he call him at his hotel room.

The youth called the next morning and the official invited him down to his room. He came in and almost immediately asked whether he could take a shower. A few minutes later, he emerged from the bathroom wearing only a towel.

Thoroughly suspicious, the official asked: "Is this some sort of gift from the RCMP?"

"You're used to this kind of thing," the youth replied.

After that, the conversation got down to business. The youth wanted to know all about the Waffle and the Que-

bec NDP, relations between them, relations with the rest of the party, who made decisions, what their strategy was, what went on in meetings, and so forth. When the NDP official replied that most of this was public knowledge and meetings of the Waffle were public, the youth asked him who he thought he was kidding.

"We're not interested in separatism," the youth said at one point. "The RCMP are taking care of that quite well. We're interested in the other stuff." Later on in the conversation he said that 'we' referred to the CIA. He was an American working in Montreal and spoke only English.

To remove the official's doubts about who he was the youth told him two personal secrets about Quebec NDP president Raymond Laliberté.

The next day the official went to Laliberté and recounted to him what had happened. Laliberté was not surprised and said he was aware that the CIA was trying to infiltrate the Quebec NDP. He was naturally interested in what the secrets about him were and the official told him.

Laliberté turned pale.



Will the young lady with the riot stick in her rectum learn to forgive Tom Campbell and return to shop in swinging Gastown?

Tom Campbell hates hippies; there are no two ways about it. Most people in Vancouver and the rest of Canada know it. But what tends to get lost in the Vancouver mayor's charisma is the part his desperate, flailing demagoguery plays in keeping the city's property-owners content with the sedate administration of its ruling mandarins.

Campbell's style is elemental — he preys on ignorance and the fear of the unknown — but that is not at the root of what he stands for. He is a tool in the hands of the city's business community, the Defender of the Faith whose god is Private Property and whose sword is repression, whose familiar sacraments are the haircut and the tie, and whose sermon must bear the terse message: conform. Campbell is the Joe McCarthy of British Columbia, 1971, and the young, the forsaken and the dispossessed have become his collective Alger Hiss.

In March of this year Campbell was intoning: "I think it is going to be a really bad summer." He dished up the warning for months, like a country minister dishing up a weekly fire and brimstone sermon. Strangely, by August his Armageddon still had not come.

But Campbell's sword found a target when his blue-shirted legions swept into a peaceful demonstration in Gastown August 7 like Crusaders riding into heathens. Seventy-nine people were arrested, twelve were hospitalized with wounds ranging from bruises to a broken leg and hundreds more were injured in the flurry of riot stick blows. It was late in the summer, but it was still summer, and Campbell's prediction had somehow come true.

* * *

Vancouverites are fond of feeling that summer is when the city really comes into its own. The six-month drizzle is forgotten and the grown-up logging boom town swings. The sixteen miles of beaches are packed, yachtsmen ply their avocation in English Bay and tourists pour money into the economy. The citizens rejoice in a panoply of night-time delights. But summer is also the time of late nights and restless youth, who gather at Kitsilano Beach or English Bay to trade insults with well-dressed crackers who have left their apartments locked and gone for an evening stroll. Being a time for relaxation, it is also a time of low-level logic. "This is the life" — and God forbid anyone should try to change it. Like the Fraser Valley farmers, Tom Campbell makes his hay during the summer.

By the middle of July this year, everyone was wondering what had happened. Many blamed the lack of any serious confrontation between the kids and the police on the unusually inclement weather of May and June, and others mistakenly attributed it to a measure of enlightenment on the part of law-enforcement authorities. Then, too, there was the failure of the expected horde of ragged travelling young people to materialize. Whatever the reason, the police were plainly spoiling for a fight. Their controversial yard-long riot sticks hadn't been properly broken in when they viciously broke up beach crowds in the summer of 1970.

After years of knee-jerk reporting, Vancouver newspapers were virtually free of screaming headlines quoting Campbell, because the mayor had been on vacation or in hospital — he suffers from stomach ulcers — much of the year. The mayor, it must be remembered, survives on publicity. What was needed to recondition the middle-class conscious electorate was a good old-fashioned scare campaign. Something like Premier W.A.C. Bennett's infamous "it's-either-me-or-the-goldless-socialists" line which crushed the resurgent New Democratic Party in the 1969 provincial election. The mayor of Vancouver thus took aim on Gastown, the Yorkville of Vancouver where spaced-out kids hang around in front of chintzy boutiques, sidewalk musicians rattle their tin cups and dope pushers clean up in the crowded beer parlors.



In the last two weeks of July, the people of the city were given the straight dope about the "drug crisis" that existed in Gastown. "From reports I've received to date," said Campbell, "the Gastown area has become the soft-drug capital of Canada." A \$250,000 beautification program was to be reconsidered by city council and police began an all-out war ostensibly against the marijuana and hashish trade but actually directed at the gathering of the devotees of an alien culture in an area planned as a plutocrats' playground.

By August 2, more than 100 arrests had been made for possession of and trafficking in grass, hash and LSD. The police attack was called Operation Dustpan, and the arrests were made by undercover officers in hopelessly contrived hip costumes — Polynesian shirts, wigs and canned sun-tans. In at least three instances, pub patrons saw the narcs engage in grisly acts of brutality: nine people filed a complaint in which they told of two cops throttling a man suspected of carrying a heroin cap in his mouth. When they couldn't find the drug, the officers rammed a pair of handcuffs into his mouth in an effort to make him throw up. He was treated for his injuries after the frustrated narcs failed to find anything.

* * *

In many ways, Gastown was a sitting duck. The area is a six-block chunk of the city's core, and takes its name from Gassy Jack Deighton, a Fraser River steamboat pilot who built the city's first saloon at the corner of Carrall and Water streets. The centre of town moved west as the Canadian Pacific Railway developed its lucrative land holdings, and Gastown became the habitat of



loggers and sailors when they weren't working, as well as most of the city's year-round unemployed. When the term came into fashion after the turn of the century, the area became known as Skid Row — a seedy purgatory of rabbit-warren rooming houses and soup kitchens where unwanted people went to die. People — respectable people, that is — didn't walk there at night, and politicians avoided discussing the question of "cleaning up" the area. "Progress is being made, but these things take time," they said, while broken men melted down old records and skimmed off the alcohol which rose to the top of the liquid.

Enter Larry Killam, in 1967. Killam is a wheeler-dealer of Vancouver's past superimposed on the sophistication of modern society. He's in his early thirties, already a millionaire from the profits of his many business interests, a deadly sincere commerce graduate who's onto a good thing. Killam bought the site of Gassy Jack's old saloon for a song and began a hype campaign aimed at convincing the city that Gastown was Where It's At.

He bought up some of the old flophouses and put low-paid, crews to work ripping out the layers of plaster, rotting wood and dirt. The ground floors were leased to hip boutiques and restaurants, and the apartments above were turned into very fashionable suites for Young Swingers with sideburns and mid-skirts. Killam was followed by a host of other young (and some not-so-young) entrepreneurs who knew a good thing when they saw it.

The media clucked over the development, which made for good newspaper photos and TV segments. The young climbers could shop among their own at last, free from square sales people and able to do their thing. To the city's aging suburbans,

Gastown was a place to feel devilishly and wickedly young. And to the storekeepers and landlords, it was a place to make money. At first the stores sold largely local wares, but then the junky import stores and Tee Kay clothing outlets moved in, foisting upon an unsoliciting public names such as Jelly Beans For Jeans and The Old Spaghetti Factory. Business boomed throughout, however, mainly because even though Killam and his contemporaries were raking in profits themselves, they were able to charge rents which were low in comparison to commercial space elsewhere in the city. Merchants flocked to Gastown, vacating property owned by some of the city's biggest landlords, who control the Non-Partisan Association faction on city council. And it has been suggested that the developers of a mammoth office-commercial complex known cryptically as Block 52 are having trouble finding prospective tenants for their storefront space. What merchant in his right mind will pay \$8 per square foot per month when he can pay \$5?

It wasn't long before the street people followed. Almost from the start, some of them realized the true nature of the Gastown development, characteristically seeing through the hype and realizing that a rip-off by any other name smells as rotten. Killam was dubbed Kill'em by the underground Georgia Straight, and the paper began referring to the area as Ga\$town. The animosity between the lumpenproletarians and the merchants was such that when Campbell ordered the police to crack down on the drug trade, he was wholeheartedly supported by the storeowners, who feared any adverse publicity might drive away their fat-wallet straight clientele. The alliance between Campbell, as representative of the city's real estate interests, and the small storekeepers of the Gastown Merchants' Association, was thus a united front which was not without its internal cleavages.

One the one hand, the merchants — being "cool" — turned a blind eye to the open smoking of marijuana in the area. After all, grass was coming in like hula-hoops. On the other hand, the merchants were disturbed at the influx of drifters in search of a marijuana haven who were coming in like a high tide.

For his part, Campbell initially turned a blind eye to the marijuana smoking in favor of what appeared to be a solution to the Skid Row problem.

But the solution was making a profit at the expense of other, wealthier areas. The big-money boys were getting some competition. Finally the pressure became too much. The drifters threatened to ruin the respectability of Gastown, and Gastown threatened to ruin the bank books of a few influential people. Thus was Operation Dustpan born.

* * *

After 100 drug busts, the street people were fed up. They planned the Gra\$town Smoke-In to protest the crackdown. Ads appeared in the Georgia Straight inviting everyone to come to Maple Tree Square in Gra\$town to openly smoke marijuana and about 1,400 people gathered to pass joints and take symbolic tokens from a 10-foot long alfalfa cigarette. Festivity — and blue smoke — filled the air. Hare Krishna monks chanted. Yuppies chanted. Tourists watched from sidewalks. Businessmen and their families strolled from restaurants to shops. It was Vancouver through and through, Vancouver like the locals tell it to east-erners. Good vibes. Good weather. Good people.

The demonstrators were squatting and standing in the middle of the intersection, but buses and cars had no trouble getting through. One and a half hours after the smoke-in had begun, the 1,400 people were still milling about in the square.

Suddenly four horses, their hooves clattering on the pavement, charged through the traffic and into the demonstrators.

Nightsticks swung like scimitars. People scattered, and the horsemen followed. Bystanders and demonstrators were ridden

into doorways and clubbed. People startled by the sudden charge and unable to flee were clubbed. One cossack even rode his steed through the lobby of a nearby hotel to chase demonstrators.

The horses were followed by policemen on foot wearing riot helmets and wielding riot sticks. None wore numbers. About 20 policemen didn't even wear uniforms. They just wore the dude duds they'd been using as disguises in Operation Dustpan. One such cop had the intelligence to strap on a holster and pistol, presumably to help the public recognize him as a policeman.

Inevitably, the demonstrators replied with what ammunition they could find: rocks and bottles. Of the eighty or so policemen assigned to "clear a route for traffic", only one was sent to hospital.

On the other side, at least eleven demonstrators and bystanders were hospitalized with wounds received from police beatings. The most notable was a broken leg suffered by a 16-year-old Ontario youth who was sitting on a fence a few blocks from the riot when a police car drove up and told him to get off the fence.

He reports he started to climb down onto the sidewalk, but was told by a policeman to get down on the other side. He did, and found himself in an alley with seven cops, who, he charges, proceeded to club him, with a riot stick blow hitting him in the shin and breaking his leg: "I said 'Please get me to the hospital, my leg is broken.' But they said 'Tough kid, get up and walk properly or we'll break your other leg.'"

He's launched a civil action in Supreme Court against a number of police officers and other individuals.

Others felt the wrath of the police who, according to some bystanders, were telling each other: "Tonight we get the hippies." A young woman was dragged by her hair and one arm over broken glass to a waiting paddy wagon. Another woman, who had walked up to a group of policemen and said "You might as well take me, too" was shoved in a paddy wagon and had the end of a riot stick rammed into her rectum. Several youths were chased by the horsemen down sidewalks. Those who didn't escape were clubbed from behind while others, who took refuge between parked cars where the horses couldn't reach them, were coaxed out and then clubbed. A youth was held on the ground and beaten three times until another policeman had had enough and pulled his partner off the youth.

Demonstrators were not the only targets. Photographers were threatened. One policeman tried to break a TV camera man's light. A newspaper photographer had his camera strap broken but managed to hang on to his camera. In some cases, reporters were not allowed past police lines. Others were physically threatened.

Even a city alderman called to Gastown by Killam "to see first hand what the situation was" was almost hit by a police car driven intentionally into a crowd of bystanders. The alderman, Ed Sweeney, summed up the police conduct: "They're using the riot sticks like you'd use a stick to beat a dog."

The following day witnesses gathered in Gastown to relate to each other what they had seen. They could do little but vent frustrations. One man, a habitué of Gastown, claimed he saw a known policeman dressed in plainclothes throwing rocks and yelling "Get the pigs! Get the pigs!"

The reaction in Vancouver's two daily newspapers — cautious disbelief. The *Province* bannered: "Campbell orders Gastown probe." Campbell, of course, could do little else but call for an investigation. And he did little else. The *Sun* devoted the top half of its front page to a picture of two horses in a panicked crowd in the entrance of a building. The main story was on the Ulster riots, while the second story was headlined: "Campbell vows probe if brutality indicated."

On the Tuesday following the riot, city council called for an investigation by the attorney general. Campbell was not even in the chamber at the time. He was meeting with the police commission to discuss a report being prepared by four detectives into the riot. Attorney-General Les Peterson, meanwhile, was off in Newfoundland presenting a totem pole to mark the centennial of British Columbia's entry into Confederation.

It was more than two weeks before an investigation into the riot was called.

In the meantime, the 79 people arrested had been processed and only 38 were charged, with offences including causing a disturbance, obstructing a police officer, assaulting a police officer, possession of an offensive weapon (rocks and bottles) and indecent exposure.

* * *

Polarization is bad for business. Spending requires a relaxed atmosphere — the Gastown merchants wouldn't be worth their mustaches if they didn't know that. They don't like demonstrations by the police any more than demonstrations by the kids: demonstrations put the focus on the streets instead of on the shop windows. The last thing they could afford was the spectre of a riot haunting them, a situation where visitors to Vancouver would ask their hosts if it was safe to go to Gastown and the hosts would reply that they'd rather take them to Stanley Park. Some of the merchants were genuinely outraged at the conduct of the police — some, perhaps, even radicalized.

But most forgot their initial gut reaction and reasoned that if



they didn't do something soon, the name of Gastown would be blackened for ever and they, bless their souls, would be left holding the bag. So the Gastown Merchants' Association decided on the Wednesday following the riot to throw a "patch-up party" for 700 invited guests, including policemen and their wives, aldermen and some street people. Two days later they threw the affair wide open, moved the location from a garage to the street, and waited.

It was almost predictable. The Gastown merchants had put their mouths where their money was. Unable to grapple with the fundamental dynamic of the situation, caught between Campbell and the police on one side and the angry lumpen on the other, the merchants laid in \$3,300 worth of flowers, peanuts, hot dogs, popcorn, soft drinks and — appropriately enough — watermelon, in an attempt to defuse the tension and convince the world that everything was hunky-dory in Gastown. City council decided to close off the streets to give the party-goers a free rein. When the great day came, 15,000 people swarmed into the three-block centre of Gastown. Cops wore flowers in their buttonholes and joked with beer-drinking hippies. One lawman jerked his thumb at a disappearing pair of hot pants and said, "If I had that, I'd never bother anybody again." Everyone ate watermelon, shucked and jived until the music stopped, and then went home. No arrests were made. Repression had been followed by the second half of the double-whammy: tolerance.

* * *

The natives had been pacified, but a significant number of people in Vancouver realize that one question remained for the cops on the night of their torrid romance with the hip community: will you still love us tomorrow? The fight for community control of the police lies ahead. A coalition of community groups has been formed which plans to fight through city council and by extra-parliamentary methods for a system of elected police commissioners and a reorganization of the police force along

neighborhood lines. "We're asking the city to change the police to a ward system, where police live in the area where they work, know the people they police and are responsible to them," says Steve Garrod, president of the student society at the University of British Columbia. The group also includes yuppies, Young Socialists, the Unemployed Citizens' Welfare Improvement Council and the revolutionary Partisan Party, a cadre group which grew out of last summer's Vancouver Liberation Front.

Other plans include establishment of a citizens' committee of inquiry into the Gastown riot, modelled on the Vietnam war crimes tribunal held three years ago in Stockholm, and publication of a booklet containing an analysis of the confrontation. At a press conference in late August, the group called on the police department to require police officers to give their names and badge numbers and inform citizens of their legal rights whether or not they are asked, publish training manuals and techniques and indoctrination films, and drop all charges connected with the Gastown events. The coalition, however, is realistic about the struggle. "We don't expect to get anything from council," says Garrod. "We're looking at this in the long-term, and 18 months from now (in the next civic election) we'll probably try to get on the ballot with a demand for community control."

If and when they do, they'll be up against the powerful Non-Partisan (sic) Association types who have run Vancouver civic politics since the thirties, when this assortment of business and professional men banded together to "keep the socialists out of city hall" and defeated the city's CCF mayor. The NPA is Vancouver civic politics' equivalent of the Social Credit Party, and is heavily backed by real estate interests and the B.C. Telephone Co., among others. Appointments to the police commission have traditionally gone to the party faithful, and of the present four members, three have overt NPA sympathies.

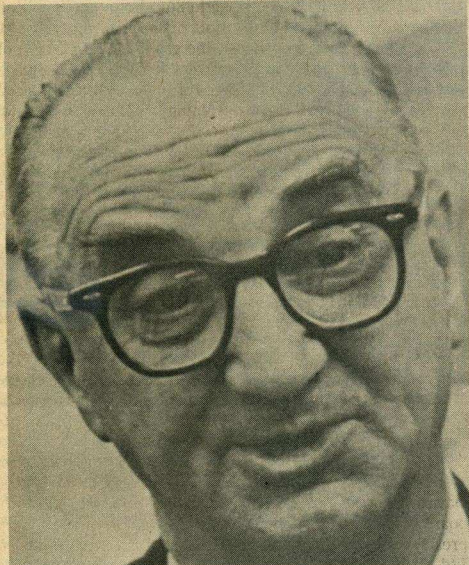
The chairman is NPA-backed Campbell, the only elected member. The three appointees are Arthur Johnson, Graham Dawson and W. Tom Brown. Johnson is a former NPA school board chairman who toils for the same law firm as the NPA's president. Graham Dawson is president of Dawson Construction Ltd., which is building the hated Four Seasons Hotels Ltd. apartment-hotel complex at the entrance to Stanley Park, a project which was approved by the NPA-controlled council in 1969 and rammed down the throats of the city's owner-electors last June. Brown is president of a city investment dealing firm.

Moreover, none of the three appointees could be expected to be exactly dovish when it comes to the police. A well-armed cop is a kindred spirit, for they are all military men — Brown a discharged lieutenant-colonel, Johnson a discharged major, Dawson a graduate of Royal Roads Naval College in Victoria. There will be no soft approach to policing while these men set the policy.

Campbell, of course, will continue to rave. But although his holy war needs its spiritual fuel, he becomes more hollow all the time. Those who watched him at a press conference following the riot, picking lies out of the air to explain the unexplainable, giving five different reasons for the police charge within 15 minutes, know that the writing is on the wall for him. He is unwell, and his physical ailments drive him to intellectual absurdities that do not fit into the framework of even his political logic. He has said he will not run again. But there will be another, for as the members of the Coalition for Community Control of the Police know, Campbell is not the real enemy. Nor are the police. The real enemies will overlook Gastown from their offices on the thirtieth floor of Block 52.



Roll out the barrel



Smallwood

IN August of 1969, Atlantic Breweries shut down its plant in Stephenville, a town of 8,000 on the west coast of Newfoundland, after only a year of operation. In retrospect, the reasons for its failure were clear enough. Its opening the previous summer had given the province four breweries to serve a population of only 500,000 (the other three Atlantic provinces combined have four breweries serving a population of two million). People in Newfoundland, who consume less beer per capita than other Canadians, were not going to drink more just because more was being produced. And Atlantic found it hard competing with companies that had been brewing for generations.

That might have seemed to put an end to the matter of a fourth brewery. But that would have been reckoning without Premier Joey Smallwood and his longtime friend, partner, and political backer, John Christopher Doyle.

Doyle is the principal figure in Canadian Javelin, once described by a U.S. government lawyer as "the most mysterious company known to man." Through its subsidiary, Bison Petroleum and Minerals, Javelin controls Bison Brewery, the new owner of the brewery at Stephenville. And, with the help of the Newfoundland government, Doyle now proposes to succeed where Atlantic Breweries failed.

Atlantic Breweries had its beginnings when the Americans closed their Air Force base at Stephenville in 1966, and the provincial government designated the town an industrial development site. It attracted an Alcan aluminum cable plant and the brewery, which renovated and converted some of the buildings left behind from the Air Force operation. Atlantic first went into Stephenville in the fall of 1967 and began production in the summer of 1968, brewing and bottling Atlantic Lager and Atlantic Draft.

Atlantic president John O'Dea (who had owned Newfoundland Brewery in St. John's until he sold out to Molson Breweries ten years ago) received substantial government help in his new enterprise. In December, 1966, Smallwood offered the Brewery two-year exemptions on provincial sales tax and on gasoline tax — normal procedure for industries in designated development sites. Then on December 30, 1966, Smallwood gave O'Dea a letter exempting Atlantic from the taxes imposed by the Board of Liquor Control. This was an unprecedented move, a move which caused a furor in the provincial House of Assembly when it was later discovered (after Atlantic had folded). On every case of two dozen beer sold there is a \$2.49 tax, included in the price (\$8.22), which the brewery must remit monthly to the Board of Liquor Control. Thus for one year the provincial taxes that people paid on Atlantic's products — a total of nearly half a million dollars — did not go to the government, but rather went to private industry.

The letter that granted these exemptions was signed by only one man — Joseph R. Smallwood — who had not brought the matter before the House, nor even consulted his cabinet. The premier later admitted that he had no right to sign such a document, claiming that he had signed the letter without reading it. ("I sign, I sign. I do not read them, life is too short. I do not have the time. If I did nothing else in this world except read the documents that come to me, I would not get through half of them.")



John Doyle

The Board of Liquor Control (which had changed its name to the Newfoundland Liquor Commission in the meantime), issued a writ against Atlantic claiming \$407,000 in remittances owed the Commission. Other writs have been issued by other creditors, totalling \$343,000. Bison Brewery has not assumed the liabilities so there is little chance that the private creditors will ever collect the money owed them by Atlantic. Bison has elected to pay one creditor, the Newfoundland government, at the expense of the others.

After Atlantic shut its plant down in August of 1969, representatives of several breweries, notably Ben Ginter of British Columbia, came to Newfoundland to see the facilities and discuss the brewery's economic potential with the provincial government. Tax exemptions and concessions were again discussed openly, while personnel at the existing breweries and opposition members of the legislature began to question the feasibility of a fourth brewery. If Atlantic had failed with its various legal and illegal exemptions, then how did the government propose to create a successful brewing industry in Stephenville? And did Stephenville really need another industry besides Alcan and the \$140 million linerboard mill — also owned by Canadian Javelin — currently under construction? The two plants already give Stephenville more industry than most Newfoundland towns of the same population.

The government's answer was that since a brewery already existed there the facilities should be used to employ Newfoundlanders. But around the established beer industry in St. John's it is a much debated point whether or not a new brewery would create employment for any more people. Assuming that people are not going to drink any more beer than they are already consuming, an increase in production at Stephenville means a cut-back in production in St. John's. One brewery official said that business is so slow that within ten years there is a good chance that all three existing breweries might share the same bottling plant in an effort to cut down on costs and stay alive.

The government has suggested one way Bison Brewery can succeed: by the nationalization of the distribution of beer. This would mean that the provincial government would distribute the beer and introduce a quota system whereby each brewery had an equal share of the market. Advertising and sales promotion would also be handled by a government agency. If this system is introduced it would automatically catapult John Doyle's brewery into the most advantageous position in the brewing industry because of its tax exemptions.

Why should Smallwood — who once disgustingly called nationalization "a communist practice" — now want to nationalize the distribution of beer? Provincial opposition leader A.J. Murphy pointed out in the legislature in June that the breweries now in operation — Bavarian, Bennett, and Newfoundland — are all owned by mainland interests (Labatt, Canadian Breweries, and Molson respectively). He implied that the reason the government was considering nationalization was that Smallwood was upset with the breweries because, being owned from outside, their owners did not contribute to the Liberal party slush fund. There would be no such problem with John C. Doyle.

The breweries now employ about 500 full-time people, about 200 of whom would be laid off if the government decides to nationalize distribution — despite Smallwood's statement that no more than two or three dozen people would lose their jobs. All fifty distributors would be out of jobs, together with the 116 full-time people they employ, as well as workers in sales, advertising, and production. There are also 500 brewers' agents around the province who would lose their part-time income if all beer were stored in and sold from warehouses, as the government is thinking of doing.

"Nationalization of beer distribution could be a good thing for Newfoundland," commented the St. John's Alternate Press in June, "if it were handled properly and honestly. But in this case it is being used as a political football by the Smallwood government and if votes can be thought of as a saleable product, then beer could buy a lot of support when government and industry are scratching each other's backs."

Smallwood's mutual back-scratching relationship with John Doyle dates back to 1952. In that year, Doyle flew to Newfoundland in search of \$18,000 owed him in a Quebec coal deal, and chanced to sit beside the province's deputy minister of mines, Claude Howse, on the plane. Howse told him of the glories of Labrador iron ore, just then being developed, and Doyle was interested. When he arrived in St. John's, he persuaded Smallwood (his persuasiveness was enhanced by \$250,000 that he put into the project immediately) to enter a deal in which Doyle was given mineral rights to a property which turned out to contain deposits of up to two billion tons of iron ore.

Smallwood believes that a natural-resource developer deserves high rewards for taking high risks, and Newfoundland's resources have made Doyle a multi-millionaire (Canadian Javelin has grown to control huge amounts of iron ore and timber in Labrador, oil and potash in Saskatchewan, silver in El Salvador, and other minerals from northern Quebec to Arizona). In return, Doyle has used his money and influence to help keep Smallwood in power for two decades.

But their friendship has gone beyond that. Smallwood's portrait hangs in Doyle's penthouse apartment in Ottawa. The premier was the best man at Doyle's third wedding, and has been his staunchest defender, even through the promoter's constant difficulties with the courts in Canada and the United States.

In 1966 Doyle's control of Javelin was threatened by a group of dissident stockholders who formed a Stockholders' Protective Committee to rid Javelin of "its greatest liability — John C. Doyle," who had at that time skipped bail rather than face a prison sentence in the U.S. for failure to register with American stock exchanges, and was being pursued by Canadian tax collectors for \$3 million. Doyle owned 1,250,000 of the 5,830,000 common shares in Canadian Javelin, not enough to win a proxy fight against the dissenting group, so he created 5,300,000 new shares and turned them over to the Newfoundland government, which in turn appointed a three-man committee to handle its vote in Javelin's dealings.

But the Newfoundland government does not control Canadian Javelin; Doyle does. Doyle himself has said that the three trustees appointed by the government have "nothing to do with the policy of the company." The shares the government owns are preferred shares, shares that do not fluctuate with Javelin stock but rather are always redeemable at ten cents. So even though the government holds a controlling interest in the Newfoundland and Labrador Corporation, in Melville Pulp and Paper, in the linerboard mill, and in Bison Brewery, it is John C. Doyle who pulls the strings. And it is John C. Doyle who benefits financially.

So the picture is complete. If, with its tax exemptions and concessions, Bison Brewery succeeds, John C. Doyle will take the winnings, the coffers of the provincial Liberal party could be greatly enriched, and the workers at the other three breweries will feel the pinch. If it fails, the government will take the loss. The taxpayers of the province stand to lose either way.

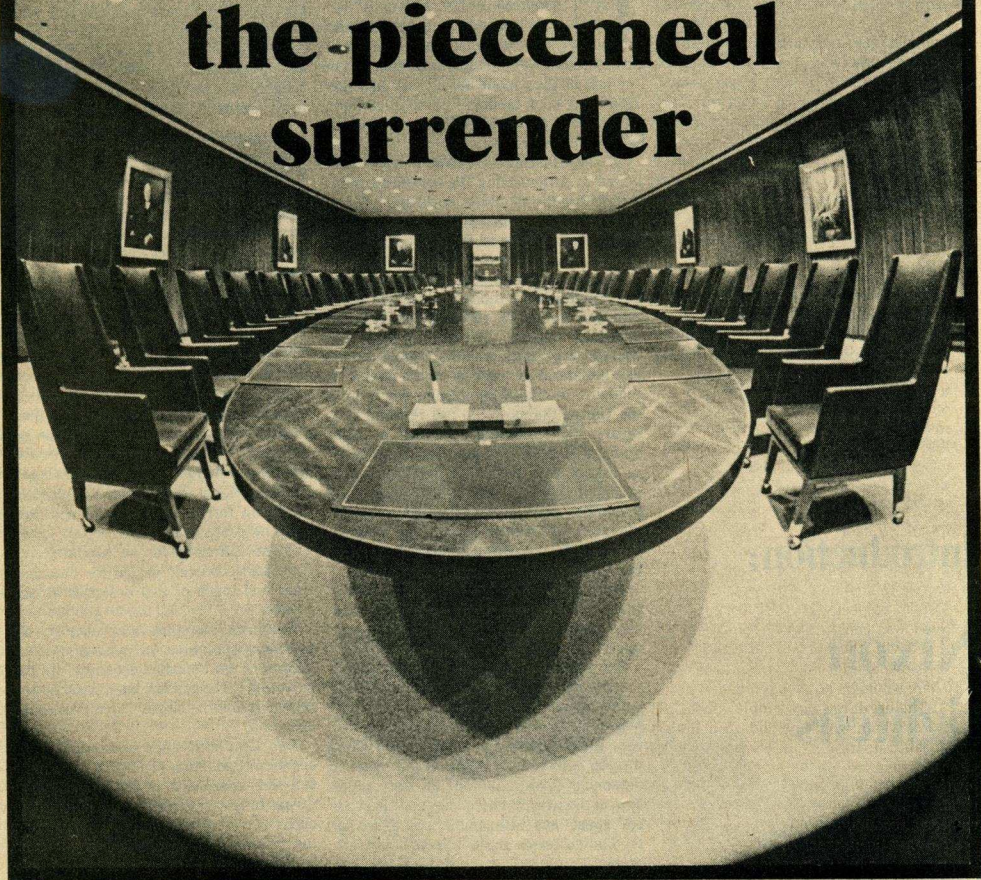
This story is based on an article by Ian Wiseman that appeared in the St. John's Alternate Press.



**SPECIAL
REPORT**



Canada's resources: the piecemeal surrender



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This special section was written by members of the Waffle movement within the New Democratic Party, and is published by the Last Post, P.O. Box 98, Station G, Montreal 130, Quebec.

by
**Jim
Laxer**

Introduction:

**Nixon
tightens
the
screw**

US. President Nixon's economic bombshell of August 16, 1971 opened a new era within the capitalist world. American corporate dominance, supreme from the end of the Second World War into the 1960s, has been facing stepped up competition from the industrialized nations of western Europe and Japan.

In a world context, Nixon's moves are aimed at rationalizing the American position within the capitalist world and putting the United States in a position to compete for emerging markets, the most important of which will be the Chinese market.

Nixon's initiatives of August 16 are aimed at achieving a more competitive position for American corporations both at home and abroad. The ten per cent surcharge on imports into the United States is a unilateral increase in tariffs aimed at reducing the flood of foreign goods into the United States which has resulted in a record high American balance of payments deficit. The 90-day wage-price freeze ushers in a period of belt tightening within the United States. American capitalism has been forced to heighten the exploitation of American working people, in order to spearhead a drive to regain U.S. economic supremacy.

The wage freeze is class legislation whose purpose is to render impotent the key weapon of the American labor movement — the strike.

The American media made it appear that the new Nixon economic policies were aimed primarily at Japan and West Germany. Within two weeks of his initiative, Nixon had forced the Japanese to float the yen, which meant that his objective of obtaining a devaluation of the dollar among the world's currencies had succeeded. There was little public discussion in the United States on the effects of Nixon's economic moves on America's greatest trading partner — Canada. This has been

understandable — American policy makers are much more apprehensive about possible retaliatory moves from Japan and West Germany than they are about any independent initiative from the thoroughly domesticated capitalists and state apparatus of Canada.

Nixon's economic moves affect Canada in a highly selective fashion. The policy will help press Canada into the economic mould designed for her within the American empire — that of resource base and secure consumer market for American capitalism. The ten per cent surcharge will strike at Canadian exports of manufactured goods to the United States, but will not affect the export of raw materials, nor will it affect industries for which there are specific quotas or duty-free agreements such as the auto industry.

The surcharge heightens the pressure on Canada to continue to move in the direction of being a resource extractive economy. Its removal, once the Americans have succeeded in forcing the other capitalist countries into line with Washington's edicts on terms of trade, will not mean that the problem has been solved for Canadians. Surcharge or no surcharge, the American economic design for Canada is clear and much of that design is already reality.

American capitalists now own the dominant corporations in most of the key sectors of the Canadian economy. In many respects Canada has been reduced to a region within a single North American economy.

Two significant steps remain before the economic reduction of Canada is complete: the conclusion of long term agreements to achieve complete American security of access to Canadian resources and the removal of all remaining barriers to the sale of American manufactured goods in Canada.

The Greene-ing of Canada

THE agenda for the next year in the continuing American takeover of Canada is clear: the conclusion of further steps toward the completion of the continental energy resources deal between Canada and the United States and the removal of the protective clauses for Canada in the Canada-U.S. auto-pact.

The continental energy deal is already underway. In September of 1970, the Canadian government agreed to the sale of 6.3 trillion cubic feet of natural gas, worth about two billion dollars, to the United States. The export will take place over the next fifteen to twenty years. Two months after that sale, cabinet-level talks between the Canadian and American governments took place in Ottawa about the possibility of a wide-open market for Canadian oil in the United States.

In its most basic terms, a continental energy resources deal means the creation of a free North American market in energy resources. Present ownership and marketing patterns would be guaranteed a permanent existence, with the Canadian-American border erased in matters of energy resources. This means secure and permanent access by American industry to Canadian energy resources and a guarantee that nothing would ever be done to interfere with that access whatever Canadian needs might become in the future. It involves a basic commitment by the Canadian government to regard this country's energy resources as continental resources, and to give up any plans it might have for the development of those energy resources outside the framework of American corporate and military interests.

Such a deal, already begun with natural gas, is soon intended to cover oil, electric power, coal, nuclear energy and eventually fresh water.

Two months before the new Nixon economic doctrine rocked the world, the American government had already made its needs and its objectives clear for the next round of bargaining with Canada. In June 1971, in a statement on U.S. energy needs, President Nixon stressed the fact that his administration believes that a major energy crisis will persist throughout this decade. The U.S. president said that one major solution to the crisis lies in the importation of great quantities of oil, natural gas and hydro-electricity from Canada. And Rogers Morton, the U.S. Interior Secretary, stated at the same time that the

Nixon administration intends to conclude the energy deal with Canada within one year. The unveiling of Nixon's economic artillery on August 16 made it clear how the American government intends to hustle Canada through the remaining stages of the deal.

For a year and a half the Canadian government has been doing everything it can to obscure the energy deal. J.J. Greene, Canada's Lincolnesque minister of energy, mines and resources, has been heading up this operation to cover the government's tracks.

This is fitting, since it was Greene whose cracker-barrel continentalism alarmed the Canadian people in the first place. It was Greene himself who popularized the notion of a continental energy deal in December 1969 when, during a visit to Washington, he called for such a deal so that "people will benefit, and both countries will benefit, irrespective of where the imaginary border goes."

It wasn't long before the government began to regret Greene's straight-forward statements of December 1969. Since that time elaborate public relations efforts at deception have been the order of the day.

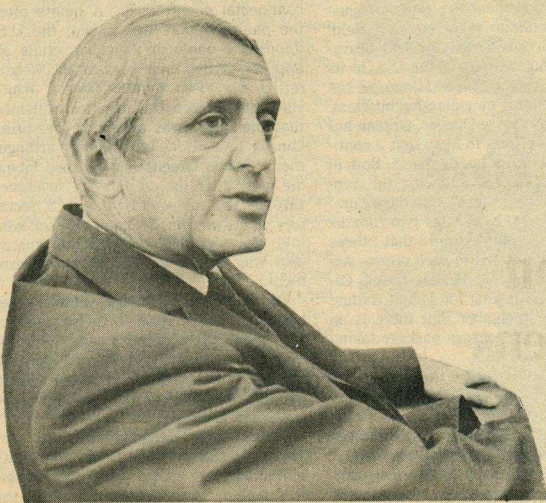
The most flamboyant effort to make Canadians forget the continentalism of their government came in May 1970 when Greene delivered his famous address to

the Independent Petroleum Association of America in Denver, Colorado. The Canadian press, led by the *Toronto Star*, hailed the speech as a great breakthrough. Gone was the continentalism of the past, and in its place was a heady new Canadian nationalism.

Greene intoned his disillusionment with the American dream, in the era of Vietnam, campus disorder and black disaffection. He shocked his audience, with all its cultural limitations, by warning that Canadians were becoming so tired of U.S. broadcasting that we were considering jamming the airwaves to keep out American TV.

But when it came to discussing his portfolio of energy, mines and resources, Greene was a good deal more reassuring. First, he made the point that the Canadian government found it difficult to negotiate with the U.S. on energy matters while under the gun of the U.S. quota of 395,000 barrels a day of Canadian crude oil imposed in March 1970. He pointed to the fact that this made the folks back home unnecessarily nervous:

"The unilateral action on quotas has created for us grave political problems which I am very sure were not considered by U.S. officials who recommended the arbitrary shut-off and restrictions. The Canadian public is interpreting this as a



Greene

pressure play, to squeeze Canada into some form of energy deal which would not be to the Canadian advantage."

Greene made it clear to his audience that Canadian energy resources were available for export. He reassured them regarding tax reform in Canada by stating that he did not believe the government "would legislate a tax climate in which the Canadian petroleum industry would be put at any significantly increased disadvantage compared with the industry in the U.S."

His tough bargaining point was this: you Americans cannot have our natural gas, unless you take our oil as well.

"Canadian gas will be available to supplement United States supplies only if our petroleum industry as a whole receives the incentives of progressive growth and assured stability of access to export markets for oil and natural gas liquids."

Greene's statement was widely interpreted as meaning that Canada would only export the amounts of natural gas the U.S. was seeking if the oil quota was eliminated. This proved not to be the case four months later when the Canadian government approved the export of two thirds the amount of natural gas requested, while the oil quota remained in operation. Greene's statement about the tax climate did prove accurate however, when the Benson budget of 1971 did little to increase the tax rates paid by resource companies.

Greene's Denver speech was continentalist to the core. What he said was that Canada is available and secure as a source of energy resources and as a site for continued foreign investment; and to top it all off, bargain basement tax rates are guaranteed to continue in the resource field. In return, Greene asked for less heavy-handedness on the part of the U.S. in its negotiations and a greater share of the continental pie for Canadian big business.

In statements since Denver, Greene has continued his efforts to deny that a continental energy deal is taking shape. Both in the press statements following the September 1970 talks leading up to the natural gas sale and in the oil talks two months later, Greene emphasized that these events were unrelated to each other. According to the revised Greene thesis, Canada is simply making individual trading deals with her neighbor, but there is no overall continental energy package taking shape.

Greene likes to picture the sale of our energy resources to the United States as job-creating development ventures. Following the gas sale Greene met the press with the statement that the deal would lead to the creation of 13,000 man-years of jobs, which translated into English



means 13,000 jobs for one year. All of these jobs will be in construction of the pipelines, and once construction is completed the jobs will disappear.

For the Liberal Party, the sale of our natural resources is a part of the free enterprise road to Canadian prosperity.

On the American side, there is no doubt about the desire for a continental energy deal and about the need to pressure Canada into it as rapidly as possible. The Shultz Report, a U.S. cabinet task force report issued in February 1970, called for a continental energy deal. A month after the Shultz Report was issued, the U.S. imposed a quota on Canadian crude oil imports, cutting them back to 395,000 barrels a day. Two months later a White House letter to a U.S. Senator explained that the quota was aimed at pressuring Canada into a long-term energy arrangement. When Greene had finished facing the press after the oil talks in November 1970, he was followed by then U.S. secretary of the interior, Walter J. Hickel, who told reporters that a continental energy deal was indeed the aim of his government.

The energy crisis in the United States became a public issue in the summer of 1970 when the Federal Power Commission in that country discovered that for the first time in history the use of natural gas was beginning to outstrip the discovery of new reserves.

Americans as individuals began to realize in the summer of 1970 that there was something very wrong with their industrial system when a great smog belt ex-

tended over the northeast of the United States, extending into Ontario as far as James Bay. Suddenly the multi-million dollar investment in air-conditioning to make American cities habitable was jeopardized as American utilities were threatened with power brown-outs and black-outs.

The crisis in energy is revealed by a number of telltale economic indicators. Energy fuels are rising in price dramatically in the United States. Most interesting is the sharp revival of the coal industry in the United States, a sign of the trouble the glamor fuels — oil, natural gas and nuclear energy — are experiencing. In September 1970 half the increases in price in the industrial commodity index in the United States took place in the area of fuels. Increased fuel costs have contributed significantly to the current inflation which the Nixon administration has taken such drastic measures to curtail.

Foolishly, we in Canada are hitching our prices in energy fuels to the United States. The natural gas sale in September 1970 fixed a differential of five per cent between the domestic and export prices of natural gas. This ties our price to the rapidly rising American price, threatening higher costs for people who use gas to heat their homes and for industries and utilities that wish to use natural gas. So threatening is this development that gas distributors in Ontario have begun to oppose further exports, warning that if a halt is not made, natural gas will be priced out of large sections of the Ontario market.

Give us your oil...

THE U.S. assault on Canadian resources has been building up for over a century. From the time of the lumber trade of the 1850s which devastated the forests in much of what is now Ontario, American businesses have revealed a growing interest in Canadian resources. Following the First World War, the growth of the pulp and paper industry and the opening of the mineral areas of northern Ontario and Quebec greatly tightened the ties between American investors and Canadian resources.

By the end of the Second World War, the United States had become the predominant world power; Britain had lost its imperial stature; and Canada had moved definitively from the British Empire through a brief period of independence into the American Empire. U.S. direct investment in Canada and Canadian membership in the U.S. military alliance system became the main features of the post-war world for Canadians.

With world power came a growing U.S. dependence on raw materials from many countries. Throughout the twentieth century, the U.S. had gradually shifted from being an exporter to being an importer of raw materials. By the mid-fifties the United States was importing more than half of all its required metals.

By the end of the 1960s the U.S. had come to depend on Canada not only for immense profits, but also for strategic supplies in maintaining the military power on which the Americans depended for their control of much of the globe. U.S. interest in Canada has become greatly heightened due to the new alarm regarding American supplies of energy resources. A two-fold process was at work: U.S. domestic supplies of natural gas and water-power began to run short; and at the same time the U.S. was becoming increasingly alarmed at the insecurity of its investments in such areas as the Middle East and Latin America. As the American Empire was experiencing crises in many parts of the world, its corporate and military men began to think in deadly earnest about resources in safer areas.

The Shultz Report of February 1970 summarized American thinking about the importation of oil from abroad and about the importance of an energy deal with Canada. Entitled **The Oil Import Question: A Report on the Relationship of Oil Imports to the National Security**, the

report was presented by the Cabinet Task Force on Oil Import Control, which was appointed by President Nixon shortly after his administration took office.

The task force, chaired by labor secretary George P. Shultz, was made up of six Cabinet members and personnel from a number of American government bureaus. The task force did not achieve a consensus on the matters under its purview. Three of its members, then secretary of the interior Walter J. Hickel, commerce secretary Maurice H. Stans, and Federal Power Commission chairman John N. Nassikas, submitted a separate report.

The central issue in contention between the main and the separate report was whether the U.S. should move to a tariff for the import of crude oil (the majority position) or retain its import quota system on a modified basis (the minority position): Both groups within the task force were agreed on the great importance of a dependable oil supply to American national security. They disagreed on the degree of the security problem and on how to protect national security (through tariffs or quotas). The separate report came down harder on the side of restrictiveness for the sake of security, or for the sake of the domestic oil lobby depending on your interpretation.

The Shultz Report set out a series of nightmare scenarios by U.S. planners about what it means to import oil from a variety of countries. They begin with a discussion of what a nuclear war would do to the United States oil supply. They dismiss any fear of nuclear war on the grounds that a nuclear war would be so short and so severe that it wouldn't upset the oil industry any more than anything else. Conventional war between the United States and Russia is also not to be feared because that would become nuclear and so you're back to Case 1.

What are they worried about? They're worried about small resource-producing countries getting together and deciding they don't like the terms of trade they have with western Europe and the United States. They fear the demand for higher royalties for oil by the governments of these countries and beyond that, the nationalization of their oil industries.

The ultimate nightmare of the authors of the Shultz Report is that all the middle-eastern oil producers and those of north Africa and Venezuela will get together

and boycott the markets of western Europe and the United States to get a better trade deal with the industrial oil-consuming countries. This, incidentally, is discussed under the interesting heading "Economic Exploitation". The American oil planners evidently fear that the United States might be exploited by these countries.

A major part of the solution to these fears of insecurity of foreign supplies lies in locating "safe" sources of foreign supply. Throughout the report Canada is assumed to be the safest source of foreign supply, both because the country is politically secure and because its oil is available through overland transport which is safer militarily than transport by sea.

"The risk of political instability or animosity is generally conceded to be very low in Canada. The risk of physical interruption or diversion of Canadian oil to other export markets in an emergency is also minimal for those deliveries made by inland transport", says the report.

The report goes on to call for the development of "common or harmonized United States-Canadian policies with respect to pipeline and other modes of transportation, access to natural gas, and other related energy matters."



Shultz

Provided that Canada entered into a general deal with the United States on energy resources, the U.S. oil market would quickly be opened up to Canadian crude. Beginning with a level of 615,000 barrels a day (the quota set in March 1970 is 395,000 barrels a day) Canadian crude would be imported at a rate of 2 million barrels a day by 1975. The latter figure would represent two thirds of Canadian production by that date, compared with the export of about 45 per cent of our production now.

Naturally one thing the Americans don't like about sharply increasing their oil imports is that it will hurt their balance-of-payments position. For this reason the authors of the Shultz Report consider it important that imports come as much as possible from countries where the industry has a high degree of American ownership, where the industry is likely to purchase equipment from the United States and where greater access to the local market for U.S. goods is possible.

As the report says, "the economic infrastructure of the United States is and can be far more integrated with that of Canada than with the economy of any other country in the western hemisphere." The authors of the Shultz Report estimate that for every dollar invested by Americans to extract oil from Canada in the future, seventy-one cents will return to the United States in the form of profits or purchases within the first year of that investment being made.

The corollary of the position set down in the Shultz Report is this: if Canada wants larger markets for her oil in the U.S., she must open up her markets more widely to American manufactured goods.

The proof that this is no idle or abstract point became clear following the oil talks in Ottawa in November 1970. Mitchell Sharp, Canada's Minister of External Affairs, said that if the United States was willing to remove import restrictions on Canadian oil, Canada should consider allowing the last protective clauses for Canada in the Canada-U.S. auto pact to be abrogated. This statement reveals that the government is willing to countenance plant shutdowns and layoffs in the industrial sector of our economy in order to achieve access for our raw materials to the U.S. market.

This is a strategy for turning Canada into a permanent resource hinterland of the United States, a country bound to be economically and politically dependent. And because there are many more jobs in processing and manufacturing resources than in exporting them, Canada will become a country that will always have a high level of unemployment built into its economic structure.

The energy deal involves an essential attack on Canadian independence in two ways: first, as a source of supply for American strategic resources, we can never be allowed political freedom to deviate from any significant American world policy; second, as American resource-producing corporations within Canada tighten their grip on our economy and build ever-

widening ties with the United States, the manufacturing sector of our economy will be throttled as well.

The Nixon economic moves of August 16, 1971 make the relationship between the completion of the energy deal and the widening of the U.S. thrust into our manufacturing market patently clear.

But don't give us your cars

Four days after Nixon unveiled the ten per cent surcharge, the Canadian cabinet was making representations to Washington begging for an exemption. In his flustered press conference following his talks with U.S. treasury secretary Connally, finance minister Benson said that the U.S. government has requested abrogation of the protective clauses for Canada in the auto pact.

The auto industry is central to employment in the entire manufacturing sector of the Canadian economy. More than 50,000 Canadians are directly involved in the assembling of automobiles in Canada. This aspect of the industry alone accounts for nearly \$500 million being pumped into the Canadian economy in wages. The auto parts industry employs about 140,000 people in Canada. Other Canadians directly affected by the well-being of the auto industry are service station operators, car dealers, producers of car radios, and workers in the rubber industry, the steel industry and the petroleum industry.

The Canada-U.S. Auto Pact was initiated in 1965 as a means of rationalizing the North American automobile industry. It sought ultimate free trade in auto assembly and auto parts. One continental auto market, serviced by giant American producers, was the vision. It meant that Canadian auto plants would not be geared to producing for the Canadian market. Instead they would produce for segments of the entire North American market. The pact was rightly condemned by many as a step toward a fully integrated continental economy.

The Auto Pact did however, contain safeguards for Canadian auto production, which were to be removed at some indeterminate date in the future. The safeguards were as follows:

(1) The maintenance of a ratio between vehicles produced in Canada and vehicles sold in Canada of at least 75 to 100, similar to that which existed in 1964.

(2) The stipulation that Canadian value-added should not fall below the absolute dollar value achieved in the 1964 model year.

A third safeguard came in the form of an agreement, not between the two governments but between Canada and the four U.S. auto corporations. This came in the form of letters of commitment from the four manufacturers to raise Canadian value-added by an amount equal to 60 per cent of the growth in the Canadian market and, beyond that, by \$260 million. The terms of this agreement, purchased by the government with a \$100 million tax concession to the auto producers, were met by the end of the 1968 model year. According to the terms of the pact, the entire agreement can be abrogated by either country on one year's notice.

The Auto Pact was undertaken partly because by the early 1960s Canada's position as an auto producer was so precarious that if the situation were not changed, drastic national solutions to the problems would have to be considered. In 1964 Canadians bought 7.5 per cent of the automobiles in North America while they manufactured only four per cent. In 1965 the United States enjoyed a \$768 million surplus in auto trading with Canada.

This condition of the Canadian auto industry in 1964 is striking proof, for those who need it, that foreign ownership does not bring efficiency and competitiveness with it. After all, the Canadian auto industry was 100 per cent foreign owned, and yet it was so uncompetitive that it couldn't maintain control of its own domestic market, let alone export its products.

Had the Auto Pact not emerged, Canada would have been forced to take protective steps to guarantee the reservation of Canada's market for the sale of automobiles produced in Canada. Considering that the auto industry in this country is entirely foreign-owned there would have been long term pressure in favor of the production of a Canadian car, either with govern-

ment assistance or under public ownership.

The auto pact had the effect of preventing such pressure for Canadians to emulate the Swedes and other Europeans who have produced their own automobiles. While the Auto Pact has maintained a continental market for the American producers, it still has not worked to produce sufficient continental integration to make the Americans happy.

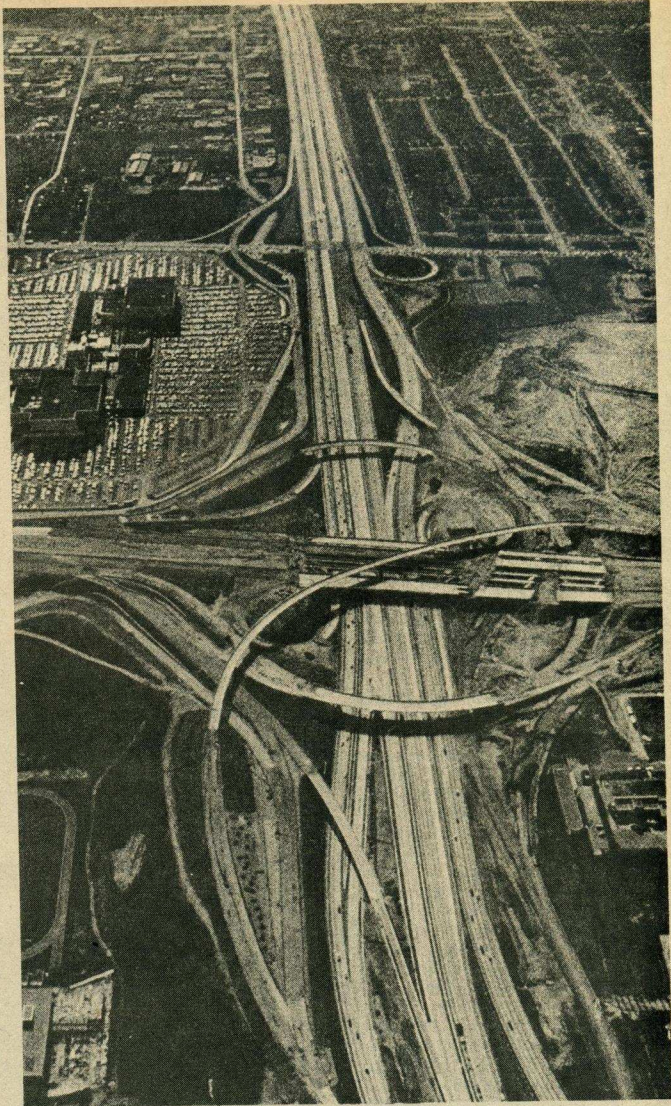
The Auto Pact has greatly increased the export of assembled automobiles and auto parts from Canada to the United States. In 1970 Canada enjoyed a surplus in the automotive trade with the United States for the first time ever. (The U.S. and Canada disagree sharply on the figures, with the U.S. claiming a large Canadian surplus, while Canada claims a small deficit. Most financial analysts believe Canada enjoyed a moderate surplus in 1970.) The surplus was in part, accidental. The American auto manufacturers tended to concentrate in their Canadian plants the models that happened to be most successful in the market-place.

Pressures have been building up in the United States for the abrogation of the protective clauses in the Auto Pact. In the fall of 1970, the Ways and Means Committee of the House of Representatives recommended that President Nixon terminate the Auto Pact unless progress was made toward the elimination of the protective clauses for Canada. In a report to Congress on the subject in the fall of 1970, Nixon heightened the pressure for removal of the protective clauses:

"The continued existence of the transitional measures... represents an unnecessary burden on the automotive industry and is an obstacle to full realization of the agreement objectives."

Mitchell Sharp's admission at that time that "eventually" cars produced in Canada and the United States would have completely unrestricted access to the entire North American market revealed that the Canadian government position has been weakening on the Auto Pact. When he linked the abrogation of the protective clauses to the gaining of an unrestricted oil market for Canada in the United States, he was giving unmistakable confirmation to the thesis that Canadian capitalists and their governments are allowing themselves to be pushed into the role of resource extractors for the Americans.

The fate of the Auto Pact (and of Canadian manufacturing in general) is clearly linked to the fate of the energy deal. The danger of the energy deal is not that Canada will face an absolute shortage or either natural gas or oil, but that we will be moving into a state of greater economic de-



pendency on the U.S.

The energy deal will make the Canadian economy more of a hinterland economy. Growth in much of Canada will be based even more on the expansion of raw materials exports and not on economic diversification. The energy deal means such a major new commitment to the continuance of a hinterland economy that economic diversification and greater relative indus-

trialization becomes much more difficult.

Eric Kierans has recently pointed out that as Canada exports raw materials to the United States, it draws in large quantities of American dollars, thus driving up the exchange value of the Canadian dollar. The resultant appreciation of the Canadian dollar, in turn, makes it more difficult to export manufactured goods. To complete his argument, by specializ-

ing in exporting raw materials, we are denying ourselves markets and jobs in manufacturing.

The Nixon surcharge dramatizes the pressure of the United States to convert us to the position of an extractive economy. The United States is deliberately attempting to shift production and employment from the hinterland countries to the United States. This makes no difference to the U.S. corporate giants that operate in many countries; but it makes a vast difference to the working people in the dependencies whose jobs are now jeopardized.

Even before the new "America First" policies of the Nixon administration, we have been witnessing the closing down of plants in Canada and the shifting of production to the U.S. The closing of Eaton Automotive (an auto parts producer) in London, Ontario in April 1971

exemplifies this process. The plant, owned by the American corporation Eaton, Yale and Towne, was closed not because it was not profitable but because the corporation felt it would do better by shifting the entire operation to a new plant in Kentucky. The decision for this shutdown was made in Cleveland, in spite of spirited local opposition by the union, the people of London and the London city council.

Should the protective clauses in the auto pact be abrogated, many more such shutdowns would result, especially with the Nixon drive to maximize production within the U.S. Completely free trade in the auto industry would mean the duty-free import of American used cars into Canada and the completely free entry of auto parts (regardless of whether the manufacturer of such parts maintained the same ratio of production in Canada to sales in Canada as existed in 1964).

These developments would quickly re-

sult in the closing down of Canadian auto parts producers and would face us with a serious imbalance in our trade with the U.S. Without the protective clauses the four U.S. auto manufacturers could do literally as they pleased in terms of Canadian production. With the strong new pressure from Washington to concentrate production in the U.S., we dare not countenance any such concession by Canada.

A year ago Ron W. Todgham, the president of Chrysler (Canada) gave the Canadian government a clear reminder that we are dealing with American corporations, when he candidly stated that Canada could afford to give up the auto pact safeguards. Such partisan U.S. advice from a supposed Canadian corporate citizen is not tasteful and General Motors and Ford of Canada had the good grace not to comment. But the statement shows us which way the wind is blowing.

Give us your power...

IF during the next year the pressure will be on for Canada to give up the protective clauses in the auto pact and to take further steps into the energy deal, what will those steps be?

Three major specific developments leading toward the completion of the continental energy will take shape over the next few months: the James Bay Project in Quebec; the sale of an additional three trillion cubic feet of natural gas to the United States and further talks about widening the access of Canadian oil to the U.S. market.

The James Bay project is Quebec premier Robert Bourassa's latest method of producing the 100,000 jobs that he pledged to create during the 1970 provincial election. The project was approved by the Quebec National Assembly in July 1971. While details remain vague, the project envisages the expenditure of \$6 billion to harness the hydro-electric potential of rivers flowing into James Bay in northern Quebec. The project is much too large for Quebec to finance domestically.

The James Bay project is an export project. The money will have to be raised in the United States. (Premier Bourassa revealed how close this is to his heart when he took time out from the FLQ crisis in October 1970 to visit New York to discuss the scheme with American bankers.

The bulk of the power will be for export to consolidated Edison of New York, an A-

merican utility that is crying out for new sources of power. Con Ed was recently unable to build a \$370 million power plant additional because it could not be sure of a non-polluting power source which would allow it to comply with New York State law.

The James Bay project will lock Quebec into the position of being a permanent supplier of power to New York State. It means the creation of several thousand temporary jobs in construction. In the long run it means giving away tens of thousands of jobs in industry in the future, because Quebec through the export of its own power will be making New York State industry even more competitive vis-à-vis Quebec industry than it now is. Because the energy costs in heavy industry are considerable, such exports will significantly deflect the possibility of Quebec's making use of her power potential to establish industry in Quebec.

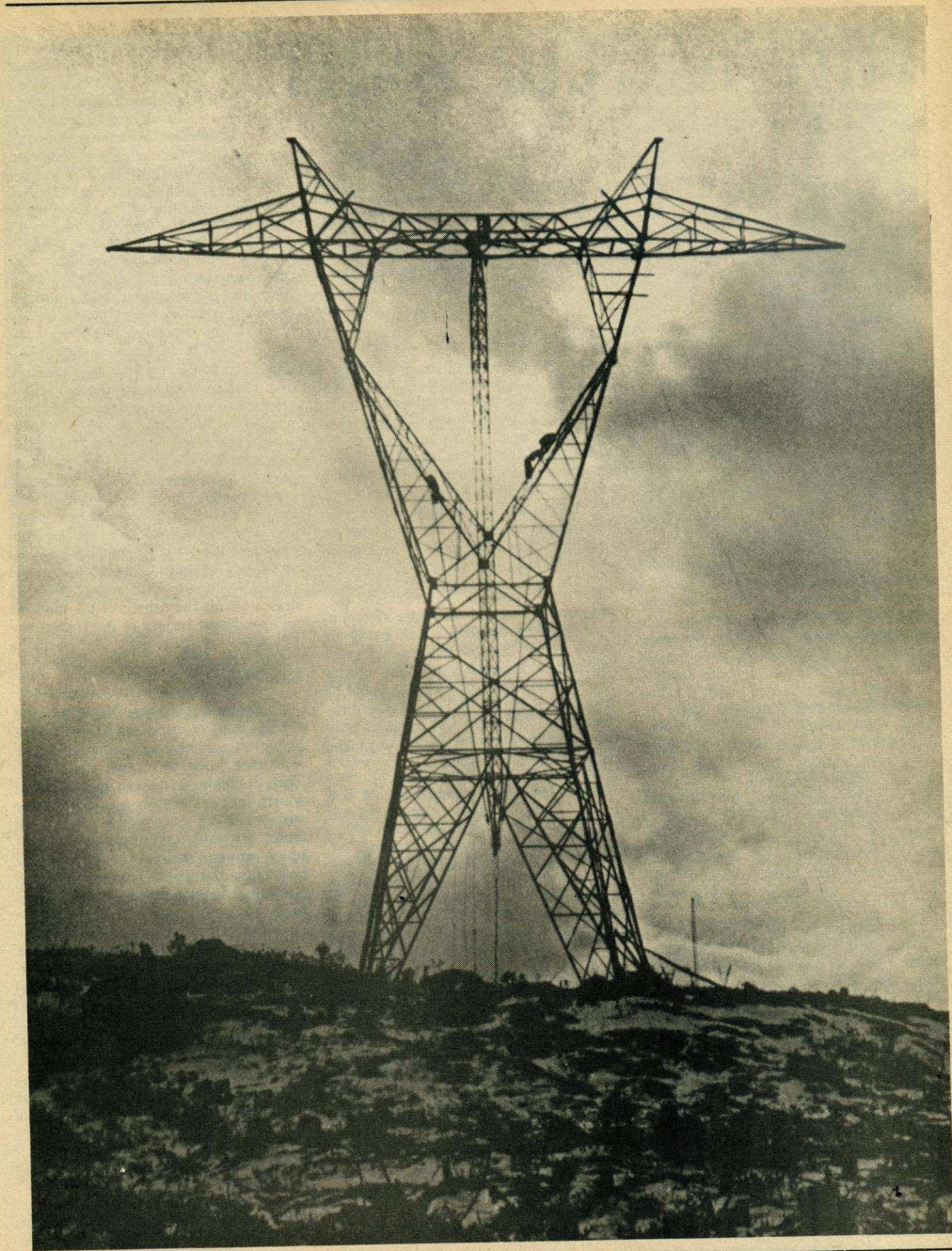
In July 1971 the National Energy Board began hearings to determine whether Canada has a sufficient surplus of natural gas to justify the export of an additional three trillion cubic feet to the United States. This proposed export up to the level the U.S. companies wanted in September 1970 when the National Energy board approved only two thirds of the exports. This proposed export (worth about \$1 billion), if approved, will bring exports up to the level the U.S. companies wanted. In September 1970 when the National Energy board approved only two thirds of the export request. Should the National Energy Board approve the export in the fall

of 1971 (which is surely will unless sufficient political pressure is mobilized to stop it) an additional portion of Canadian reserves will be committed for long-term export to the United States.

Oil talks leading to a significant widening of access for Canadian crude into the U.S. market can be expected soon. When Nixon imposed the 395,000 barrel a day quota on Canadian oil in March 1971, he was heavily criticized in the mid-west and northwest of the U.S. where oil shortages and price increases were troublesome.

The oil talks could be tied to the abrogation of the protective clauses for Canada in the auto pact. They could also resolve the question of whether an oil and gas pipeline is to be built down the Mackenzie Valley and across the continent to Chicago for the transport of Alaskan and northern Canadian gas and oil. This project, with its potential ecological hazards, would have the effect of making Canada a land bridge for the shipment of resources between two parts of the United States.

This is a project with far graver implications for Canadian sovereignty than the building of the Alaska highway by the U.S. Army through Canadian territory during the Second World War. Just to demonstrate how far our position has deteriorated, it is interesting to recollect that even that arch-continentalist Mackenzie King feared the effects of the building of the Alaska highway and put off any deal to let the U.S. construct it from the late thirties until after Pearl Harbor in 1941.



Give us your water...

IF the above items are certain to be on the agenda of the energy deal for the next year, we should not lose sight of critical developments whose timetables are not quite so clear. Most vital on this list is the question of possible water exports to the United States.

Water exports from Canada to the United States have long been discussed by both government and private groups in North America. There is no doubt that water is the ultimate energy resource and that the availability of plentiful fresh water is the key to modern industry. The U.S. has been feeling the water pinch acutely for more than five years, in terms of both pollution and absolute shortages, particularly in the south-west of the United States.

There is little doubt that once the U.S. successfully gains access to our oil and natural gas on its terms, it will turn to our water.

In 1964 Canadians were treated to a garish glimpse of a possible future in North America in which their water was to be treated as a "continental" resource. In that year the Frank M. Parsons Company of Los Angeles unveiled what it called the North American Water and Power Alliance (NAWAPA).

A thirsty U.S. Congressman, Jim Wright, in a book entitled *The Coming Water Famine*, outlined the main ingredients of the NAWAPA plan as follows:

"The NAWAPA idea consists, first, of building huge dams in Alaska and the Canadian Yukon to trap the abundant water of the various broad rivers in those areas, where the resource is little needed....

"The program calls for (hold your hats!) conducting the waters into a largely man-made reservoir five hundred miles long, using the natural gorge of the Rocky Mountain Trench. In order to do this, it will be necessary to build a series of connecting tunnels, canals, lakes, dams and even lifts.

"At the northern end of the Trench, NAWAPA proposes to dredge a thirty-foot-deep canal all the way to Lake Superior, supplying the Great Lakes with the fresh water they so badly need. Another division of the canal would feed water into the upper stretches of the Mississippi and Missouri Rivers.

"A series of dams and power stations

would lift the water up to the three-thousand-foot altitude of the Rocky Mountain Trench, a natural geological defile in southwestern (sic) British Columbia, from five to fifteen miles wide, which stretches for a length of about nine hundred miles. The site for the big storage reservoir would be the five hundred downstream miles of the southern end of the Trench.

"From the Trench Reservoir water would be pump-lifted to the Sawtooth Reservoir in northwestern Montana. From this point, the water would flow southward by gravity, via linked canals and tunnels, throughout the western part of the system, passing the Sawtooth Mountain barrier through a tunnel eighty feet in diameter and fifty miles in length.

"This water would help mightily to meet the needs of the western states for irrigation, industry, power, recreation, and municipal conservation."

One might imagine that a scheme that proposed to tear out the water system of a neighboring country, wreak indescribable havoc on much of that country's ecology and flood a vast part of the interior of one province of that country would be dismissed as lunacy. But such is the American thirst for water and imperial grandeur that the NAWAPA scheme was taken with terrifying seriousness.

When the scheme came before a U.S. Senate Subcommittee, Senator Frank Church of Idaho proclaimed:

"Whether or not this proposal is advanced further, whether or not it is adopted, we must not be deterred by its size. To perform the great task before us may well need a program as farsighted as was the Louisiana Purchase."

In an address to the Royal Society of Canada shortly before his death in 1966, General A.G.L. McNaughton, who had been chairman of the Canadian section of the International Joint Commission, took up the cudgels against NAWAPA in a strongly-worded reply to Utah Senator Frank Moss's defence of the scheme.

McNaughton stated:

"Of course, NAWAPA has nothing to do with the maximum development of these rivers or resources in Canada. Its purpose is to flood the valleys in Canada, and to drain off the water in regulat-

ed flow for beneficial use in the United States. But the valleys themselves are of vital importance to British Columbia, because they contain the level land which is so vitally needed for roads and railways, for industries, for people, and for agriculture. Whitehorse and Prince George would be submerged, and their land with them, as would countless miles of railway and highway. These irreplaceable assets would be destroyed in the name of trans-mountain navigation. In my address to the Canadian Club in Montreal in October 1965, I referred to some of the serious legal and political implications of the NAWAPA scheme. I observed at that time that this is a monstrous concept, not only in terms of physical magnitude, but also in another and more sinister sense, in that the promoters would displace Canadian sovereignty over the national waters of Canada, and substitute there for a diabolic thesis that all waters of North America become a shared resource, of which most will be drawn off for the benefit of the midwest and southwest regions of the United States, where existing desert areas will be made to bloom at the expense of development in Canada.

"...To me it is obvious that if we make a bargain to divert water to the United States, we cannot ever discontinue or we shall face force to compel compliance. There is nothing in our experience to date which indicates any change in the vigor with which our American friends pursue objectives which they deem in their national interests, however much this may hurt a neighbor who has unwittingly made a careless bargain in other circumstances."

It has become clear during the past few years that the idea that Canada has great quantities of surplus water that can be exported is merely a myth — and a highly dangerous one. In its projections of energy supply to 1990, the National Energy Board estimated that whereas hydro sources accounted for 82 per cent of the generation of electricity in 1966, this would drop to 45 per cent by 1990. For Ontario the figures are even more striking: hydro sources accounted for over 70 per cent of production in 1966; by 1990 this would drop to 20 per cent.

The fact that the National Energy Board is predicting a massive shift to thermal



and nuclear generation of electricity, shows that there is, in fact, no vast surplus of water in Canada that could be exported without creating difficulty.

In an article in *Foreign Affairs* in July 1970, geographer Trevor Lloyd further punctures the myth of Canada's exportable water:

"Fresh water is a renewable resource that is attracting increasing attention in the drier parts of North America where the supplies have been polluted or depleted. The landscape of much of the far north includes a rich variety of lakes, ponds and rivers and gives an impression of providing a reserve of water which might become available for use elsewhere. The impression is misleading. Precipitation over much of the North is low, although evaporation is also low and the permafrost beneath prevents the water from draining away. While information is still incomplete, it suggests that the northern water reserves can contribute little or nothing for export southward."

The NAWAPA scheme is only one of a large number of schemes for the diversion of Canadian water. Many such plans exist. They are not idle daydreams. They represent a warning to Canadians: if we do not define our national interest with regard to water in the clearest possible terms, within a few years the United Sta-

tes will use its immense arm twisting power to begin imposing water diversion schemes on us. If the Nixon economic moves of August 16, 1971 was capable of delivering two senior Canadian cabinet ministers to Washington within 96 hours, we should have no illusions about the capacity of the United States to use each stage of continental economic integration to gain greater leverage to achieve the next.

The record of the Canadian government on the water question over the past decade has been one of uninterrupted bungling. Three Canadian prime ministers have contributed to the debacle. Diefenbaker managed to be steered into the Columbia River deal. Pearson predicted during the 1965 election campaign that someday the export of water to the United States could be as important to Canada as the export of oil and wheat.

Not to be outdone, Prime Minister Trudeau managed in February 1970 to add his own distinctive contribution to weakening the Canadian position on water. His timing was splendid in its irony. On the same day that J.J. Greene was attempting to polish his image by telling the House of Commons that Canada was not considering exporting water to the U.S., Trudeau went on the TV show "Under Attack" at Carleton University. In response to an accusation by a student that the

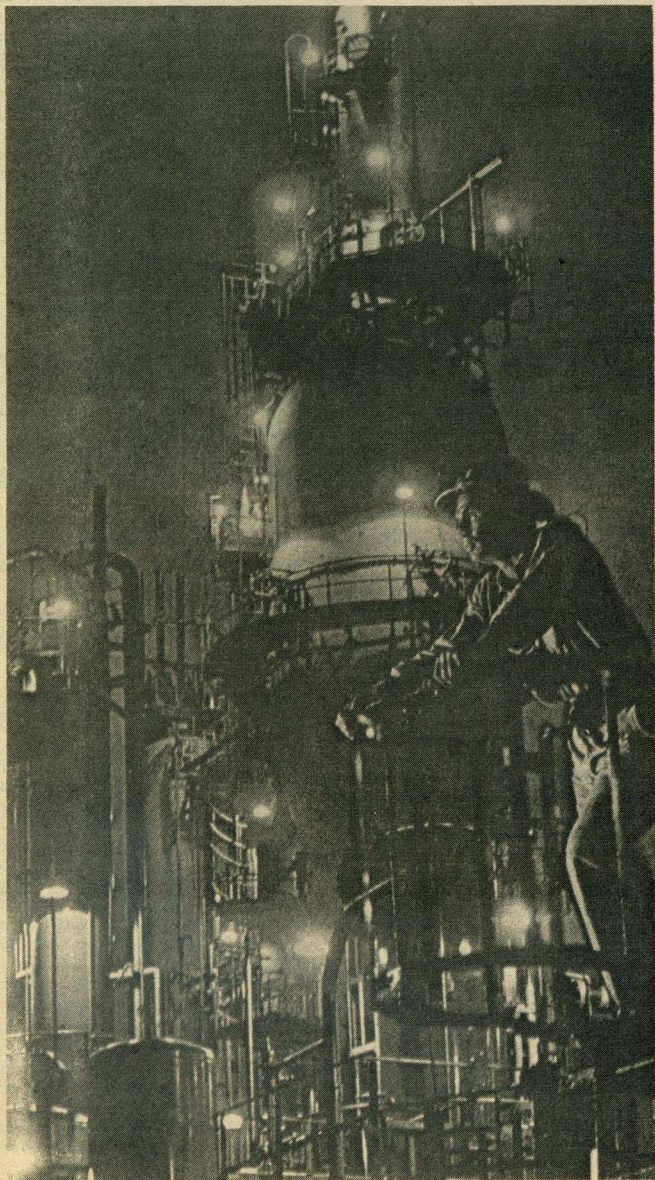
government was about to sell Canadian water, Trudeau made the following reply about resources in general, including water:

"I don't want to be a dog in the manger about this. But if people are not going to use it, can't we sell it for good hard cash?"

One rather frightening aspect of the government's bargaining posture with respect to water is the fact that it regards its ignorance as a major diplomatic strength. The government has said that since it does not know what Canadian water needs are, or what our resources amount to, we cannot bargain with anyone on the subject. This head-in-the-sand approach will hardly suffice when in mid-decade the Americans begin to bargain seriously about water. By that time, we had better have found something stronger than the ignorance of a Liberal government to rely on if we wish to assure a future for the people of northern and western Canada.

General McNaughton was right in stressing that once you turn on the tap and begin supplying the Americans with water, you dare not ever turn it off. After all, even Fidel Castro stopped short of shutting off the water mains that supply fresh water to the American naval base at Guantanamo.

There's a sucker born...



THE way in which the Canadian political system at the national level has responded to the question of the continental energy resources deal reveals the muting of our politics that flows from our colonial dependency as a raw materials exporter.

There has been a banal lack of concern for the most part in dealing with a proposed giveaway of resources that is staggering. Our political system is so attuned to dependency that it cannot but be prosaic in the face of events which will shape the entire future of the Canadian people.

The technocracy of the Liberals, the numbness of the Conservatives — this is the muted politics of colonialism. The so-called debate on foreign ownership limps forward in the mainstream of the political system as though what was at stake was the fate of several counties and not the fate of half a continent.

In Ottawa, the old politics of tinkering with continental capitalism continues. On July 27, 1970 the House of Commons Committee on External Affairs and National Defence recommended that Canada move toward 51 per cent Canadian ownership of all corporations in the country. Within 24 hours of the proposal, the business community was howling its disapproval and the chairman of the Commons committee, Ian Wahn, was expressing doubts. Wahn said the 51 per cent recommendation 'may never be enacted — perhaps it wouldn't even be practical'.

These whimperings from Ottawa have been accompanied of late by the last gasps of bourgeois nationalism in Canada, in the form of the Committee for an Independent Canada, which makes much the same kind of proposal as the Wahn Report did.

It is important to understand how repatriation would work if undertaken by these who want to build an independent capitalist Canada. Enormous government subsidies and tax concessions would have to be made to Canadian capitalists, at the expense of higher taxes for the rest of us (the wage earners) so that the Canadian capitalists could regain the throne now occupied by American corporations.

Why should the working people of Canada exchange one exploiter for another? Even the immediate goal of national independence would not be achieved by such means. Given the present structure of the

Canadian economy, and given private ownership, of whatever nationality, resource-producing corporations in Canada will seek a continental resources deal with the United States.

Whether the companies are Canadian-owned or not, they will pursue policies which will lead to Canada's increased dependence on raw material exports, the effect of which will be to heighten the unemployment problem and lead to a long-term trend away from diversification of Canada's economy.

The results of this policy will be disastrous in terms of quality of life, available jobs and capacity of Canadians to make

their own political decisions. So far gone are we as a resource-producing hinterland for U.S. capitalism that only a completely different approach to the development of the Canadian economy can allow us to break out of the present pattern.

Eric Kierans has recently produced figures which reveal the astounding inequities of Canadian tax laws. Why is it that big companies pay taxes on only 47 per cent of their book profits while small companies pay taxes on 76 per cent of theirs?

Why is it that the metal mining companies have paid taxes on only 13 per cent

of their book profits while the oil companies have paid on only a mere 5.7 per cent of theirs?

What these figures reveal is the power of monopoly corporations and particularly American monopoly corporations in our country. Tax figures always reveal where the power lies in a society. Therefore to believe, as Eric Kierans appears to, that power can be redistributed by advocating equal taxation for all corporations, falls profoundly short of the mark. To believe that Canada could or should return to an era of small locally-owned corporations is to put forward a nostalgic and retrograde program that does not make sense in the era of monopoly capitalism.

Public ownership is the answer

WHEN we contemplate the foreign ownership of our economy in the impending resources deal, we must decide which people in Canada we see as the key to our liberation. If capitalist repatriation is neither possible nor desirable, then our option is surely clear. Only the working people of Canada have the interest and the power that is necessary to undertake repatriation.

Beneath the surface of established politics, the rage against the sell-out of Canada grows. On every hand people are rejecting the idea that we have no choice but to serve as a resource base and consumer market of American imperialism. There is a new sense of power among the Canadian people — a sense of possibility.

The energy deal and the attack on Canadian manufacturing concretizes the politics of anti-imperialism in this country. It now becomes clear that the dependency of Canada leads not to a quieter life in our corner of the world, but to a transformation of the environment itself, which turns our country into a giant supplier for the industrial system of the United States.

The stark threat which faces Canadians makes the political expressions which we have had in our national politics largely irrelevant. A new Canada and a new Canadian politics will be born out of the struggle that must be joined to make possible a society in Canada, in which our resources serve people both at home and abroad and in which the people who work in the industries of the country determine the direction of the economy and receive its benefits.

The impending energy deal forces the Canadian people to face up to fundamen-

tal in contemplating their future course. It will mark a genuine parting of the ways for Canada. To resist the energy deal means breaking fundamentally with past social and economic developments in Canada. Canadian capitalists and their governments cannot avoid the energy deal because their whole history had led them to it. At this point in Canada it becomes clear that only socialism provides an alternative path that can lead us out of the political dependency and economic underdevelopment that is our fate under the present system.

Only through a strategy of using the resources in Canada to develop and diversify the Canadian economy can this country ensure all of its people jobs and control of their lives socially and politically. Surpluses of resources in Canada should be exported only after the resource needs for this kind of strategy have been amply planned for.

Only public ownership of the resource industries can break us out of the pattern of dependency and comparative underdevelopment that has been endemic to Canada. Repatriation of the Canadian economy should begin at its centre — the resource sector. Through public ownership of the resource industries we will take the key sector of our economy into our own hands. It will give us the opportunity to master the skills necessary to run our economy and to **develop it qualitatively in the interests of human well-being.**

We can then industrialize in the resource-producing areas, which have long been seen as sources of raw materials. The wealth that comes out of the ground in

the countless Canadian mining towns would be channelled to diversify the economy of the resource producing areas so that people there could pursue a wide variety of activities and occupations.

And then we must come to terms with the environment itself. Mankind has need of the bounties of this planet for a long time to come. A resource policy that is geared to that future and not to immediate profit is essential, if we are to survive. In dealing with this problem we will have to think in world terms. We must work out ways of recycling resources that have already been taken from the ground. We must place a limit on certain kinds of mindless growth that gravely compromise the future of humanity. Because Canada is relatively resource-rich, Canadians must see their resources as a holding for all mankind. Instead of serving a corporate and military empire with those resources, we must plan for their long run use to benefit humanity at home and abroad.

The resources question touches all Canadians, individually and as a people. Canada's resources, the centre of our activity historically, have also been the centre of our common experience. If our resources have been the key to our dependency, they are also the key to our liberation. Following the Columbia River Treaty, critics said that such a thing must never be allowed to happen again. It is happening again on a much larger scale. This time the key political factor will be the extent of resistance as the deals are being made.

We must be determined not to recognize as legitimate the commitments that are being made in our name by the government.

James Bay: part of the deal

by

James Littleton

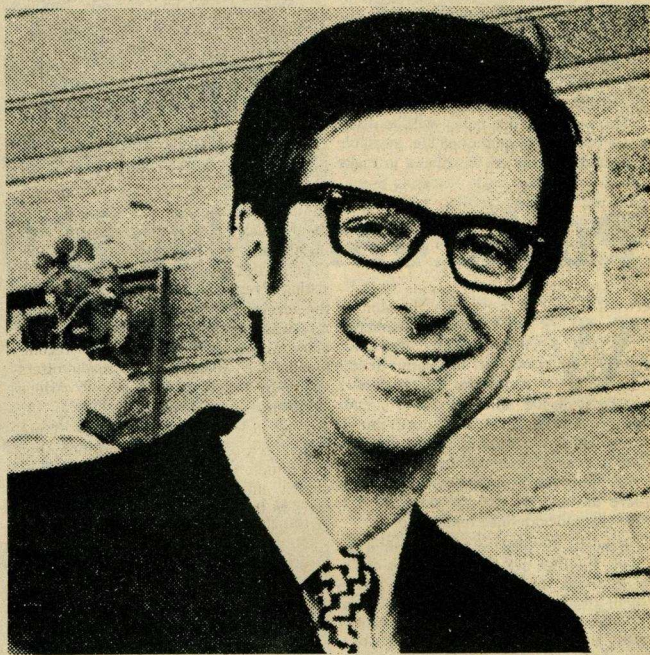
On April 30, 1971, Premier Robert Bourassa of Quebec announced to a crowd of 5,000 Liberal Party enthusiasts gathered in the Quebec City sports coliseum that his government was about to launch the biggest industrial project in the history of the province. The development would involve harnessing five of the main Quebec rivers flowing into James Bay and could have an ultimate generating capacity of about 10.6 million kilowatts and an annual production of more than 70 billion kilowatt-hours, at a cost of approximately \$6 billion. These figures are provided by Hydro-Quebec, and would seem to be accurate.

Somewhat less certain was Premier Bourassa's claim that the project would provide 125,000 jobs, including 3,500 almost immediately. Even less clear were the questions of how the electricity would be marketed and where the \$6 billion would come from.

The scope of the project is certainly impressive. The plan contemplates diverting the Nottaway River into the Broadback by way of a canal twenty-two miles in length, and then channeling the combined flow into the Rupert River through three large parallel tunnels, each three-quarters of a mile long. These water-diversions would require the construction of about 120 dikes ranging up to 100 feet in height and totalling approximately 60 miles in length. To the North, the Eastmain and La Grande Rivers would be harnessed to provide additional energy.

Because the estuary of the Rupert river is 475 miles distant from Montreal, the Eastmain 525 and the La Grande 625 miles away, the power would have to be conducted over extra-high voltage transmission lines, at least on the order of magnitude of the 735,000 volt lines already in use in other parts of Quebec. These lines were originally the highest-voltage and largest-capacity power lines in the world. The complex would be by far the largest in Canada, having the equivalent of a quarter of Canada's present total generating capacity.

The idea of developing the hydro-electric potential of the James Bay area is not new. The matter had been under study for several years by Hydro-Quebec officials



and in 1967 the late Premier Daniel Johnson had urged them to accelerate their review of its possibilities. In the months immediately preceding his announcement of the project, Bourassa had made a series of junkets to American and European money-capitals in search of investment funds for Quebec. The Montreal press had reported enthusiastically on his good relations with several U.S. financiers, particularly David Rockefeller of the Chase-Manhattan Bank. Immediately after the project was announced, the Premier attempted to dispel any misunderstanding that might arise as to the source of funds when, on May 3, he told a Montreal meeting of the Canadian Manufacturers' Association that "the money will come from where the money is — and you know where the money is."

It can be assumed that anyone who is on a first-name basis with the Rockefellers indeed knows where the money is. Others were not so sure, and one Quebec City

newspaper, *l'Action*, even ran a headline to the effect that the U.S. government-controlled Tennessee Valley Authority would invest one and one half billion dollars in James Bay development. However, by July, American capitalists themselves were making serious statements about James Bay. Donald S. MacNaughton, chairman and chief executive officer of the Prudential Insurance Company of America, said in Montreal that his firm, which according to him already has 1.8 billion dollars invested in Canada, would eventually invest \$125 million in the project. "I can't conceive of us doing less than that for a project that size" he said. His attitude was summed up in his comments on the Churchill Falls hydro-project in Labrador, in which Prudential also has invested \$125 million, when he said that it was "a splendid example of what American capital can do."

Along with talk about where the money would come from, there was also specula-

tion as to where the power would go. Electrical power-shortages, "brown-outs" and attendant problems have already reached awesome proportions in the Northeastern United States. The current slogan of the Consolidated Edison Company in New York is "please save a watt." Estimates in the U.S. put the cost of additional power generated by thermal or nuclear plants at approximately 10 mills or one cent per kilowatt-hour. It is calculated that James Bay power can be delivered for seven to eight mills per kilowatt-hour. In comparison, power from Quebec's Manicouagan hydro complex is delivered in Montreal for 4 mills per KWH. It is reasoned that although the power will be expensive by Quebec standards, energy generated at James Bay will be competitive on the U.S. market.

The assumption in respect to the American market is that the generating capacity of James Bay will be surplus to the needs of Quebec. For example, the *Montreal Gazette* in a feature article dated May 4, 1971, stated that for the success of the project Bourassa "must be assured of clients in the United States since the James Bay project is so big it will produce more hydro power than Quebec will need in this century." The implication clearly is that American capitalists will invest in a project whose output is desperately needed to meet the energy requirements of the U.S. industrial heartland.

The fallacy in this is to assume that the output of James Bay would be surplus to the needs of Quebec. The present total output of Hydro-Quebec is 10,738,000 kilowatts, with a surplus of 108,000 kilowatts. Hydro-Quebec projects that by 1980 its total capacity, including the output of programs currently under study, will be doubled at 21,446,000 kilowatts, but that there will be a deficit in terms of Quebec demands of 4,621,000 kilowatts. By 1984 it is anticipated that the total energy available will be 29,258,000 kilowatts with a deficit of 12,433,000 kilowatts. It is obvious that there is a serious conflict between Quebec's own requirements and the needs of the energy-starved United States.

At present, the only direct customer that Hydro-Quebec has in the United States is the Vermont Electric Co-operative which has a total of 539 customers in three small border communities. During the peak summer period a relatively small amount of energy is supplied to the Consolidated Edison Company of New York City through the systems of Long Sault, Inc., and the Niagara Mohawk Power Corporation. During three months in the summer of 1970 this was at the rate of 94,000 kilowatts. In addition, long-term

agreements for the supply of energy are in force with Ontario Hydro and the New Brunswick Electric Power Commission. High voltage transmission lines to the United States do not yet exist.

Hydro-Quebec was originally formed in Montreal in 1944 when a local privately-owned utility was expropriated. In 1963, under the leadership of René Lévesque as Liberal Minister of Natural Resources, Hydro-Quebec expanded rapidly by acquiring the shares of eight privately-owned companies in various parts of the province. In the words of the official *Story of Hydro-Quebec* "although the takeover is often referred to as nationalization, what actually transpired is a far cry from the visions which this term usually conjures up. The takeover was a government decision and Hydro-Quebec, in carrying it out, tried to be as fair as possible to all parties concerned. A committee consisting of representatives of Hydro-Quebec, the government and the financial community was appointed to study the matter and, following the committee's recommendations, Hydro-Quebec made offers which the share-holders of the various companies agreed to accept."

It is clear that Hydro-Quebec is not in any sense a socialist institution, but an example of an efficiently-run state-capitalist enterprise, and that the role it plays in the James Bay project will have little social consequence. Yet the controversy in the debate in the Quebec National Assembly on Bill 50, which was eventually passed as the James Bay Region Development Act, centred on precisely that question.

The principal object of the Bill is to incorporate the James Bay Development Corporation, whose purpose will be to develop the natural resources in the area. Hydro-Quebec and the new corporation share a subsidiary which is to act in the development of hydro-electric resources in the area. In addition, other subsidiaries are set up to develop other resources. The debate centred on the opposition contention that Hydro-Quebec itself could adequately handle the James Bay development, as its successful record with the massive Manicouagan project demonstrated. The points that the Development Corporation would be open to patronage and politicking, and that its board would hold virtually dictatorial powers over an area of one-sixth of the territory of Quebec were forcefully made throughout the deliberations. During second reading the debate became so heated that violence erupted twice on the floor of the National Assembly and the official record did not print all of the columns that were hurled back and forth. Despite the attempts at

filibustering by the opposition, the bill was passed after nine days of debate on July 14 by a vote of 73-6.

During most of the tempestuous nine days, as in most discussion of the James Bay project, scant attention was paid to the real ways in which it would work against the interests of the people of Quebec. Bourassa's claim that it would provide 125,000 jobs hardly stands up to scrutiny. The Churchill Falls hydro development in Labrador, costing approximately one billion dollars, at its peak construction period in the summer of 1970 employed 6,300 workers. When it is in full operation, it will create perhaps 150 permanent jobs. It is difficult to see how a project utilizing six times as much capital can create twenty times as many construction jobs. The question of what would happen to workers temporarily employed in construction after the project is completed is left entirely unanswered.

The fact is that hydro-electric development, like all resource-extractive industries, is highly capital-intensive in the long run. To supply energy for manufacturing industries in the United States, it consumes enormous amounts of capital investment and does not create any substantial amount of permanent employment in the area where it is located. This effect is further emphasized if by supplying relatively cheap power to the Eastern United States it makes the secondary industries, which are located there and, which are relatively labor-intensive, more efficient and consequently more competitive. Finally, the massive influx of American capital which is anticipated by Premier Bourassa can only serve to complete the dependency of the Quebec economy on that of the United States and make it more vulnerable to the instability which the U.S. economy is now experiencing.

When U.S. investors have control of so massive a piece of the economy as that contemplated in the James Bay project, it is certain that they will exert every pressure imaginable to maintain the social and political status quo in Quebec. This, of course, is perfectly consistent with Robert Bourassa's political aims.

Whether Pierre Trudeau and Richard Nixon ever sit down and formally sign a document entitled "The Continental Energy Deal" or not, the fact remains that the basic provisions of such a contract have been and are in the process of being worked out. Among the components of the deal, one of the most important certainly is the vast reserve of hydro-electric energy in Quebec. In the Trudeau-Nixon scenario, one of the key figures standing alongside Joe Greene would be Robert Bourassa.

JOIN THE FIGHT TO STOP THE SELL-OUT OF CANADIAN RESOURCES

The Ontario Waffle group is launching a campaign to combat the sell-out of Canadian resources. We will struggle to:

(1) End continental energy resources deal, already begun between the Canadian and American governments.

(2) Bring about public ownership of Canadian resource industry, to provide Canada with the basis for greatly extending the processing and manufacturing of our resources here.

(3) Combat unemployment and plant shutdowns, and make clear the connection between our dependence on resource export and the lack of jobs for Canadian workers.

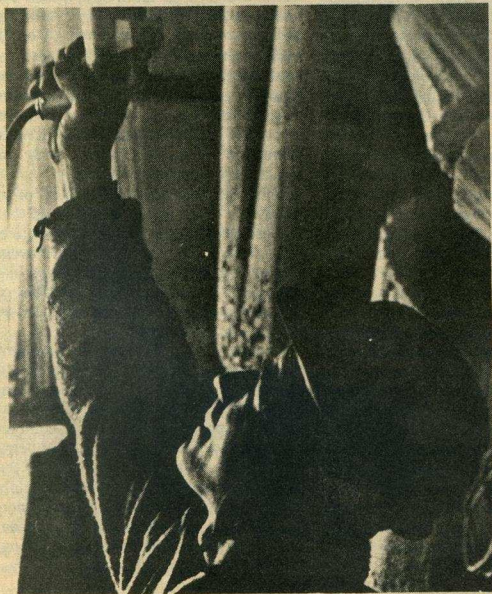
(4) Advocate locating future processing and manufacturing industry in the resource-producing areas of Canada. We oppose the enforced centralization of our population in a small number of metropolitan centres, which is the real cause of regional disparities.

(5) Expose the exploitation of other nations, particularly in Latin America and the West Indies, by Canadian resource corporations. We will fight to end the export of strategic material to the United States for use against the people of Indo-China.

The Ontario Waffle will hold meetings, rallies and demonstrations to bring these issues to the people.

If your union local, farm organization, community organization, professional or student group wants a speaker or literature on our campaign, we will provide this. If you wish to support our campaign financially, or work with us, send all inquiries and financial contributions to: Ontario Waffle, Box 339, Station E, Toronto, Ontario. Telephone: 1-416-531-1503. Cheques payable to Ontario Waffle.

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The Lapalme guys: 'On veut nos jobs!'

by
Nick
Auf
der
Maur

Early in September Radio-Canada, the increasingly tame French half of the CBC, issued an edict banning the use on the air of the term 'les gars de Lapalme' when referring to the three hundred-odd truck drivers whose struggle has assumed heroic proportions in Quebec. The term, the edict says, carries "a popular, vulgar, and political connotation."

It was another indication of how powerful a symbol 'les gars de Lapalme' had become. To left-wingers the Lapalme workers are victims of bureaucratic corruption; in the eyes of militant trade unionists the battle focuses on the fundamental right of association and the preservation of acquired rights; to nationalists it is an example of Ottawa's insensitivity in dealing with French Canadians....



The Lapalme guys surround the central Post Office in Montreal, March 1970.

IT was a typically cold winter day in Ottawa last February 8 as the 200-odd unemployed truck drivers trudged up Parliament Hill. Every weekday, all winter long, they made the trek from Montreal.

It was a particularly cold, tough winter. They were mostly married men — average age 40 or 45 — and they had been out of jobs for one year. They clapped their mittened hands for warmth, placards tightly held in the crook of their arms, tuques pulled down over their ears, faded uniform jackets zippered up to the neck.

Their daily vigil was near an end and the cold wind was getting to them when the Prime Minister of Canada scurried out of the building past them, into his heated, chauffeur-driven Cadillac.

“On veut nos jobs,” they shouted. That’s what they were there for. “On veut nos jobs.” Some of the men started to boo.

The Prime Minister pressed the button that lowered the window of the Cadillac, put his thumb to his nose and gave them a two-handed little boy’s nanya-nananya — “Mangez tous d’la marde.” Eat shit, he shouted as his car drove off to 24 Sussex Drive.

The Trudeau incident barely ruffled the Lapalme boys, or ‘les gars de Lapalme’ as they’re known. It was just another in a long history of insults and indignities they’ve endured through years of struggle.

But they’ve endured them all without losing any of their determination or tenacity. They still refuse to accept Trudeau’s advice as they enter their nineteenth jobless month, still pursuing what some call a hopeless, futile goal.

In terms of perseverance and solidarity alone, the Lapalme affair has to rank as one of the epic struggles of contemporary Canadian labor history.

The Lapalme affair has divided the federal cabinet, torn the executive and membership of the Confederation of National Trade Unions, cost them both millions of dollars, twinged the conscience of everyone involved, led to a minor guerrilla war on the streets of Montreal, and put a serious crimp in a once lucrative source of political patronage.

* * *

When Frank Diterlizzi joined the Montreal postal trucking operation at Christmas 1958, working conditions were pretty much the same as they were during the horse-drawn era. It may sound like an exaggeration but they were, and the same conditions lasted until 1965 when Diterlizzi and his co-workers finally got union accreditation.

At the time, they worked for Rod Service, a company that had held the exclusive Montreal postal trucking contract since 1952. Before that Sénécal Transport held the contract. Before that it was another company, going back to the twenties when they had horsedrawn vehicles. Some of the Lapalme boys have up to 48 years service and they say conditions didn’t change any until 1965. Contractors changed, but the employees and conditions remained the same.

In the mid-sixties, the men put in an average 75-hour week. Often they put in 100 hours a week, starting at 5 a.m. and going until almost midnight.

They’d show up with their trucks at 5 a.m. and wait for a load of mail bags, or wait to be sent for a load. Waiting time didn’t count on their paycheque. A 100-hour week translated itself into 60 paid hours at, in 1965, \$1.67 an hour. There was no such thing as overtime.

Walking past the main post office in Montreal was a hazardous business as rickety trucks came whizzing in and out, driven by drivers anxious to catch a load to avoid costly waiting periods.

The trucks themselves were always in a state of near disrepair, old, crumpled and coughing, like many of the drivers.

In those days, and indeed until 1970 the Montreal trucking contract — worth \$3,000,000 a year — was never awarded on the basis of public tender. Mysteriously, the contract was awarded on a yearly basis without bids.

Rod Service was formed in 1952 by an anonymous group of businessmen, with connections in the Liberal government — and in the subsequent Conservative government. Rodrigue Turcotte, an ex-wrestler, was the front man. He was a relative newcomer to the game, but within a few years he had made enough friends and money for himself so that he managed to acquire complete control of Rod Service in 1963 when there was a change of governments.

In the best Horatio Alger tradition of private enterprise, he managed to parlay his Rod Service profits into Rod Air, with a fleet of 15 planes, used mostly to ferry rich Canadian and American business men to his private club, Rod Fish and Game. He also formed a company called Rod Transport.

Rodrigue Turcotte was a popular man among cabinet ministers, many of whom enjoyed visits to his private fish and game club near Mont Laurier where the big attraction was hunting with machine guns from helicopters. In fact, several of the Lapalme boys — brought up to do repairs — swear that two former Postmaster Generals, Jean-Pierre Côté and Azellus Denis enjoyed their visits.



Frank Diterlizzi addresses the Lapalme guys in Montreal’s Paul Sauvé Arena.

Back in Montreal, it appeared as if Rodrigue ran the central post office.

According to the veterans, it was an atmosphere of general corruption and squalor. In addition to the long hours and meagre pay, the drivers were obliged to keep on the good side of the foremen and dispatchers. This generally meant a fiver or a bottle of whisky on paydays.

Since the Rod contract was based on pieces of mail and parcels handled, the drivers had to collaborate on falsification of papers to boost company revenues. Inspectors were bribed, checkers and dispatchers were paid off.

"It was all-pervasive," recalls one 16-year veteran.

Rodrigue, being an ex-wrestler, used to like to horse around with the boys. He'd walk into the garage and see a mechanic bending over an engine. Thwack. A boot in the ass. Sometimes it was a judo chop in the back of the neck.

It seems Rodrigue liked to drink a lot.

"Actually," says Frank Diterlizzi, "he was a bit of a mental case, a sadist.

"Once," recalls Frank, "he even grabbed Hector Cormier, the Montreal Postmaster, and poured a 40-ounce of rye over his head. Cormier had to laugh it off because Rod was the boss."

Rod spent money lavishly and owned property in Miami and Montreal. The contracts came every year, all without the bother of ever once having to go through the trouble of public tenders.

But the drivers, most with little education and glad to have any sort of job, had to work hard to see a little bit of the federal money. Sometimes they had to sleep in their trucks to make the morning shift.

In 1965 a newcomer, Yves Moisan, decided that a union was needed. The men already had a company union, but in its 17 years of existence it had never negotiated a contract.

There had been other attempts to form a union, but all failed. On one occasion, a would-be union organizer was badly beaten and fired. Another effort ended when the would-be organizer wound up in the Abitibi owning his own taxi.

Frank Diterlizzi watched impassively. Frank was born in Bari, in the heel of Italy, where his father was a police chief and his uncle a bishop. At the age of 16 he emigrated to work in the coal mines of France. In 1951 he came to Canada, worked on a farm, then in the mines in the Abitibi region of northwest Quebec. He came to Montreal where he had several jobs, most of them resulting in layoffs. In 1965, at Rod Service, he had had a steady job for almost seven years.

"Moisan," he said, "had more guts than we did. He tried to get the cards signed. That guy woke me up a bit, he gave me the guts to do it. He was fired."

Diterlizzi took up the card-signing work.

By November 1965, the Rod Service employees union (CNTU) was certified by the Canadian Labor Relations Board. Accreditation was one thing, a contract was another.

Long used to near feudal servitude, Rod didn't appreciate the benefits of collective bargaining. The drivers were forced to go on strike for the first collective agreement. Mail service stopped in the city for three days before Rod gave into Ottawa post office pressure. The men gained an immediate 33 cent raise, 35 more in four months plus 10 cents in six months — 78 cents in a year! And, 48-hour work week.

In addition, they got a grievance committee. Toadying to the foremen and dispatchers was over. Rod could no longer kick and punch his employees with impunity (an arbitration committee awarded one worker \$3,400 for a beating he took; Rod convinced him to take \$1,000 plus a couple of old trucks).

The Rod workers were ecstatic. Working conditions and wages were actually improving. The union, their union, was getting them somewhere (in the CNTU each company unit is an auton-

omous union affiliated to the federation).

In the next few years, the union struck briefly twice more as wages and working conditions improved.

Negotiations with Rod were something of a joke. More often than not, he turned up drunk, saying things like "gang de criss, j'vous calice dans la rue" and "damn union is expensive, damn politicians are expensive."

"He used to complain," says Diterlizzi, "that the government only gave him one year provincial contracts so it was easier for kickbacks. Yearly negotiations offered more than negotiations every five years."

In the end, Rod sent the union directly to Ottawa, to the post office to negotiate its contract. Whatever Ottawa was willing to pay, he'd go along with. Trouble was, as things improved the lucrative profits started to diminish.

On January 17, 1969, the employees worked out a new agreement with Rod and postal authorities, one which gave them a 40-hour work week at \$3.25 an hour plus group insurance, paid holidays, seniority and all the normal amenities other unionized workers enjoy. It had been a long haul, and the men more than appreciated the benefits of collective bargaining.

Whereas before they had been divided by the cheapness of their labor, the competition for insecure jobs and the petty corruption, the 450 drivers and mechanics now felt a terrific sense of solidarity. They were proud of what they had done by themselves to improve their lot, they were proud of their union and their leader Frank Diterlizzi.

In the two years prior to that, there had been two national postal strikes and deteriorating labor relations within the department. Communications minister Eric Kierans was determined to revamp the service, and instituted a five-day postal week, instead of the old six-day week.

One of the first results, in February, was the dismissal of 111 Rod Service employees, in violation of their month-old agreement.

The Rod boys struck. There followed two months of interminable conflict, minor outbreaks of violence and severe disruption of postal service in Montreal again.

Rodrigue Turcotte was fed up. The old easy money wasn't so easy any more. The union's grievance committee was insisting on safe vehicles and refusing to drive rickety old trucks. New equipment was costly.

Newspapers were once again focusing on the post office's odd exclusive contracting arrangements. Rod decided to abandon the whole affair.

Eric Kierans declared that since Rod could no longer provide the service, its contract was cancelled (the government conveniently arranged for the purchase of his trucks and equipment.)

The contract was awarded to G. Lapalme Inc., a company which agreed to accept all the old Rod employees and honor their union contract.

It was a rather strange turn of events. The company didn't exist before the contract was awarded to it. Before that happened, the two Lapalme brothers, Gaston and Guy, respectively president and vice-president of another company called H. Lapalme Transport, went to the union and said they could have the postal contract if they (the union) agreed to work with them. Sure.

G. Lapalme was formed and the men and equipment transferred.

Fine. Except G. Lapalme was never anything more than a phantom company. The union ran the postal trucking operations all by itself. There was no management. Pay cheques were paid by the Treasury Board through the Royal Bank. When the union got their first pay list, they noticed that Gaston and Guy were each being paid \$480 a week. It was an unusual contract.

The workers themselves controlled the delivery system, the

schedules, working conditions etc. Government inspectors checked their time cards every 15 days. Except for the financial end, it was a case of worker self-management.

The company's only real presence was provided by Pierre Breton, who was paid \$280 a week as "superintendent." He was usually present from 6 to 8 a.m. before going off to look after duties connected with the parent company's contracts with the Quebec Liquor Board and the Montreal docks.

Otherwise the Rod boys, now the Lapalme boys, ran the trucking operation through their union. (There never were any paid union officials. Everybody worked on the job.)

But Eric Kierans was still on the job in his efforts to improve the postal system. One of his obvious targets was the Montreal trucking operation.

It presented several problems. One was the necessity of clearing up more blatant sins of past government patronage. Another was the problem of a militant CNTU union which had secured for its members the most advantageous contract of any postal trucking operation in Canada. According to a then secret government document, the authorities feared CLC unions might be forced to adopt a more aggressive stance equal to the CNTU.

Another was the fear the Lapalme bargaining unit might provide the CNTU with a foothold into the post office and Public Service (The CNTU still remains effectively barred from the Federal civil service).

On December 12, 1969, Kierans presented his plan to "improve" the operation in Montreal to four new trucking contractors — MH Service, Moses & Duhamel Inc., Menard and Desmarais and H. Lapalme Transport, the parent company of the phantom G. Lapalme.

He advised them to prepare bids based upon pay rates some 50 cents lower than the G. Lapalme contracts.

Each company would have a different labor contract, all with separate expiry dates, according to the post office plan. In addition, attempts would be made to give labor accreditation to different unions — the CNTU, the QFL and the Canadian Federation of Independent Associations (a group of company unions).

The Lapalme boys heard about the five contract plan when Kierans announced it publicly on February 3. It was to go into effect on April 1, when the Lapalme contract expired.

The men saw it as the perfect plan to bust their union. But worse, their was to be no guarantee that the Lapalme boys would keep their jobs. The new contractors would have no obligation to hire them. Even if they were to get jobs, there was no provision to respect their hard-won seniority rights.

The Lapalme men weren't young men. Most of the drivers had put in eight or ten years with the post offices. Terms of 25 years were not uncommon, and some had up to 48 years service. Seniority rights offered these older workers protection against layoffs. Now the men faced loss of these rights as well as their jobs and their union.

The long battle began.

They started their protest by staging 20-man walkouts.

Kierans announced that, although nothing could be done about keeping their bargaining unit, their seniority or guaranteeing jobs, the men would be given 'priority' when they applied at manpower offices for their old jobs.

The Montreal Star commented editorially: "Mr. Kierans' recognition that there exists a moral commitment to these drivers is commendable. But that commitment should not be something which has to surface annually after the drivers undergo the humiliating process of protesting their potential mistreatment."

The union sought assurances from cabinet ministers Jean Marchand, the former CNTU leader, and Bryce Mackasey

about job security. Both promised to help.

But Kierans refused to give guarantees.

The G. Lapalme superintendent intervened on behalf of the men, saying that in the past they had repeatedly made suggestions on how the post office could improve service and save money (no driver had ever suggested that the existing service was perfectly adequate.) "We agreed to sit down with them," he said, "and we tried to get someone from the post office in on the meeting. But they refused to talk to the men."

He added that "when we took over the contract from Rod Service, we knew nothing at all about trucking the mail... it is our men who helped us out and who are responsible for good service. Now this is the thanks they are getting."

The union suggested a Crown Corporation be formed to run the business. Kierans said "if the government took over delivery it could be more expensive than ever."

The protests escalated. The post office started to hire private truckers to fill in gaps. Sporadic incidents of violence were reported.

Within three weeks, Kierans was refusing to even speak to Diterlizzi. The issue developed into a test of wills.

Diterlizzi, a chunky 41-year-old with earthy working-class convictions, asked simply for his men's acquired rights, vowing that they refused to submit to arbitrary injustice.

For his part, Kierans, a former president of the Montreal Stock Exchange, told Toronto's Empire Club that perhaps one day acquired rights of employees will be transferable but "they are not now." This argument failed to impress the workers since they always felt they worked for the post office.

On orders from the post office, the Lapalme company started firing drivers for "non-productivity." An arbitration board ordered them rehired.

Labor minister Mackasey arranged a truce but it was broken by Eric Kierans' incredible gaffe.

On March 16, he offered to buy the men off with an offer of a \$350,000 settlement — two weeks salary for each man, plus one week salary for every year of service up to 28 years. It amounted to \$260 to \$3,640 per man.

The men took it as an insult, saying they only wanted their jobs. The same evening the offer was made, the garages of several private truckers, including Phillips Security Agency, were hit by Molotov cocktails.

After taking a vote the union dismissed the offer, accusing Kierans of union busting through the "same money grubbing tactics he used on St. James Street."

With their backs against the wall, and the April 1 deadline approaching, the Lapalme boys' harassment campaign escalated.

One day they all showed up for work, loaded their trucks with mail, surrounded the main post office wagon-train fashion, and simply locked the trucks.

On days they didn't report for work, dozens of private trucks were run down in the streets of Montreal and smashed up. The main post office asked for police to ride shotgun on the trucks. Sympathy for the workers was strong however, and the Montreal Police Brotherhood declared that a "policeman's duties don't include strikebreaking."

One day all the regular post office trucks in Montreal disappeared when the Lapalme men showed up for work, loaded up and drove all the trucks to a vacant lot in the city's east end.

Montreal's postal services were totally disrupted as the conflict dragged on for weeks. The local branches of the Postal Workers Union and the Letter Carriers, both CLC unions, showed their solidarity by refusing to do any work ordinarily performed by the Lapalme men. All other trade union outfits expressed support.

The bitter struggle assumed crisis proportions in the Federal cabinet when Bryce Mackasey threatened to resign if the Lapalme boys failed to get a decent break.

Finally, as the minor guerrilla war continued to flare in Montreal, Prime Minister Trudeau named H. Carl Goldenberg to mediate the dispute.

On March 28, three days before the April 1 deadline, he issued a report condemning the Kierans' plan to issue separate new contracts.

He reported that the new scheme was rather odd since none of the new contracting companies existed prior to the awarding of contracts.

"They (the companies)," his report stated, "appear to have been incorporated only after certain individuals who had submitted tenders were advised that their tenders had been accepted."

Since none of the companies were organized and none had posted performance contracts as stipulated by law, he recommended the new contracts be cancelled. Presumably, the lucky Lapalme drivers who might get the jobs were expected to run the new companies for the owners, just as they ran the old one while the Lapalme family collected a profit.

Instead, he recommended that the whole operation be integrated into the post office. The government acceded and offered to hire 257 of the 457 men full time and another 40 part time. Salaries were to be 25 to 97 cents lower than before. They were not to be granted any seniority rights, nor were they able to keep their bargaining unit.

That meant a 64-year-old driver, with 48 years service, could, if he was lucky enough to get his old job, return to work for a year and then retire with all the accumulated benefits of one year's service to the post office.

April 1, midnight, was set as deadline for acceptance of the offer.

The workers held a meeting in the St. Sauveur Church hall. They were adamant about one thing. They wanted to stick together and keep their union.

CNTU president Marcel Pepin told them: "At stake is your human dignity and your freedom of choice as union men to belong to whatever union you want. You will have to decide whether to crawl before the cruelty of Ottawa or to stand up as the true men you are."

They gave him a five-minute standing ovation.

The feeling of bitterness was running high as Pepin cautioned the men: "There is nothing those people in Ottawa would like to see more than riots in the streets of Montreal or a few murders..."

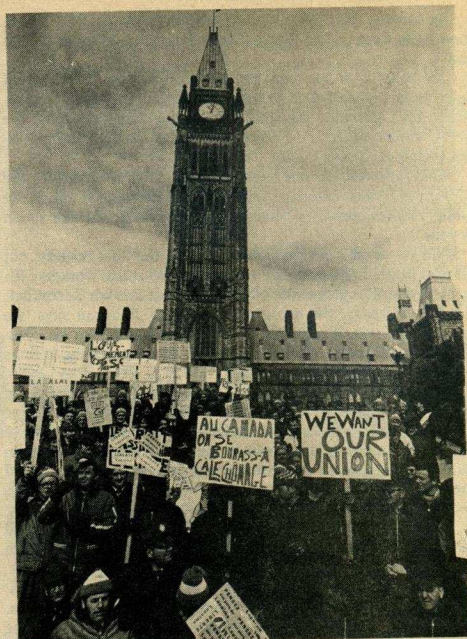
The government proceeded to hire fleets of trucks to run the mail temporarily as the post office attempted to organize its new service.

The guerrilla war escalated still further. Squads of angry men disrupted the trucking operation. Daily there were reports of trucks damaged or hijacked, postal substations bombed and mail boxes sabotaged.

Meanwhile the government went through \$3,000,000 in its attempt to break the union and set up its own service. It bought 315 old Lapalme trucks plus all the trucks the newly defunct contractors had purchased. In all, the government ended up with 185 trucks too many. Up until May 8, it had spent \$379,090 on security alone.

"And yet we were never offered the slightest bit of security," commented 52-year-old Gérard Campion.

The guerrilla campaign continued unabated as les gars de Lapalme won increased support for their determined battle. Six months later on August 14 the toll, according to post office sources, stood at: 662 trucks attacked; 104 postal stations hit; 75 people injured, including one Lapalme man shot by security forces;



The daily demonstration on Parliament Hill.

102 arrested; 7 dynamite bombings; 1,200 post boxes damaged along with 492 relay boxes (most with cemented locks).

The conflict dragged on all summer and into the fall. By this time the drivers were collecting unemployment insurance plus \$25 each from the CNTU. All the money was put into a pot and divided up according to each man's need.

The post office sent personal letters to many of the men offering them jobs. A few accepted, but the great majority refused to break solidarity.

By October, efforts to re-open negotiations had succeeded, this time with the new minister responsible for the Post Office, Jean-Pierre Côté (who had once enjoyed his visits to Rodrigue Turcotte's private fish and game club) after Kierans's heavy-handed bungling of the Lapalme affair cost him that part of his portfolio.

But on October 5, the Front de Libération du Québec kidnapped James Cross. One of the demands for his release was that the government rehire all the "revolutionary Lapalme drivers."

On October 14, Côté advised Diterlizzi that the government was favorably disposed to settling the long-drawn out dispute, but it would have to wait until the whole Cross-Laporte affair was brought to an end.

In mid-December, the Trudeau government made its "final offer" to the Lapalme men: 109 men would be rehired immediately in the post office, with another 100 to be rehired within a year, and job retraining for the rest. This would have meant a total loss of seniority and the loss of their own grievance committee bargaining unit.

By secret ballot, the men voted 88 per cent against the "final offer." They opted to continue their daily demonstration on Parliament Hill.

On January 13, Côté said the Lapalme case was closed. Less than three weeks later, Pierre Elliott Trudeau told them to "eat shit."

One week later the Lapalme boys decided the CNTU wasn't using enough pressure on Ottawa, that the labor central's enthusiasm for continuing the fight was lagging. They occupied the CNTU's main offices on February 8, and evicted all staff workers, including Marcel Pépin.

What followed was one week of acute embarrassment for the CNTU, as Frank Diterlizzi and his men denounced the trade union establishment — "the capitalist system and the union system."

"All we want," he said, "is a part of the Just Society, not all of it just a little part. We're simple blue-collar workers. It's up to Trudeau to judge who's responsible for this whole conflict. It's Eric Kierans, the arrogant millionaire. Trudeau says 'we can't let you win, it would be unfair to Mr. Kierans, to Mr. Drury, Mr. Marchand or whoever.' They've all been dealing with us — the cream of the Federal cabinet.

"They negotiated with me, and they tried, I denounced them publicly, they tried to buy me off. We're not politicians. We're not asking to be senators... we want to remain truck drivers, we want the acquired rights we won in the past. Every time we negotiated in the past, the government was present, and they forced the private companies to respect our seniority. We don't want to come in at the bottom of the list of 27,000 civil service employees.

"They have destroyed us materially, but the honesty and the courage of 352 remaining ex-employees of Lapalme, no one can buy that or break us..."

He accused the CNTU leaders of playing petty politics, of allowing the larger conflict between Trudeau and Pépin, between the Federal government and the CNTU to come in the way of a settlement.

The occupation came to an end when the CNTU promised more vigorous support. Pépin went to see Trudeau again, but little came of it.

Today, the Lapalme boys still continue to meet at the Paul Sauvé arena, still go to Ottawa every day.

They've formed a sort of communal style of living. Men are organized in work groups, some to repair cars, some to fix up homes and apartments, others to make cigarettes, others to

fetch fresh vegetables in the countryside.

Through a special membership assessment, the CNTU is now paying them \$50 a week for single men, \$70 for married men. (Their unemployment insurance benefits have long dried up).

They've been out of work for a year and a half, and they now number 300... some of the younger ones having drifted off to other jobs. Morale is still high; Frank Diterlizzi, the only Italian in the bunch, is still the unquestioned leader and moral authority.

The CNTU has spent more than \$1,000,000 backing them up. The question of conscience keeps the issue alive.

On July 9 of this year, the CNTU executive decided they had enough of the struggle. They sent secretary-general Raymond Parent to the Paul Sauvé arena with an ultimatum: accept the jobs offered in any department of the civil service; drop the union; take government offers of retraining programs (in Quebec retraining program graduates rarely find employment); in other words admit defeat, or else the CNTU would drop all support.

The atmosphere in the hall was grim and tense.

Diterlizzi spoke for the men: "We, a little bunch of nitwits, grovelling slaves, we're going to accept an offer from the CNTU that comes from Ottawa? No... Never."

"Vous allez fighter", he told the executive's representative. "Vous allez travailler pour nous, vous allez faire votre job."

They took a secret vote and the ultimatum was rejected by a 92.3% vote. Two weeks later, the CNTU's ruling 150-member Confederal Council met in Quebec City to make the final decision on the fate of 'les gars de Lapalme'.

As the council met, Frank Diterlizzi walked into the hall at the head of his boys.

"Messieurs les Juges. Here are the men you're going to judge. Make your judgement in front of them."

Les gars de Lapalme stood silent, with their heads up.

The Council voted to continue support and press forward with a new fall offensive to seek a just settlement.

Nick Auf der Maur is a member of the Last Post editorial board.

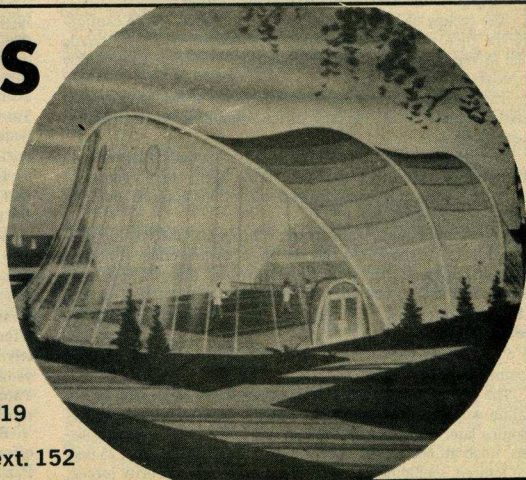
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Brantford, Ontario is one of those small economic-satellite cities that surround Toronto in a belt of dull, flat industrial plants specializing in light manufacturing. As the one-storey, sprawling suburbs relate to the teeming core of a city, so Brantford is an economic suburb to that metropolis of the country based on Bay Street. It is cities like Brantford that make southern Ontario prosperous and sedate.

But light industrial cities like Brantford are also where much of the crisis in the Canadian economy, and consequently in Canadian labor, is beginning to take place. For in this industrial sector, rather than on Bay Street, the real effects of Americanization of the economy are felt. Here, it directly touches the Canadian worker.

There would not, normally, be any reason to think of the strike at the flat, functional-looking Texpack plant in Brantford as anything meriting extraordinary attention. A few battles between the women on the picket lines and the police, a couple of court injunctions, a scandal about the health hazards of the company's hospital products is interesting, but certainly not unusual in this country.

But there may well be something classic about this much-ignored strike. For it matches up as a typical case of what frequently happens to a Canadian industry when it is bought out by an American conglomerate — how it affects unemployment, production, and the further subordination of Canadian industry into the multi-nationals' world-wide "rationalization" plans.

Strike busting in a branch plant

A dirty-orange school bus turns cautiously onto the paved street of a modern but half-vacant industrial park. The bus is flanked by police motorcycles flashing their red lights; the bus windows are covered by heavy-gauge wire screening; on its right side, the bus carries the legend "OWNED AND OPERATED BY TEXPACK LTD" under the symbol of a man flexing his muscles.

The driver of the bus, which hauls a daily shipment of Hamilton scabs to work in the strikebound plant, wears his peaked cap at a rakish angle, and is fond of boasting that Texpack pays him \$150 a day. To anyone who'll humor him with an ear, he'll roll up his sleeve and brag that the scars on his arm are his battle-ribbons from earlier strike breaking ventures.

In front of the plant a cordon of 25 police flank the entrance of the plant, holding back a crowd of 75 strikers, mostly women, members of the Canadian Textile and Chemical Union (CTCU), on strike since July.

As the bus approaches, the strikers press on the wall of police, the air is filled with shouts of "Ya pigs," "Bastards" and "Scab service", and after a minute, the rush of a sudden acceleration, a swish of wind and dust and a blue of yellow shooting past the ranks. The tinkle of a rock-shattered windshield indicates the bus's only casualty, as it wheels safely now into the chain-link security of the Texpack property.

Texpack was originally a Canadian firm, typical of the middle-range industrial prosperity of southern Ontario, owned by the Stern family of Brantford. Although small, it was financially sound and profitable, manufacturing industrial filter products, and dressings and bandages for hospitals.

But indigenous and earnest Canadian capital enterprise was starting its road to extinction around the mid-sixties in southern Ontario, and Texpack joined the emerging pattern. The Stern family sold out in 1965 to the American Hospital Supply Corp. (AHSC) of Evanston, Illinois, which operates in 120 countries, and found a handsome money-maker in the bandage business in Southeast Asia. Its chairman, Foster G. McGaw, went to his reward when he was appointed to President Nixon's Advisory Committee on Veterans' Affairs.

Canada has also proved to be a big money-maker for AHSC, whose plans were to turn the Texpack plant into a warehouse and distribution operation for more and more imported hospital products — just as electronic plants now get the tubes from

labor-cheap Formosa, the cabinet from Japan, glue one into the other and call it a Canadian TV, while phasing out component production in Canada, and laying off workers.

So AHSC began phasing out Canadian production, and began dumping American and Formosan goods through the Texpack plant. It reached the point, as some workers claim, that "we were taking bandages out of a box from Formosa, putting them into another box marked Texpack, and claiming on the box that it was Made in Canada."

As Canadian production began to be cut down, workers were laid off. Since March of this year, 126 out of 250 Texpack workers have been dismissed. The layoffs are not a sign of dwindling prosperity, as the company tries to claim, since its sales tripled from \$3,000,000 in 1965 to \$9,000,000 today. They are, however, part of a trend reported in the Ontario legislature — that in the past year, 7,500 jobs in Ontario alone have been phased out by American companies.

At Texpack, in an atmosphere of threats of more layoffs and production cutbacks, AHSC refused to negotiate a new contract with the union when the old one expired. The company offered the workers ten cents an hour increase for each year of a two-year contract. For most of the workers, whose weekly take-home pay is \$65 a week, the company's proposal would not keep pace with the cost of living increase. The CTCU demanded an increase of 35 cents an hour in the first year and 30 cents an hour in the second, plus improvements in fringe benefits and working conditions.

The day before the strike began, Brantford workers received a letter from Texpack. In part, the letter reads: "We caution you that we will not roll over and play dead, as you may be led to believe. Our corporation has weathered strikes of up to nine months duration against such worthy foes as the Teamsters in Canada and the U.S. who have been defeated and decertified." Texpack threatened the workers that should a strike be called it would "immediately begin hiring permanent strike replacements", an illegal practice.

In fact, the union charges that Texpack has violated Canadian law on several counts. Ann Atfield, president of the Brantford CTCU local, says: "The company thought this would demoralize the strikers and undermine support for the union, but it's only made us more aware of how ruthless the American corporation is. Vacation pay was due to the workers the day the strike began but the company refused to issue it. It also advertised for permanent strike replacements." (Withholding vacation pay contravenes both the collective bargaining agreement and the Labor Relations Act. Hiring permanent strike replacements within six months of the beginning of a strike violates Ontario law.)

On July 28 an ad placed in the *Hamilton Spectator* by the company under the assumed name of White Industries. The ad said that interested persons seeking employment should contact a Mr. Martin at the Holiday Inn in Hamilton. Mr. Martin turned out to be Kenneth Roe, a production superintendent of Texpack, in charge of recruiting the strikebreakers.

Texpack manager Ken Defoe claims that this was all an unfortunate error on the part of the *Hamilton Spectator*: "We told the girl at the ad office 'light industry', not 'White Industry'." He also claims, although they advertise for, and truly offer, "permanent positions", that this doesn't constitute replacing the workers on strike permanently — in fact, that were the strike settled, all workers, strikers and strikebreakers, would be given permanent jobs. This tallies poorly with his other argument that the company had to lay off 126 out of 250 workers because the plant is unprofitable. Suddenly, it's profitable enough to expand its staff by some 80 more permanent workers.

Fifteen of the most active picketers received telegrams from Texpack informing them they were fired for misconduct on the picket line. This is also denounced as illegal by the union, since the company is taking upon itself to dish out punitive action in an area solely under the jurisdiction of the courts.

Len Perry, the man assigned to do Texpack's bargaining, flies in from Los Angeles to meet the union. In negotiations, he opens each discussion with the warning that he has to catch the 5:30 flight out of Toronto. And according to the union reps all decisions in the negotiations have to be referred to the American head office for approval. Texpack labels the union a troublemaker because the CTCU has resisted speed-ups, job reclassification; and plant conditions. The union claims the company can't stand the CTCU's nationalism and its publicly-stated support for Canadian independence, and that AHSC is using the occasion of this strike to crush the union.

Early in the strike, the CTCU exposed Texpack's practice of dumping surplus Second World War army bandages on the Ca-

nadian market. At a press conference, the union called on the government to investigate Texpack's policy of marketing these 30-year-old bandages in boxes marked "sterilized" and "Made in Canada". A top official in the Ontario Department of Health reported that the bandages arrived at the Brantford plant in their army wrappers, were broken open and repacked without re-sterilization.

Kenneth Defoe, General Manager of Texpack, admits that the bandages were not re-sterilized. However, he doesn't seem particularly worried. "As in anything," he comments "you get the odd bad one." Dr. A.B. Morrison, Director General of the Federal Food and Drug Directorate, temporarily ordered the bandages off the market.

These bandages are for first-aid kits on industrial sites, to be used by injured workers across Canada. Texpack maintained that the customers knew they were buying U.S. army surplus. But Peter Dewar, spokesman for the Safety Supply Company — one of the largest customers — disagrees. "I thought that everything was made by Texpack in its own plant," he says. "There's no treatment given the bandages by us. They're sterilized before they come to us... That's the assumption anyway."

In the meantime, the Combines Investigation Branch announced that an investigation of the company had been initiated.

The company has received remarkable co-operation from four police forces — Hamilton, Ancaster, Brantford and the Ontario Provincial Police, who have acted as guards, escorts and flying wedges for the busloads of strikebreakers. Police arrested strikers in droves. Their actions amount to enforcing an injunction against mass picketing before it was even issued. The injunction, however, was not long in coming. Mr. Justice Campbell of the Ontario Supreme Court granted one which limited picketing to a token couple of people at each gate.

Two days after the Court's decision, nine members of the Executive Board of Stelco Local 1005 of the Steelworkers in Hamilton went to Brantford, led by local president Harry Greenwood. They protested the injunction, and marched in front of the plant with placards reading "Not All Hamilton Workers are Scabs." Immediately a squad of police arrived on the scene, and announced that if the protesters didn't clear out in 30 seconds, they would be arrested. The committee held a quick meeting on the spot, and Greenwood told them that they'd never be able to stop such injunctions if they left. They stayed, and were hauled off to jail, charged with violating the injunction — an offence carrying a penalty of up to two years in jail.

LIKE the UFAWU in Nova Scotia, the CTCU has won local support among rank-and-file workers but has met official opposition from the CLC through its local arm, the Brantford District Labor Council.

The first sign of rank-and-file support came from the Brantford local of the Plumbers and Steamfitters Union. Fred Wilson, in presenting a \$100 donation to the strike fund, admitted that the plumbers are generally conservative trade unionists and emphasized that this was the first time in 30 years that his local had assisted anyone other than striking plumbers. "The strike at Texpack is just too important to ignore," he said. "It was the threat of American companies to Canadian workers which made it necessary to support you."

Workers from the large UAW Massey-Ferguson local appear daily on the picket line. And one UAW member who is on the



Mother and daughter are arrested at Texpack in Brantford

Executive of his local, showed up at one of the strike meetings. He was surprised and embarrassed that none of his fellow Executive members were present to support the Texpack strikers. "I don't know why the Executive isn't here. They ought to be. If the working people of Canada don't support one another, who will?" He promised the meeting to ask his local to back the strike financially and on the picket line.

Texpack has made a significant breakthrough in Hamilton. Members of the Stelco local of the United Steelworkers pledged their support for the strikers and presented the CTCU with a \$500 check. Likewise, the workers in the Hamilton-area United Electrical Workers have sent a strong note of protest to the Hamilton Police Commission regarding the use of Hamilton police as an escort for scabs.

But the picture of how official labor is reacting is very different. Ann Atfield stated: "From the beginning of the strike we've requested support from the BDLC. We could more easily protect our jobs and win the strike if the Brantford trade union movement was behind us." Initially the BDLC refused support on the grounds that the CTCU is not a member of the CLC; however, the mounting pressure from rank-and-file support for the strike forced it to break its official silence. On Wednesday, August 12, a month after the strike began, the Council issued a statement condemning Texpack, the actions of the management, and the strikebreaking activities of the Brantford police department.

But in this same statement, the Council stressed the differences between itself and the CTCU. Strike or no strike, it reiterated the CLC policy that the CTCU is a renegade union having no status in the eyes of the CLC. The Council went on record that it would not commit itself to financial support. It was only

prepared to offer the CTCU the possibility of a meeting to discuss the strike. This meeting did take place and the BDLC agreed to sponsor a rally for the strikers on August 25.

This stand-off threatened to make the Texpack strike more famous for internal strife in the labor movement than as a test of how labor should fight newer biological strains of branch-plant capital. The CTCU leadership sees the CLC leadership as being servile to American union leadership. The CLC sees the CTCU as a divisive force in Canadian labor. There was a good chance Brantford would be the scene for a major skirmish in this tension.

But on Saturday, September 4, at a conference called by the Ontario Waffle's labor committee in favor of the strikers, the threat defused. Ann Atfield, the president of the Texpack workers, could finally say: "This is a terrific lesson in labor unity."

Bill Jeffreys, a member of the executive of the Brantford labor council, had to note that he couldn't represent the council, but he could speak for the workers of Brantford. Trade union solidarity can cut across the divisions within the labor movement, and it must cut across the divisive tactic of sections of the official leadership.

Brantford, so narrowly a disaster in inter-union bitterness, may yet prove to be a textbook case of how to handle the tactics of multinational corporations' branch plants in Canada.

*This article was written by the Toronto bureau of the
Last Post.*

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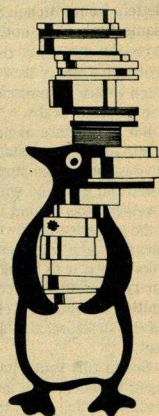
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LAST POST

REVIEWS

Canadian kultur is coming back! Mordecai Richler, even, half admits (it's starting to pay) that he was born in Canada. A long, long time ago, though. When everybody of his generation wished they were born in the U.S. He says it in his new book, *St. Urbain's Horseman* and he said it in *Saturday Night* not long ago. But even coming back, he finds no class in Montreal. In Montreal they still think he looks like a shopkeeper's boy. Him! Mordecai! The darling of eversomany international sets. But he's selling now. In Canada. Selling. Taste is coming to Canada. Obviously. Genuine taste. Genuine New York/London liberal individualist anarchist taste. Otherwise known as universal taste.

Trudeau is said to have been reading *St. Urbain's Horseman* to Margaret on the Dalmatian Coast. She's reading him *The New Ancestors*, by Dave Godfrey. Both at once. At the same time. She calls it Creative Reading. He calls it a Liberal education. An aide sits quite close by reading letters from Mitchell Sharp. Aloud. At the same time. Why not? Liberal anarchism says the same thing, whoever speaks it, whoever writes it down.

But wait, you say. Wait. Dave Godfrey, who wrote *The New Ancestors*, is a Canadian nationalist, you say. "A celebrated Canadian nationalist," Don Cameron says in *MacLean's*, writing "about the human condition in our time." Phyllis Grosskurth, in *Canadian Forum*, tells us that "Godfrey's nationalism is a matter of stubborn ideology." And then she bubbles and ripples and sparkles and splashes about the marvellous book. George Woodcock, admittedly Canada's leading wheelchair liberal anarchist, speaks of Godfrey's book with awe. And Woodcock hates nationalism worse than Pierre does himself.

What more could you want? A Governor General's award? *The New Ancestors* has it.

What does all this mean? How could Godfrey be a liberal individualist anar-

Robin Mathews
asks:

Whose ancestors?

chist? He's an owning editor of *New Press*, Toronto. He's published books in the nationalist revival. Important books. **From Gordon to Watkins to You and The Energy Poker Game**, for instance, are important books, even a bit Left in politics. How, then, can Dave Godfrey be one of those liberal anarchists — a "feely" individualist who believes as artist that you can't do anything serious but... well... screw, Heinz-wise. That, and make sure you have the right relation to political power so you can go on screwing, preferably while someone's dying violently just outside the bedroom window, and machine gun fire can be heard in the mysterious distance, and a copy of Hemingway is on the bedside table ("covered" by the **Watkins Report**) and someone is peering through a peephole directly connected to an imperialist controlled banana warehouse (for symbolism).

The answer may be that Godfrey has also been given the kiss of approval by Peter Newman, chairman of Canadian journalism's Committee for an Incandescent Banality. And Godfrey's long list of people in Canada to whom *The New Ancestors* is dedicated adds up to Nothing. Or put another way, it adds up to the Toronto Establishment that wants to paint (small) maple leaves on the inside lining of seat

covers in cars involved in the Canada/U.S. auto pact, to show we really care about Canada. Only a few people are missing from the dedication list: Nicky Volk, the U.S. citizen head of CBC public relations. Mordecai. Claude Bissell, and of course Walter Himself — totem, tribal chief, and terrible cham of the C.I.C. (Canadians for an Indigenous Capitalism). Walter should be hurt to be left out. The others will be.

Question. How can the Canadian boy (or girl) Who Really Cares be a tough, anti-imperialist fighter for Canadian self-determination and still make it with the Toronto (liberal) Establishment?

Answer. Next Question.

The New Ancestors is a modern North American moral tract. That means it's an amoral tract, pleading for puzzlement about values, confusion about achievement, uncertainty about friendship, and a concentration upon sensational experience: the club, the prostitute, the crowd, the orgy, intellectual abasement. Mordecai asks for the same non-value system. Partly, they do it as a function of their role as colonials. Partly it's a response to what Canada is now, without any seeming pressure from what 'important' writers are doing. What comes out is a kind of U.S. novel, only written from a colony, a national base of almost total impotence. Maybe that way the novel will disguise itself into seeming to be important to the world, and the writer won't have risked anything by really taking on the imperial giant. Or our own tragically difficult Colonial situation.

What's *The New Ancestors* about? What are the characters like? What does the novel say? What is the reality behind all the action? The answer to each question comes down to the same thing: the Canadian version of U.S. liberal anarchist individualism. When a U.S. writer works from that centre (or non-centre), he has an empire to back him up and a tradition of liberal anarchist individualism. When a Canadian writer does it, he's using someone else's traditions, and he's working from the reality of the colony not the reality of the empire. No wonder Mordecai wouldn't dare what Dave Godfrey has tried. No wonder Mordecai's uneasy these days. Because the more Canadians insist on their traditions, the more uncomfortable the borrowers of someone else's traditions will become.

One of the signs that *The New Ancestors* is an amoral tract is the way that Godfrey handles character. By whatever involved techniques, he often describes what should be presented. That way the reader can be told what to perceive instead of being

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presented with a field of perception. Character often doesn't gel. Character permitted simply to act often breaks tract simplicity and demands complicated legitimacy for itself.

We are told through the thoughts of a European what kind of character to see in Gamaliel Harding, the former expatriate (to U.S.A.) drummer, now journalist for the Redeemer. But we are never presented with Gamaliel Harding so that we can possess him as an experience. We are told (p. 21) how to think about him. When the son of revolutionary First Samuels is dying of elephantiasis, the reader should be involved more with both father and son than the writer permits. The same even goes for Rusk, the typical U.S. imperialist figure. He should be vital to the imagination of the reader so that U.S. imperialism, in its personification, in its malignant complexity, would help reveal the human condition, human values, the motivations of power, now, and the window through which something else possible is seen. But Rusk doesn't matter to the reader. The reader should have powerfully mixed emotions about Rusk, the U.S. imperialist. The reader has no emotions about him. Only sensations.

At one point in the novel a character says: "It is enough to see the surface with moderate clarity, to judge the weight and the age as would a gypsy, in the case of most people with whom one comes in contact". (p. 317). True for a moral tract, or for an amoral tract. True, also, for pornography. Pornography and the moral tract share that characteristic. Liberal anarchist individualism, moreover, produces a particular kind of political pornography. The two most important modes of insight for the liberal anarchist individualist are violence and sex. Modes of sensation describe the highest form of meaning, and so a political novel like *The New Ancestors* becomes a novel of political pornography.

But a novel can't live long at that level, not a 'serious' novel. Other depths of human value must be plumbed. But they are not plumbed in *The New Ancestors*: Even technique fails to deepen and enrich the experience for the reader. The novel presents a panoply of quotations, of African patterns, of shifting points of view, of movement from apparent fact to apparent fantasy, of time slides. But it doesn't go anywhere with the technical calisthenics. Technique doesn't compact and explode insight and experience. Rather, it dehumanizes character. It leaves the reader in 'liberal chaos'.

In *The New Ancestors* that 'liberal chaos' is the philosophical setting of a political novel seen from the point of view of

liberal anarchist individualism. Mordecai Richler writes from the same centre, but he doesn't write a political novel in *St. Urbain's Horseman*. He writes a fantasized pornographic quest novel in which the quest doesn't really matter because the hero has no values anyway. There can be no values to achieve in any serious philosophical sense. The quest, moreover, is turned into a basis for situation comedy. The novel is more successful, probably, than Dave Godfrey's because Richler is a more confident professional writer. But also it is more successful because the liberal anarchist individualist centre works better in fiction with a small group acting out various kinds of personalist fantasy.

The political novel, though, has been written often in this century and often with stunning success. One needs only to think of MacLennan, E.M. Forster, Lionel Groulx, Graham Greene, and Grove to get a sense of the range and complexity of the political novel in our time. Godfrey is not politically naive. He has obviously thought seriously about imperial/colonial relations. Some of his political insights are sharp. The longest and best section of his novel is called "Freedom People's Party". In that section some of the characters begin to live.

But that section, like the whole novel, suffers from two problems. It suffers the philosophical problem already discussed, and the "historical" problem. Much of the political matter is obviously based on Kwame Nkrumah and Ghana. One italicized section, in fact, is quoted (without attribution) from Nkrumah's book, *Neo-Colonialism*. (p. 168). But the reader gets uneasy. Is the novel in some ways a roman à clef?

How much of it is history? How much is fiction? Did Nkrumah conduct orgies of the kind described? Was that the Ghana gossip in 1966? Are we getting bedroom history from a former CUSO representative? The leader, the Nkrumah figure, is often talked about, but rarely presented to us. The longest time the reader is allowed to see him in action is in the memory of Michael Burdener's wife who describes his perverse orgies. We see, by the novel's own estimation, a major world political figure in only one long scene — in games of tyrannical, perverse orgy. That is a most serious comment upon the philosophical centre of the book. But the reader fairly asks another question: where does history stop and fiction begin?

At one level Africa presents, for the Canadian imagination, a setting of special

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excitement. It has a mixture of exoticisms: the visiting idealists, the runaway failures, paranoids, the manipulated local population, ignorance, poverty, the clash of cultures. Color. Sensation. Surface reporting can seem to do much of the novelistic job. A philosophy of near-futility (liberal anarchistic individualism) can ride a college of 'reportage' on the 'activities of non-heroes. The exotic setting permits a fantasizing of pornographic possibilities. Life can seem to stampebe by.

Margaret Laurence says on the dust jacket of the novel that Godfrey's "treatment of the elements of time and history is a study of relationships. He knows the violence that exists not just in some people (others) but in all (oneself)." I believe that is merely a description of the liberal anarchist individualist quality of the novel. The suggested plea that violence is a human characteristic can be sentimental. If it suggests that violence therefore cannot be evaluated morally, ideologically, then it is sentimental. Everyone has the potentiality of violence, but on what terms, in what cause, with what philosophical motivation?

By the same token, 'his treatment of the elements of time and history is a study of relationships'. History becomes the characters viewed at any one moment. Their individual differences become increasingly what matters. But individual difference for the liberal anarchist individualist cannot seriously dwell in the realm of the philosophical, ideological, or political. It exists in 'personal' difference and is demonstrated in various kinds of sensational activity. If the writer gives his characters motivation of a different kind than liberal anarchist individualism, the novel may not mirror that view of the world. Remember, the one time we watch the leader of Lost Coast for more than a glance, he is engaged in orgy. And one of the characters says that when he bares his soul, and reveals his heart, "it is blacker than ideological certainty". (p. 85) Out of liberal chaos the individual searches for a quasi-feudian past in order to have a quasi-sexual understanding of his own power in a fluctuating social structure based upon self-interest.

As a result, *The New Ancestors*, rather like Durrell's *Alexandria Quartet*, is often highly erotic, Godfrey's novel, like pornography, often becomes more interesting in the erotic passages than elsewhere. He excels at erotic description. But, also, in the philosophy of liberal anarchist individualism, eroticism takes the place of other demonstrations of human motivation and character, since sexuality is one of the 'personal universals'. By noting individual differences in sexual behaviour and

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This spring we published *Working People*, the first non-fiction book ever written about Canada's working class. Margaret Daly described it as an unconventional masterpiece in a review in the *Toronto Star*.

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Reviewed enthusiastically by Margaret Daly, *Working People* was later reviewed by novelist Hugh Garner for Books in Canada. He says of James Lorimer: "He uses his eyes and ears well among the working class and his insight into their pride of work, philosophy and domestic integrity is absolutely the best thing I have ever read about the urban Canadian working people. ...I cannot praise his book too much."

Saturday Night's editor Robert Fulford describes it as "a book in the tradition of Agee and Orwell."

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attitude, the liberal discovers the basis of character.

One of the interesting things about the novel is that it superimposes a particular liberal view of the world upon Africa.

The people who in former times were considered — because of the Western philosophy of the time — inferior, magical, without community or meaningful civilization, are now, because of North American liberal anarchist individualism, considered rootless, grasping, futile, ego-driven individualists. They are considered to be a kind of North American liberal,

dwelling in darkest psychopathology. We call that, I believe, cultural imperialism. **The New Ancestors** attempts to show us a part of Africa. What we see, instead, is a particularly interesting part of colonial Toronto, even though there are no Canadians in the book.

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wheat pools and the farmers' organizations and labor parties that spawned the CCF; in Quebec, the post-1960 movement for independence and such institutions as the Confederation of National Trade Unions.

Another centre of opposition grew up in Antigonish, in eastern Nova Scotia, around an earthy, progressive-minded priest named Moses Coady, who headed the Department of Extension at St. Francis Xavier University from its creation in 1928 until 1952. In this newly-published collection of his writings, Coady does not mention the CCF, but the philosophy is similar: the proposition that capitalism should be replaced with a system of co-operation and the determination to do that through legal means; a belief in technological progress coupled with the insistence that technology is worthless unless it is made to serve human values; and above all an unbounded faith in the capacity of human beings for self-improvement.

The Antigonish Movement put the philosophy into practice in two principal ways: adult education, in which St. Francis Xavier University pioneered and which Coady believed had the capacity, along with good formal schooling, to "change the face of the earth," and the organiza-

tion of co-operatives. As a practising, proselytizing Roman Catholic, Coady was implacably anti-communist (perhaps this bias is reinforced by the fact that most of the selections in the book come from the cold war period), but both his goals and his methods dictated that he would come into still more direct conflict with the institutions of capitalism. He promoted fishermen's co-operatives as an alternative to the growing hegemony of the large fish companies, co-operative agriculture as an antidote to rural depopulation and corporate agribusiness.

In his straightforward way, he was particularly distressed that his own church had identified itself with capitalism. When the revolutionary régime rid China of western missionaries, he wrote that "it would be an interesting speculation what might have happened if, as they spread Christianity in Asia, they also had established an economic and social order in line with their spiritual teaching and especially with the Golden Rule and the Sermon on the Mount. I venture to guess that we would not be witnessing their expulsion today from that country after hundreds of years of missionary activity".

Coady died in 1959, just at the beginning of the Johannine changes that swept the Church, before many people had start-

ed to take seriously the idea of a rapprochement between Christianity and Marxism, before it was chic to be radical. His legacy is, to be sure, a mixed one. I have heard a former Cape Breton coal miner say that the greatest factor in the decline of the militancy of the miners was the St. Francis Xavier Extension Department. And Father George Topshee, the current head of the Extension Department, failed to lend support to the fishermen of the Canso Straits area as they struggled against the power of the large fish companies.

But for the residents of Canso, thrown out of work by the decision of the British owners of Acadia Fisheries Ltd. to close the town's fish plant, Coady's words and deeds stood as a reminder that things might have been different. In 1947, he advocated a modern fish plant at Canso, co-operatively built and owned by the fishermen themselves, as a solution to the problems of the eastern-shore fisheries, and the fishermen's co-operative he set up further west at Port Bickerton functions still.

The fruits of his work exist in Nova Scotia, and the changes that will come in that long-stagnant society will owe much to his example.

ROBERT CHODOS



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LAST POST LETTERS

Dear Last Post:

On your title page you state that subscriptions are sent free to prison addresses. But, if one were to take seriously the tone of most of your articles, all of Canada is a prison. Therefore, kindly continue my subscription indefinitely for free.

In all seriousness, though, as your magazine shows, so many of our freedoms are being endangered by stupid actions by the government. The Youth Culture Study is an excellent example of such stupidity. Just what does the government hope to gain by such a study? Do they really believe that people who are distrustful of the establishment will believe that this very same establishment is really trying to understand them so that... and it is here that I cannot even finish the sentence, for I cannot conceive of what purpose such a study can serve.

How can a member or members of the power structure hope to come to understand why so many people, not all of us so young, reject that power structure? And even if such understanding were attained, what purpose would it serve? It serves the purpose of changing some of the attitudes of the government, not just to youth but to all facets of society, then we should applaud such a survey. But I sincerely doubt that such a survey, even if undertaken in such good faith, can attain such an end. For, by the time the results of the survey will be available, those results will be obsolete.

But we should not blame Mr. Munro. Perhaps he is sincere in his efforts. And if this is so, then how can we explain or understand the motivation of such an action? The only answer that I can think of is highly simplistic and surely not sufficient to do the job, but at least it is a step

in that direction. And this is that such people in the power establishment see their institutions crumbling and are making a last gasp effort to keep these institutions intact. Unfortunately, these institutions are obsolete and should crumble. But also, someone must be there to pick up the pieces.

Bernie Koenig
London, Ont.

Dear Last Post:

Help! There's a paradoxical pink paratrooper in my puffed wheat. Probably a U. S. Marine. I normally pay 39 cents for this "all-Canadian" product; now I pay 10 cents more and this armed soldier in a green parachute jumps out at me when I open the package, and I'm forced to surrender. I'm a peaceful sort. Puffed wheat is made by the Quaker Oats Company in Peterborough, Ontario, and Quakers are opposed to war, hence the paradox. This is my official protest. I want my dime returned and this Marine returned to Fort Bragg. I've sent him on to you for disposal. Thanks. I can't afford to subsidize this packaged invasion.

Ron Fleischman
Montreal

Dear Last Post:

In your issue, Summer 1971, Wilf Day of Port Hope, in a letter, states concerning "a Quebec CCF Convention around '43 or '44 (David) Lewis supposedly delivered a message that 'the party would rather have no Quebec CCF at all than one opposed to conscription.'"

I was a member of the National CCF Council which thrashed out and discussed all wartime CCF policies and an officer of the Quebec CCF from 1935 to 1945, or la-

ter. I can state categorically that Mr. Day's statement is contrary to fact and from whom his quote is taken I cannot imagine. He might have told us!

So the story is baseless. The CCF policy of total conscription of wealth, manpower, industry and wartime profits was endorsed and fully supported by all sections of the CCF as well as Quebec. I knew personally every delegate to every Quebec CCF Convention and I defy anyone to name even one delegate who walked out or joined the Bloc Populaire. Le Bloc was by '44 an almost spent political force, despite the strong support its principles got from the Laurendeaus, Trudeaus and Drapeaus. These were the folk who did all they could to hinder the war effort against Hitler, calling the war imperialist, and condemning Canada's contribution to the defeat of Fascism and Nizism as too energetic, etc.,

Maybe this will set a part of the record straight.

(Dr.) J. Stanley Allen
Hamilton

Dear Last Post:

It is certainly rare to find the combination of competent professionalism, clear convictions and perspectives, undiluted by spacefilling pulp.

I know that this success has not come painlessly and that some of you have been and may continue to be harassed in your jobs. Nevertheless I hope that you will continue to enjoy yourself; after all, not every enterprise can look back at so much effectiveness after one year. (Mr Munro responded pretty quickly, after all!)

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