

■ Quebec election ■ the CPR's West

**LAO
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THE LAST POST
Vol. 3, No. 6

November 1973
Price 75 cents

**LAO
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**CHILE:
a report**

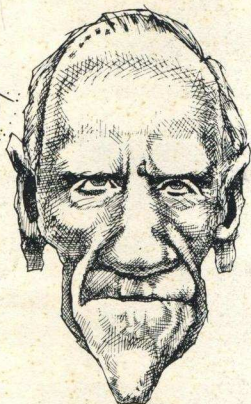


**Watergate,
Agnew...
... but things
weren't all
bad for the
Free World**

General
Augusto
Pinochet



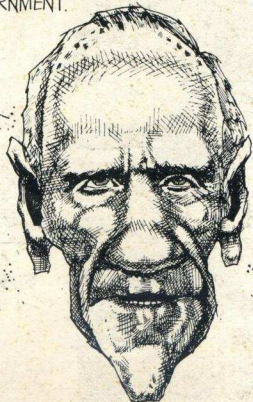
IT TOOK CANADA 24 YEARS
TO RECOGNIZE CHINA...



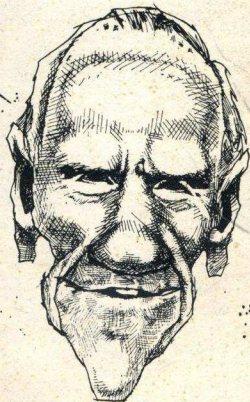
ALMOST A YEAR TO
RECOGNIZE CUBA...



AND JUST 18 DAYS TO
RECOGNIZE THE NEW
CHILEAN GOVERNMENT.



OBVIOUSLY, OUR
RECORD IS
IMPROVING!



ARJUN '78

LAST POST

THE LAST POST Vol. 3 No. 6

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The Last Post is produced by an editorial board.

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Typeset by Foundation Press Ltd., 430 King St. W., Rm. 101, Toronto, Ontario M5V 1L5. Printed by Les Editions du Richelieu, 100, rue Bouthillier, St-Jean, Quebec. Contents Copyright 1973. Second class mailing registration No. 2315. Postage paid at Montreal.



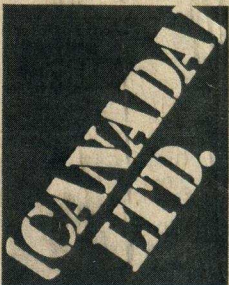
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ROMANIA AND MY FAIR QUEBEC

This issue went to press before the October 29 election in Quebec, and so the following report was written in mid-campaign. Our next issue will contain a full report on the election results.

The Quebec Liberal Party has adopted a policy of adjournment in its attempt to stay in power.

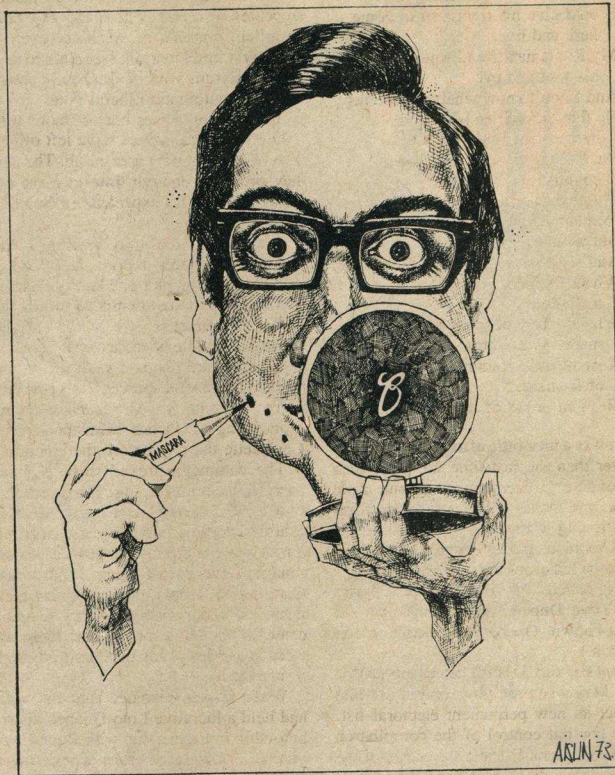
First, Robert Bourassa hastily adjourned the National Assembly early in the summer (after vowing not to until "important legislation" was passed) to avoid embarrassing questions and disclosures concerning connections between leading Liberals and members of the underworld.

In early September, the Quebec Commission of Inquiry into Organized Crime reopened for approximately one hour, then adjourned before hearing any witnesses.

The Commission reconvened on September 25, the day it was supposed to hear evidence regarding the dealings of Pierre Laporte and other Liberals with members of the Mafia (see Last Post, Vol. 3, No. 5). However, the Commission was again quickly adjourned, this time until mid-November.

That same evening, Premier Bourassa called an election for October 29, thus avoiding a confrontation in the Assembly and embarrassment before the Commission. The election was called through tapes delivered to TV and radio stations, thus avoiding the embarrassment of a press conference.

What followed was one of the filthiest election campaigns in Quebec history,



The happy hooker

and Quebec has had some dirty campaigns in the past.

Bourassa came out slugging as the electronic premier. He concentrated on radio and TV and avoided much contact with the press. Statements by the premier and other Liberal luminaries and candidates were recorded on cassettes twice a day and made available to local radio stations. Newspapermen also had to rely on the cassettes for information. As one reporter put it, "you can't ask a cassette any questions."

When Bourassa attended rallies, all was carefully orchestrated. His personal hairdresser accompanied him everywhere and made him up five and six times a day. Other stage managers always positioned the news cameras to

his right, insuring that all photos and film would only capture his "good profile".

He adopted an unaccustomed aggressive posture. He savagely attacked Quebec's labour leaders, attempting to ride back to power on an anti-labour backlash, even though the May labour uprisings of a year and a half ago had largely disappeared from the public's mind.

The Liberals' campaign message was writ large on billboards and the sides of buses all across the province: "The adversary destroys, Bourassa constructs."

The party campaign song, called "Je vis dans un pays", was played over and over again at rallies and on radio sta-

tions. A cute little ditty, it goes like this:

I have just returned from a country
Where one of my friends
Would give his right arm to come
here and live.
My Romanian friend would also give
his foot and eye
And I don't know what to come here.
He thirsts for friendship and
hungers for liberty
But he's a prisoner in his own
country.
My next-door neighbour is
unemployed
But watches TV in his car
And my poor neighbour in the winter,
When it's nice, goes about in
a ski-doo.
Why are there people who want to
make my country
A small little country, a type
of Romania?
Me, I'm proud of my country.

It was a nice little effort, and certainly better than the last time around, when Liberal organizers went about rural areas and fishing villages showing films of starving Biafrans.

(Créditiste leader Yvon Dupuis had his own ludicrous version of a campaign song, called "My Fair Quebec": lyrics by Yvon Dupuis, set to music by the well-known Quebec astrologer Henri Gazon.)

But the real Liberal campaign started last May when the government put into effect its new permanent electoral list. The law put control of the compilation of the electoral list into the hands of the governing Liberal party and the official opposition, the Union Nationale.

When the lists were published shortly before the election, the Parti Québécois found that the names of more than 50,000 non-citizen immigrants were

included, mostly in the central Montreal area. In Dorion riding, where PQ leader René Lévesque ran, 3500 illegal voters were listed. Most of these names appeared in areas where the PQ held excellent chances of winning, even if by only a small margin. Needless to say, the immigrant vote in Quebec is considered an automatic Liberal vote.

In addition, an estimated more than 100,000 eligible voters were left off the lists in the Montreal area alone. The new law provided enough time to carry out adjustments of an expected few hundred names per riding.

Inevitably, the mechanism broke down. Newspaper reports described it as a chaotic nightmare. The PQ claimed it was a deliberate attempt to thwart the democratic process.

(In the middle of the campaign, radio reporter André Gagnon said he was informed by Liberal sources that some elements in the party were plotting a phony kidnapping of Justice Minister Jérôme Choquette the day before the election.)

The campaign proved to be a great exercise in mudslinging. For example, in a typical speech, UN leader Gabriel Loubier would accuse Bourassa of being a traitor and a crooked dispenser of patronage; Lévesque of being a "Hitlerian Communist"; and Dupuis of being connected to underworld gangsters. Dupuis came in for some heavy flak from all sides as stories of his dubious past were resurrected.

When it was revealed that his wife had held a lucrative Loto-Québec distributorship in partnership with René Gagnon (the disgraced former executive assistant to disgraced former Immigration Minister Jean Bienvenue and one of the Laporte organizers frequently mentioned in police reports as a Mafia contact), Dupuis somehow tried to justify it by saying that the distributorship

covered in part Bourassa's home riding of Mercier and that Bourassa had personally awarded the contract to his wife.

Premier Bourassa denied this, and said that although he had known Mrs. Dupuis for 25 years, he had never spoken to her about Loto-Québec. The provincial lottery, he said, was run on the basis of "friendly patronage".

The beleaguered Union Nationale was often described as a "caisse elettorale" in search of a party. It had a war chest estimated at \$6 million, resulting from the sale of its newspaper, *Montréal-Matin*, and its Renaissance Clubs in Montreal and Quebec City, but lost its constituency, as the polls consistently showed it heading toward destruction. Numerous former Union Nationale MNAs ended up in the ranks of the Péquistes, while others drifted over to the Crédiitistes.

The Quebec City daily *Le Soleil* came out with a story saying that the Union Nationale had given Yvon Dupuis \$100,000 to organize his successful bid for the Crédiitiste leadership last winter. The understanding, said the paper, was that once Dupuis took over the Crédiitistes he would engineer a fusion between the two groups. However, headline Social Crediters made this impossible. Dupuis angrily denied the story, while Gabriel Loubier refused to talk about it. Union Nationale organizers privately intimated that it was true.

During the campaign, Loubier bitterly attacked Dupuis, saying continually that he was a phony Crédiitiste.

Both the Union Nationale and the Parti Québécois appealed to "true Crédiitistes" to vote for their respective parties, and accused Dupuis of conniving with the Liberals. Meanwhile, Dupuis attacked the Liberals for being what he called "Socialists", and said his party was the only party dedicated to upholding private enterprise, Christian values and motherhood.

Brian Mulroney, a key federal Conservative party organizer who has extremely close ties with the Montreal financial establishment, confirmed that business was continuing its usual 60-40 split of financial donations between the party in power and the opposition, but that this time the 40 per cent was going to the Crédiitistes.

The snap election call, just a little more than a month before voting day, seriously hindered opposition parties' efforts to sign up candidates. The PQ

RELAX, P.C. NEWMAN HAS STOPPED WORRYING

During this past most beautiful of summers, on holidays and weekends, I drove with my family across Manitoba and down through the small settlements of southern Saskatchewan, and sailed into various rusty lake ports of eastern Ontario. It was a journey I'll always remember as the time when I stopped worrying about the Canadian identity and began to enjoy it. We could smell the morning dew, see rain clouds form, watch the cows watching us, hear the honest voices of real Canadians in general stores, at bingo games, fishing off docks, quietly living out their good lives away from urban tensions. I felt the country instead of thinking about it

Though they could not know it, the cynics of the Liberal Party were onto something when they coined that crazy slogan about the land being strong. We live in an empty place filled with wonders.

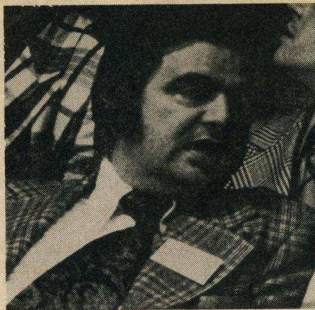
—Peter C. Newman, editorial, *Maclean's*, October 1973

did best, lining up a number of local mayors, heads of regional economic development councils, and labour leaders. The Union Nationale was repeatedly forced to postpone press conferences it had called to announce "prestige candidates," as Loubier had to arm-twist sitting UN members to persuade them to stand for re-election.

The Cr ditistes, still not recovered from their internal division between Dupuis supporters and traditional Cr ditistes who had backed Camil Samson for the leadership, came up with their own unique method of selecting candidates. Candidates in the Montreal area were chosen personally by Dupuis, without the bother of a nominating convention. Dupuis did not have the stomach to try this outside Montreal, where the old-line Cr ditistes hold sway.

(Resentment of Dupuis ran so high that a group of Social Crediters outside Montreal pulled out and announced that it would run its own candidates. Seventeen hopefuls were fielded in various parts of the province, under the banner of "Les vrais Cr ditistes".)

Parti Qu b cois strategy in the campaign had been to project a moderate, responsible image, downplaying independence and stressing instead the par-



DUPUIS
Flak from all sides

ty's social democratic platform. The party kept away from the sensational charges of corruption against the Bourassa government that had occupied the newspaper headlines in the summer months. It tried to show itself sailing smoothly through calm waters, and found itself being shelled from all sides.

As the campaign progressed, it reminded observers more and more of the old-style campaigns of the Duplessis and Taschereau eras, while the PQ vainly tried to keep it in the seventies.

Nick Auf der Maur

ALBERTA: FLEECING THE TAR SANDS

*Cut down on prices, and keep oil depressed,
and kiss the tar sands goodbye;
while there will be weeping on
Calgary's mall,
at least David Lewis won't cry.*

—Oilweek, September 10, 1973

In its September 10 issue *Oilweek*, the voice of the Canadian petroleum industry, replaced its usual blustery editorial with a horrible poetic dirge that trotted out every clich  in the oilman's vocabulary and concluded with dark warnings of an undeveloped Arctic and general impending doom.

In its next issue, the magazine identified David Lewis — "that bright kid from Warsaw who has been running the country since November 1972" — as our real prime minister and referred to Energy Minister Donald Macdonald as his idiotic-sounding errand boy. Obviously, something was up.

That something was the latest change in Ottawa's oil policy — its request for a temporary price freeze, the imposition of a 40-cents-per-barrel export tax on conventional crude (designed to prevent U.S. importers from profiting from the freeze) and hints of further steps to regulate the industry and its stranger-than-fiction marketing system.

The federal moves had the industry hunkering down for yet another battle in its never-ending struggle against the socialist hordes, and out in Alberta, where constant exposure to the relentless foghorns of Calgary is the sacrifice you have to make to live near the Rockies, the new clarion calls were making the noise level intolerably high.

But on the provincial level, where the real bucks are made, there was a sudden lifting of spirits amidst the general gloom. Alberta's Conservative Premier Peter Lougheed went on prime-time TV

on September 18 to announce that Syncrude Canada Ltd., a consortium of four U.S.-controlled oil companies (Imperial, Atlantic Richfield and Canada Cities Service each have a 30 per cent interest and Gulf has the remaining 10 per cent), had signed an agreement to go ahead with construction of its 125,000 barrel-a-day extraction and processing plant in the Athabasca tar sands.

Lougheed, who is the most marketable commodity the PR branch of the oil industry has turned out, had spent the best part of the previous week playing Bible Bill Aberhart in a helicopter, denouncing the east in general and the federal government in particular for the export tax. Having thus defined the east as Alberta's exploiter he went on to give away a good chunk of Canada's richest oil deposits to the four American companies.

His slick TV performance began with another sneer and a curse in the direction of the east — his specialty is "talking tough" in all directions — and then, with the help of some flashy props, maps and electric magic, he outlined his version of the Syncrude deal.

The terms include the formation of the Alberta Energy Company, an investment firm which will be 50 per cent owned by the province and which will participate in ownership of the pipeline and power facilities and have an option to acquire a 20 per cent interest in the \$800 million Syncrude plant itself; the scrapping of the usual royalty system in favour of a 50-50 "profit-sharing" arrangement; a promise that this scheme would bring the province \$1 billion over the 25-year life of the project; and a warning to the federal government not to try to impose price controls or to be greedy.

As expected, the Alberta media quickly fell all over themselves praising these "tough" terms. But less biased

DID YOU HEAR ABOUT THE NEWFIE WHO . . .

Whatever hour the princess goes to bed, she is up at 7 a.m., usually to ride or visit the stables. She has such a relaxing effect on horses, said one of her friends, that she can communicate with them.

Her trainer, Mrs. Alison Oliver, says: "Sometimes you can see her sharing a private joke with her horse."

—*Reuter, September 12, 1973*

observers saw it as another sell-out, and the worst one yet. The tar sands have been fleeced.

Considering their importance for Canada's future development, the bituminous tar sands in the Athabasca region of northeast Alberta have received scant attention beyond the borders of the province. Overshadowed by the conflicts over the Mackenzie Valley and James Bay and often overlooked by resource economists and critics, the sands are estimated to hold more than 600 billion barrels of petroleum — about a third of the world's known reserves.

Of this total, more than 250 billion barrels of upgraded synthetic crude oil are estimated to be recoverable. And that means it would take eight Syncrude-sized plants more than 700 years to deplete the resource. It also represents a very large bundle for the oil companies: synthetic oil from the tar sands currently sells for around \$4 a barrel, but that price is artificially low; its actual value is between \$6 and \$7 and this is certain to rise appreciably in the future.



LOUGHEED
Slick and marketable

Contrary to the oil-lobby sales pitch which Lougheed echoes, there is not much "high risk" involved for the companies in the Syncrude consortium; it is the profits at stake that are high.

Like its Social Credit predecessor, the Lougheed government operates squarely within the classic Canadian tradition of resource development via crash programs for fast money. Perhaps with this in mind, a group of top provincial civil servants made a powerful appeal to the cabinet about a year ago for a new approach to tar-sands development. Their report, leaked by Mel Hurtig of the Committee for an Independent Canada, revealed a striking divergence of opinion between the ruling Conservatives and the civil service over the role Alberta's immense resources should play in Canada's future.

The flavour of the bureaucrats' report is captured in its frank central paragraph. There they assert that the scale, rate and staging of development of the tar sands should be "dictated by deliberate policy decisions by Albertans designed to ensure that the development complements and supplements the overall development requirements of Albertans and Canadians. Only after Albertan and Canadian policy parameters have been fulfilled should foreign constraints become operative. In short, Canadian policy parameters should take precedence over all other factors. Foreign energy demands should not be the only force influencing development."

Those unusually strong words of advice went up to Lougheed in August 1972, but it was not long before it became clear that they had been less than welcome. In November, Syncrude announced that the U.S. engineering giant, Bechtel Corp. (see *Last Post*, Vol. 3, No. 3 for a description of Bechtel's involvement in the James Bay project), had been signed on as the project's exclusive manager-contractor. The announcement incensed local engineers, as did Syncrude's paternalistic explanation that the locals lacked the size and expertise to get things done.

In point of fact, the basic technology for extracting and upgrading oil from the sticky tar sands was developed by Albertan scientists long before Syncrude's appearance, and there is every reason to think that Bechtel will reap an early harvest and farm out the work to those who know how to do it. Although the announcement of the Bechtel deal was a flagrant violation of Lougheed's publicly stated position that

PHEW!

* * *

Man saved from Ottawa

—Ottawa Journal, September
7, 1973

Syncrude would have to favour provincial engineers in looking for contractors, nothing was done to reverse Syncrude's *fait accompli*.

The terms announced September 18 fit into the same pattern. By far the most important aspect of the package deal is Lougheed's break with the traditional royalty system, whereby a certain percentage of the wellhead price of each barrel of oil is deposited with the provincial treasury. Alberta's royalties have been, and still are, absurdly low, but at least they insure that something is left behind when the oil disappears.

(Two weeks after the Syncrude announcement Lougheed, increasingly uncomfortable in the squeeze between the oil companies on the one hand and the federal government on the other, announced a change in the province's royalty structure and an unspecified increase in royalties. However, it was considered almost certain that the oil companies would pass the higher royalties on to the consumer in the form of higher prices.)

Lougheed's "50-50 profit-sharing" scheme contains little by way of such insurance. Everything depends on two variables at present unknown: first, what "profit" means, and second, when Syncrude will begin to show a profit. It is almost certain that Lougheed does not mean book profits; what is probably meant is taxable income, or book profits minus the many deductions (depreciation, depletion allowances, exploration and development write-offs, etc.) which ease the oilman's heavy load.

In 1969 the extractive industries declared book profits of \$1.13 billion,

but their taxable income was just \$136 million, so the difference makes all the difference. Thus, even if Syncrude does show high profits — which does not seem likely — the province's share is going to be small. Even Lougheed's promised billion dollars is chickenfeed compared to the sum that, say, a flat 25 per cent royalty would have brought in over 25 years. Clearly, Syncrude has won an important point.

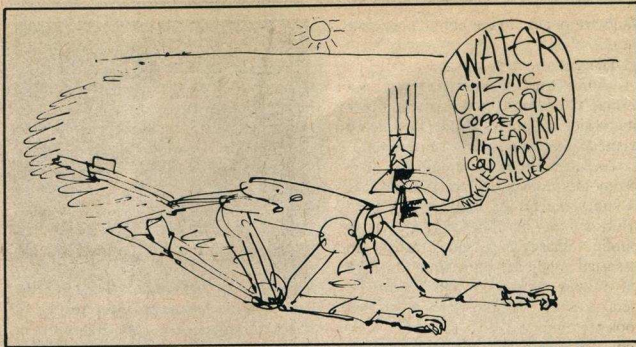
There are also no guarantees that Syncrude will be run as a truly profitable outfit, at least on this side of the 49th parallel. This may sound paradoxical at first, but it may be more advantageous to the U.S. companies in the consortium to run an apparently losing operation in Canada while reaping the fruits at home. There is a precedent for this and now Lougheed has added the crucial incentive.

The precedent is the only company now working the tar sands, Great Canadian Oil Sands, a subsidiary of Sun Oil Company. For several years now GCOS has been declaring big losses, a total of about \$88 million, and the evidence is fairly conclusive that these losses, through the device known as transfer payments, turn into profits for Sun Oil.

The trick is this. The synthetic crude coming out of the GCOS plant currently sells for just over \$4 a barrel, or slightly above the price of conventional crude. But the two types of oil are not comparable because the synthetic variety is already semi-refined and with an easy distillation process can be turned into ready-to-use products. What a fair value would be is a bit hard to determine since there is no settled basis for comparison.

But GCOS oil is being used, for instance, to fuel railway locomotives, so one standard might be current prices of industrial diesel. At any rate, the price should be well above that of conventional crude. Two independent experts confirmed my own guess that the real value of the stuff is between \$6 and \$7 a barrel. GCOS sells cheap to its parent, Sun, declares heavy losses in order to win tax breaks and royalty deferrals from our sympathetic federal and provincial governments (current handouts stand at above \$7 million), while Sun reaps the harvest in the U.S.

It's nice work if you can get it, and Syncrude can get it if it tries. And now that Lougheed has added another incentive to avoid declaring high profits Syncrude will do everything it can to pass on costs to the public, maintain an artificial price and enrich the four U.S. cor-



Mike Constable

porations. Perhaps the best clue as to how the oil industry feels about the deal came in a short news item from Toronto. The board of GCOS said it thinks it would like in on the 50-50 profit-sharing scheme. Later, Shell Oil announced that it was submitting an application to build its own processing plant in the tar sands.

As things stood in early October the actual terms of the Syncrude deal had not made their way to the public, and Lougheed's sales pitch had left more questions than answers. In spite of all the evidence of a huge sell-out, however, it appeared that tough Peter had pulled it off in style and that his energy policies will strengthen his political base in Alberta. Opposition must come from the rest of Canada, particularly from Ottawa. But with Donald Macdonald flying out to Edmonton to patch it up with the oil interests and the province, we should probably expect the worst.

Larry Pratt

NOVA SCOTIA: SAFE ENOUGH FOR CANADA

In Nova Scotia the word "big" has lost its meaning. For instance, if ten thousand dollars is considered "big money", then what's a billion? And what yardstick can be used to measure such things as Fundy Tidal Power; a Texas-style oil strip on the Strait of Canso; oil rigs on Sable Island? To hear Premier Gerald Regan tell it, everything in the province is going to be the biggest in the world anyway.

So why get excited about a 12,000-

megawatt nuclear complex of ten reactors on Stoddard Island, off the southern tip of the province, designed to feed the U.S. east coast with electricity via 200 miles of undersea cable? One big is no different from another big, is it?

Following the usual Regan pattern, this will be the largest single source of electrical power in the world if built (plans for the James Bay project in Quebec call for "only" 7,850 megawatts — a megawatt is a million watts), but Nova Scotians are beyond the stage where a statistic like that can lift them out of their lethargy.

Thus the public let loose a great yawn when it was revealed more than a year ago that Premier Regan was negotiating seriously with American interests who wanted to build their nuclear complex on the 640-acre island two miles offshore from Shag Harbour, Shelburne County.

Only "intellectuals" and "ecology freaks on high salary" — as the Premier calls them — created any kind of a stink. These included the Nova Scotia Resources Council, a group of senior scientists and professors, who got a blast from the Premier for merely suggesting that the result of the negotiations be made public; the Nuclear Power Study Group, made up of four professors from Acadia University in Wolfville who have dug out from government sources most of what is now known about the proposal; and the Ecology Action Centre, a LIP-grant-funded environment group in Halifax.

The American interests want to build the nuclear plant in Nova Scotia because the U.S. Atomic Energy Commission has held up licensing of 97 reactors in the U.S. on grounds they are unsafe, so that Nova Scotians would be required to take risks the American public itself does not want to take, but even that has

failed to penetrate the public consciousness.

The grandiose proposal was made by an outfit called Crosley Enterprises of Lima, Ohio, and more specifically by its president, James E. MacDonald, who visited Premier Regan several times.

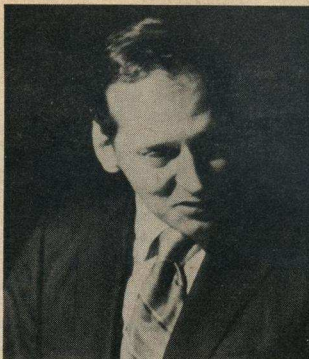
The question of the credibility of the promoters comes up, for doubts about whether the project will ever come to fruition may be another factor in the public lethargy. Fast-buck artists and assorted medicine men from the U.S. have been going through here for a decade now, ever since Robert Stanfield took Jerome Spevack of heavy water fame to his bosom. However, it must be admitted that dubious credibility never hindered Stanfield or Regan from handing out huge gobs of public money for a variety of schemes.

The only major American business directory that lists either MacDonald or the Crosley interests is Dun and Bradstreet. It lists a Crosley Building Corp., Lima, Ohio, operator of non-residential buildings, with 80 employees and sales last year of \$2 million. Small fish, but there is more to it than that.

Crosley Enterprises has actually bought Stoddard Island, which at today's prices for spruce-covered and beach-ringed islands off Nova Scotia must have gone for around a million dollars. Its ownership has been transferred to NEP Contracting Ltd., a local subsidiary of Crosley formed only in the last few years.

Ian MacKeigan, a Halifax lawyer who was president of NEP and Nova Scotia legal representative for the company, says that MacDonald "is just the main front man." He says that "Mr. MacDonald is one of several parties interested in the scheme. There are others." When pressed for further details, he said "I better not say any more."

MacKeigan has since been named chief justice of the supreme court of



REGAN
How big is big?

Nova Scotia.

MacDonald himself was contacted by the *4th Estate*, the fighting Halifax weekly, at his home at Bristol, Rhode Island, but he categorically refused to comment, saying only "I have read your publication about me" — referring to an unflattering article of a year before.

But whether MacDonald is just another crackpot promoter or whether he has access to billions on the Wall Street money market, the significant thing is that Premier Regan is taking him very seriously. Detailed plans on the scheme are to be presented to the provincial government and to the federal agencies that would have to approve certain safety aspects later this fall or this winter, according to MacKeigan.

The public pressure in the U.S. that forced the AEC to delay licences was a result of publicity surrounding the failure of the emergency-core cooling systems to function in reactors of the American light-water type. (American reactors use enriched uranium for fuel and ordinary water as a moderating agent in the fission process. Canadian reactors, which have not yet been found

to have these emergency cooling problems, use natural uranium for fuel and heavy water as a moderating agent.) Light-water reactors are being proposed for Stoddard Island.

Two states — Maine and Massachusetts — have banned them. So the logical place to go was up north. The first proposals by Crosley included studying the possibility of setting up another nuclear plant in New Brunswick.

There has also been hot debate over radiation safety levels. Some scientists, notably John Gofman and Arthur Trampin, former U.S. AEC employees, claim that safety thresholds are baloney, and that any radiation over the natural amount from the sun is harmful (all reactors leak minimal amounts of radiation) and is the probable cause of tens of thousands of extra cancer deaths in Canada and the U.S. every year.

Premier Regan finds it extremely annoying to be questioned when he's negotiating. When the Nova Scotia Resources Council last fall asked him for details on the Stoddard Island scheme, he said: "I do not deem it to be in the best interest of our province to have a public debate over every such scheme before a concrete proposal is made to government. These debates arouse hopes and fears and also enable other provincial or state jurisdictions to induce development away from this province."

So to the Premier, a 12,000-megawatt nuclear plant falls into the category of "every such scheme" and arguments should be avoided. Yet if he thinks he can avoid a fight he is dreaming.

The same objections that have been brought up in other massive energy deals come up in this one (this apart from the ugly connotation that Nova Scotians should be subjected to risks others will not accept): the sudden upward push on the Canadian dollar that is the inevitable result of having several billion dollars suddenly dumped into the economy and that will cause Canadian manufactured goods to become less competitive in world markets, and the step-by-step commitment of Canada to a policy of supplying the U.S. with energy.

The environmental arguments that have raged in the U.S. will also apply here as well. One formidable argument against the plant is that a quarter of Nova Scotia's lucrative lobster fishery is located within an eight-mile radius of Stoddard Island. The effect of an esti-

RAINDROPS KEEP FALLING ON HIS HEAD

VICTORIA — MLAs returning for the fall session of the legislature find themselves in a building which resembles a hybrid of the Palace of Versailles and the Berlin Chancellery of 1945

Social Credit acting opposition leader Frank Richter conceded that he had not examined the new upstairs offices of some cabinet ministers or the refurbished legislative chamber

Richter also complained that a lavatory drain has been driven through his office ceiling and that mortar and cement have occasionally fallen on his desk.

—Michael Finlay, *Vancouver Sun*, September 13, 1973

mated 10,000 gallons a minute of water heated 20 degrees fahrenheit being pumped into the sea could be disastrous. Already, a nuclear plant in Florida has been ordered closed by public authorities because of the effects of thermal pollution on marine life.

The arguments for the scheme, if it does go ahead, will probably be the same as for every other "such scheme": jobs will be created and the economy stimulated. But as with heavy water plants and oil refineries, only a few hundred short-term construction jobs will be created, and the technicians who will

operate the plant will come from the outside.

Possibly it will be argued that cheap power will be provided to Nova Scotia. A Halifax front office might be opened, and by the time construction began the official word would be out that this power plant is really meant for the Canadian market (12,000 megawatts is one quarter of the entire Canadian power output at present, and 16 times the total amount produced in Nova Scotia). On this score, the Nova Scotia government would merely have to borrow the Quebec government's handbook on the

politics of James Bay.

Meanwhile, fishermen in Shelburne County have indicated their readiness to fight. The municipal council of Barrington, which covers the area, has suddenly realized what's going on and voted against the plan. And commentary in the press, letters to the editor and the like are suddenly picking up.

It seems we may have a public debate after all, and Premier Regan himself may find out the real meaning of "big".

Ralph Surette

LABOUR: WHEN IS A STRIKE NOT A STRIKE?

For the third time since the Second World War, the contracts of Canada's non-operating railway workers — the ones whose jobs don't involve actually running trains — will be determined by arbitration instead of the normal processes of collective bargaining. This apparently regrettable state of affairs was preceded by a series of dramatic events — including a strike, a 2 a.m. sitting of the House of Commons and window-smashing on Parliament Hill. And yet, the outcome could not have been more predictable.

The moving of goods and passengers by rail has never, in this country, been an industry quite like the others. Half public and half private, but with government involvement on all sides, the railway industry has generally tended to justify the most paranoid speculations about the relationship between government and business.

So there is no reason to expect that collective bargaining on the railways should follow the normal patterns established elsewhere, and it doesn't. Railway labour negotiations are in effect a three-way affair: there are the railway workers, demanding more money, there are the railways, which insist on compensating themselves for any wage increase with higher freight rates, so that (horrors) none of the added bill has to come out of their profits, and there is the government, with the power to grant or deny freight-rate hikes.

In theory, that all changed in 1967, when Jack Pickersgill's National Transportation Act freed the railways from regulation and allowed them to set their

own freight rates — but only in theory. Just how quixotic Pickersgill's scheme had been became clear this past summer. At the Western Economic Opportunities Conference in Calgary in July (see page 35), western premiers clamoured for a change in the freight-rate structure, as western premiers had done since time immemorial. The federal government said it would study the matter, and in the meantime clamped an eighteen-month freeze on freight rates.

This added a new fillip to the labour-management negotiations then in uneasy progress. It meant that the railways would not, after all, be able to meet a wage boost with a rate boost, as they always had in the past. And so, no ratee, no wagee. Any chance that the already intransigent railways would budge was now lost. The negotiations broke down. The unions representing the railways' non-operating employees began a series of rotating strikes.

These went on for a month, until at the end of August the unions changed tactics and called a national strike. This

put into play yet another peculiar feature of railway labour relations. A national railway strike is, by long-standing tradition, a national emergency. Parliament has said so many times. And therefore, any national railway strike will be legislated to a halt. Twice before, in 1950 and in 1966, parliament had ordered striking railway workers back to work. On other occasions, it had declared a strike illegal before it could begin.

There was thus no doubt about what the government would do once this summer's national strike began. The government knew it. The railways knew it. The unions knew it. Frank Mazur, local strike co-ordinator in Thunder Bay, Ont., said on the day the national strike began that "we are expecting government legislation to go back to work."

At one point in the conflict, Labour Minister John Munro proclaimed that the strike was the result of the railways' intransigence, and he would whip them into line. He met with management representatives, and nothing happened. They had faced each other eyeball-to-eyeball, and it was Munro who had

WAYWARD REDS WIN TORY DISAPPROVAL

John White, Ontario's Minister of Treasury, Economics and Intergovernmental Affairs, thinks he has part of the answer to rising food costs — it only he can get the ear of Soviet leader Leonid Brezhnev.

He said during the weekend he was convinced that the reason for some food price increases was largely the failure of the communal farm system in the Soviet Union, now turning to Canada to help meet its demand.

"I think it's time the rest of the world told Russia to abandon that Communist farm system. We can't afford it."

—*Toronto Globe and Mail*, August 27, 1973

blinked.

After that, there were no tricks left except the inevitable back-to-work legislation. Parliament was duly called back from its recess. There were the expected expressions of outrage from railway workers, who staged a raucous demonstration on Parliament Hill and even battered down the doors of the Parliamentary Library, but when a measure is universally expected, anger can only go so far.

The terms of the back-to-work bill were surprisingly miserly, a reflection, perhaps, of the railways' insistence that they have to watch their pennies if they aren't to be allowed to raise freight rates. Originally, the bill provided for a wage increase of only 30 cents an hour, eight cents less than what the unions were demanding and essentially the offer they had rejected and gone on strike over more than a month earlier. The Conservatives and the NDP both favoured the suggestion that the government should split the difference. It was an offer the Liberals couldn't refuse, and it was done.

The 34-cent-an-hour raise is only an interim settlement, however, and the final settlement will be determined by arbitration. There has been some speculation that the unions have been promised a favourable arbitration settlement, and that this has accounted for their relative meekness; if so, it is virtually certain that the railways have been promised something as well, perhaps a relaxation of the rate-hike ban.

For the unions, the strike and its aftermath have serious long-term implications.

Devising an effective union tactic in a situation where the right to strike is neutralized by the certainty that any strike will be brought to a quick end is no easy task, but in the rotating strike the railway brotherhoods seemed to



RAILWAY WORKERS ON PARLIAMENT HILL
Anger went only so far

have found at least a partial answer. Without causing undue hardship to the workers, the rotating strike, after a period of time, was succeeding in inflicting some damage on the railways, which in shipping goods across the country faced the prospect of not only one but perhaps two or more delays because of work stoppages. At the very least, the rotating strike was a more serious blow to the railways than previous national strikes which, with their pre-determined short durations, were largely exercises in theatre.

In this context, the unions' decision to make the strike a national one in late August is puzzling. Two weeks after the strike, at an almost eerily calm convention of the Canadian Brotherhood of Railway, Transport and General Workers (CBRT), the largest and most militant of the non-operating unions and the

only one that had made at least a show of defiance of the back-to-work legislation, some resentment was expressed of the decision, although it remained amorphous and unorganized.

The CBRT passed a resolution calling for a ratification vote when the arbitrators' report is handed down, with the leadership authorized to call for a resumption of the strike if a two-thirds majority rejects the report. But this was, as one reporter covering the convention described it, a "motherhood" resolution, since no conceivable arbitration report is likely to be opposed by two thirds of the membership.

Some of the delegates hoped that changes will be made before the next negotiations roll around in two years, but if there are changes they will not necessarily be to their liking. At least some elements in the unions clearly feel

A HUNDRED YEARS OF INJUSTICE, NOW THIS?

CHARLOTTETOWN — Thousands of Quebecers are being held prisoner on Prince Edward Island.

Since the beginning of the rail strike, the CN ferry service linking Borden, PEI, with New Brunswick has been interrupted.

—Pierre O'Neill, *Le Devoir*,
Montreal, August 27, 1973

THE UNIVERSE UNFOLDS AS IT SHOULD

It is salutary sometimes to see ourselves as others see us. Take the example of John Fairweather, Professor of International Business, New York University and editor of *The International Executive*. His latest book, *Foreign Investment in Canada: Prospects for National Policy*, published by International Arts and Sciences Press, is a treasure trove of good things, some of which may be sampled in the current issue of *Challenge, The Magazine of Economic Affairs*, also published by the aforesaid International A & S Press. Busy *Last Post* readers may not always get around to reading *Challenge*; but it is well worth a try.

Fairweather's view of future American-Canadian relations corresponds very closely to that of the Liberal Party of Canada. Here is the most important bit:

"Small moves, in fact, look like the probable route for the future, a creeping continentalism which carries Canada slowly toward economic integration only where it is useful, without raising the red flag of nationalism vs. overt continentalism. The most visible moves of this nature are evident in a handful of new Canadian-based, U.S.-owned operations planned to serve continental markets and to export outside the continent. For example, the National Cash Register Company has started work on a \$16.6-million Canadian research facility (partly financed by the Canadian government) to develop a new product line that will eventually lead to a factory with full access to global markets, including the U.S. The prospect is that on an item-by-item basis, many U.S. companies will move toward assigning full continental responsibility for production and *even research* [italics added in due recognition of this extraordinary offer] to their Canadian units, with the Canadian government assisting on an *ad hoc* basis [italics in the original because of the Latin, not because of the government's meanness] in negotiating open access to the U.S. market in return for providing comparable freedom for other company products to enter Canada freely."

That's a longish quote but it finally settles the boring old debate about nationalism versus continentalism. We shall simply have both, a solution which has the added merit of showing once more that the Liberal Party is the party of all of the people all of the time.

Which is more than can be said for David Lewis's party, according to Professor Fairweather. He describes it as being "aggressive," accuses it of being "economically oriented toward jobs and incomes vs. big business" and all in all quite "radical." Similarly with the Waffle: although "highly visible," it is "very small, significant only as an aggressive prod to national action." The Committee for an Independent Canada is more important; Professor Fairweather says it has members or supporters in "key spots — 56 MPs in the present House of Commons and three cabinet members, including Alastair Gillespie, the Minister of

Trade, Industry and Commerce, who has primary responsibility in the cabinet for foreign investment legislation."

However, apart from these three dysfunctional elements, the universe appears to be unfolding as it should. In Fairweather's view, the great majority of Canadians are only "moderately nationalist," the Anglo-Canadians in fact differ hardly at all from Americans, "whose lifestyle from schooling to sex they have largely absorbed."

But the best economic rationale for integration with the United States is provided by what Fairweather calls "the auto situation." It should be said here that Fairweather's reading of U.S.-Canada auto relations is quite different from that given by either defenders or critics in Canada, with the exception of that held by some Waffle theorists, notably James Laxer. Laxer and Fairweather agree on the outcome of the Auto Pact: no Canadian government control over auto firms; manufacturing, procurement and export decisions now centralized in Detroit. Or as Fairweather puts it: "Canadian subsidiaries are little more than subordinate producing arms and sales organizations."

For the future, Fairweather sees logic in applying continentalist economies of scale to industries such as tire factories and petrochemical plants, the latter being regarded as particularly bad for Canada since costs could never be competitive "with the large-scale units across the border."

All in all, Professor Fairweather is quietly optimistic that reason and sanity will prevail. The technological strength and "established status" of multinational firms "virtually assure that their role will expand as an essential requirement of Canadian economic welfare." The Liberal government, he writes, will hold to its "middle-of-the-road image," despite the siren song of the NDP-CIC. Nationalist feeling *can* be headed off; indeed, he points out that "efforts to foster cultural identity in the arts and in the communications media are a partial response to this desire."

In summation: Professor Fairweather's main concern is "Canadian economic welfare." He shares this concern with the multinational corporations, who in turn share it with Premier William Davis of Ontario, quoted here as saying that "precipitate action on foreign investment at this time is to gamble with the livelihood of countless Canadians." A similar concern about our well-being is voiced by former Trade Minister Jean-Luc Pepin: for Pepin, any further screening would result in "reduced business confidence ... resulting in fewer jobs." And finally, Mr. Trudeau himself, also worried about "less jobs for Canadians."

When so many influential people and organizations are able to give such a great deal of thought and concern to the economic welfare of the Canadian people, it is not always easy to understand why the people continue to complain so much.

Patrick MacFadden

more comfortable with a situation in which railway settlements are effectively imposed by the government, and the government and the railways which have so much influence over its policy may decide that this is the time to formalize that situation into law.

Robert Chodos

WOMEN: A PLAYPEN THINK-TANK

Last November, in one of the quirks of Canadian cabinet-making, the question of the status of women was made the province of the new Minister of Labour, John Munro. A few months later, Munro came up with a bold new idea for handling this particular area: he set up a committee, the Advisory Council on the Status of Women, which is supposed to look into the matter and recommend legislation to the minister.

This the Council set about doing, making six recommendations after its first meeting in July, all of which had already been made more than two years earlier by the Royal Commission on the Status of Women:

- A change in the Canadian Labour Code to eliminate limitation clauses (loopholes which make it possible to evade anti-discrimination laws, and also, for instance, provide for lower pensions for women);
 - Establishment of a Human Rights Commission;
 - A raise in the status ceiling for women in government up to the highest executive level;
 - Changes in the section of the Citizenship Act relating to children born out of the country, who according to present law must take the father's nationality;
 - Child-care legislation;
 - Changes in the divorce act.
- Dull stuff, but it all has that awful ring of necessity about it. At the moment then, evaluation of the Council is difficult, apart from the obvious criticism that it is simply a repeat Royal Commission. Even the women on the Council have difficulty when asked to assess it.
- Grace Hartman, national secretary of the Canadian Union of Public Employees (CUPE) and a member of the Council, says she originally thought it

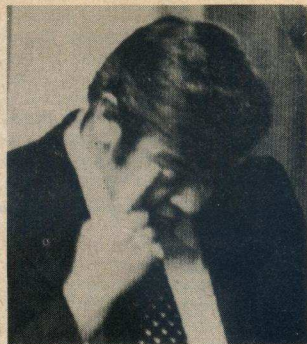
was going to be "just another government sop" but is now growing cautiously optimistic. Dr. Katie Cooke, the sociologist and former advisor to the Department of Regional Economic Expansion and the Status of Women Commission who heads the Council, is equally reserved on the subject.

Her ambivalence came through in a September round-table discussion recorded for CBC radio with Cooke, Sylva Gelber, director of the Women's Bureau of the federal Department of Labour, and Ottawa journalists Evelyn Gigantes and Maureen O'Neill. "I have some hesitation," she said, brandishing her diploma from the Mitchell Sharp School of Qualified English, "about saying they [the government] have made great strides. On the other hand, I think they have done a few things, for which they should get credit."

Evelyn Gigantes made a plea for more poetry and passion, leadership, and a kind of divine spark to rejuvenate the Canadian women's movement, which at this point, according to many of its activists, is a kind of fading foetus. This was met by an unimpassioned defence of present methods from Cooke.

The Council has been attacked for being quiet when the Supreme Court handed down its decision on the Lavell-Bédard case. Jeanette Lavell and Yvonne Bédard lost their status as Indians when they married white men, under a section of the Indian Act. The reverse is not true: an Indian man marrying a white woman retains his Indian status. Lavell and Bédard sued, claiming precedence of the Bill of Rights, but the Supreme Court upheld the earlier decision against them in a 5-4 vote.

When it was suggested to Cooke that the Council had not done anything because its members were afraid to attack their employers as it were, she replied that they hadn't had time to call



MUNRO
Yet another committee

a meeting before their regular one, on December 10. Since the interview, and after much more criticism, the Council has moved into its own variety of action on the issue, calling for changes in the Indian Act and the Supreme Court.

One area in which there appeared to be hope for the Council was labour. Two in particular of the women on the Council — Hartman of CUPE and Yvette Rousseau, president of the Fédération des Femmes du Québec — have been involved in labour union work for years, and might be looked to for leadership on labour issues.

Here too the initial indications are disappointing. "I would like," says Hartman, "to see the government make some real changes in the Labour Code. I would like to see housewives covered by the Canada Pension Plan too." (One always has the feeling that these people would say, "we seem to feel that those people really shouldn't be given life terms without trial Your Honour . . .")

The Council has tended to stick to the straight and narrow of women's rights

AND THE GOOD GUYS WIN

The shock proceeds from realization that a writer whose passion for movement, whose quickness of presence in the ganglia of our psychic life (bombed London, colonial Africa, occupied Vienna, Saigon, brutalized Haiti, now, in his new novel, a terrorized Latin America) and whose persistent and attractive air of disrepute have affirmed a hungry, perpetual youthfulness, has at last begun to wrap the drapery of his couch about him. Or is it more shocking, since happily neither his energy nor his gift seems endangered, to be forced to consider that he may now be the largest of living English novelists? — Greene, the ambidextrous producer of "novels" and "entertainments"? The saturnine and elusive figure most visible to Americans in Americophobic letters-to-editors, Catholic chronicler of the sour hearts of adulterous and drunken slaves of God?

—Reynold Price, *Montreal Star*, September 15, 1973

so far, avoiding wider-ranging and more difficult ideas of social change. Sylvia Gelber, for instance, advised that we should leave the fine points of housewives' salaries "to the economists." The observation has been made that it is about as wise to leave economics to the economists as it is to leave war to the generals. With this kind of thinking

apparently extending to all conceivable questions under its jurisdiction, the already dubious Council runs the risk of being reduced to a kind of playpen think-tank.

At one point in the radio interview, Cooke asked Evelyn Gigantes, "why do we assume that everybody has to jump to attention at once before social change

comes about?" "We can't afford to sit back and say slowly, slowly," Gigantes replied. "I agree, I agree," said Cooke. "That's why I'd like you to run for office, Love."

Gigantes dissolved with a helpless "Oh dear," and perhaps that is all that needs be said.

Carole Orr

VIETNAM: THE STORY OF COMPLAINT NO. 103

Fred Branfman, the author of the following article, is co-director of the Indochina Resource Center, a research organization based in Washington, D.C. During his most recent visit to Vietnam, from June 8 to July 28, 1973, he investigated the Canadian role on the International Commission of Control and Supervision.

On May 29, 1973, External Affairs Minister Mitchell Sharp was speaking in the House of Commons about the International Commission of Control and Supervision in South Vietnam and Canadian participation in it, then coming to an end. "I assure the House," said the minister, "that we have no need to listen mutely now or later to any charges that we have acted partially. We can be proud of our objectivity in the Commission and of our attempts to see this impartiality as an integral part of Commission activities."

This statement was absolutely untrue.

One can argue over whether Canadian activities on the ICCS actually fostered more war, as the Poles and Hungarians have charged. They say that their own conception of how the Commission

should function was that both sides should admit their partiality but agree that their goal was to diminish the bloodshed.

This meant, in the Polish and Hungarian view, that the ICCS members should try to bring the Provisional Revolutionary Government (PRG) and the Government of Vietnam (GVN) together; not make inflammatory statements to the press accusing one side or the other of violations; not leak documents to the press accusing one side or the other of violations; not investigate charges made by one side which could not be proven and then write up reports accusing the other side in exaggerated language of ceasefire violations. The Poles and Hungarians say that the Canadians violated all of these ideas, and therefore fostered more war.

But while this is arguable, the absolute falsehood of Mitchell Sharp's statement is not. The Canadians, from the beginning, showed partiality to the GVN side. Their attempt to mask this in a mantle of "objectivity" is one of the most shameful chapters in Canada's rather sorry history in South Vietnam, and is a serious blot on its pretensions as an objective peacekeeper elsewhere.

The cloak of impartiality was finally almost totally lifted just before the Canadians left Saigon. Colonel Manfred Von Nostitz, head of the Canadian delegation in Can Tho, personally showed visiting journalists reports of interviews with "North Vietnamese infiltrators". These reports, based on a few interviews produced by the South Vietnamese army (ARVN), attacked the North Vietnamese in inflammatory language for having infiltrated "massive numbers" of troops into the Mekong Delta since the ceasefire. By leaking these in Can Tho, Von Nostitz was clearly exceeding his authority, violat-

ing the ICCS mandate, and engaging in political propaganda for the U.S.

Von Nostitz would not have leaked the reports on his own initiative. It was part of a calculated attempt to give the impression that the PRG and the North Vietnamese were primarily responsible for important violations of the ceasefire.

In the long run, it is the content of the 400 or so reports filed by local ICCS teams and forwarded through the Saigon ICCS to the "Four Parties" to the ceasefire that will have the most political impact.

We can be sure that, at some point in the future, the United States or the GVN will leak these reports to the press or issue major statements about them. This will be done in an attempt to make it seem that the PRG was primarily responsible for ceasefire violations. The authority of the ICCS will be invoked, while the fact that almost all the reports presented will have been written by the Canadians and dutifully assented to by the Indonesians will be minimized as much as possible.

To understand what these reports will mean, it is necessary to look at a few specifically. Only by doing so can one really understand what the Canadian role on the ICCS has been.

We were particularly interested in the work of Col. Von Nostitz, as it was clear that his having leaked the reports in Can Tho marked him for distinction. His special status became clearer upon

KEEP IT QUIET

* * *

These trade provisions so many companies previously nationalized would raise production

Ruin of West?

Page 5

enough to cover any oil shortages.

Tripoli Radio announced Saturday that Libya would

—Toronto Globe and Mail, September 3, 1973

OOPS

Today only the Watergate mishap is holding up Nixon's canonization as the top détente saint next to Willy Brandt.

—Lubor Zink, Winnipeg Tribune, July 21, 1973

his return to Canada, where he was frequently mentioned by name and given more publicity than other Canadian local ICCS members.

We did not have the opportunity of seeing his reports of North Vietnamese troop violations. At the end of July, however, the Canadian team itself showed me a report written by Von Nostitz in response to my request to see a typical ICCS investigation of an assassination complaint.

It was labelled Complaint no. 103, dated May 9, from Can Tho.

The story went as follows: On May 2, 1973, Mai Hong Phieu went to the market to buy some meat wrapped in banana leaves. Mr. Phieu was an old man, and a member of the Cao Dai religious sect. Upon returning home, Mr. Phieu cut open the meat. It turned out to be a bomb and exploded, killing Mr. Phieu, wounding his son — an ARVN soldier — and another member of his family, and destroying part of his house. The GVN filed a complaint, alleging it was a PRG assassination.

The next day all four ICCS members went to investigate. They saw the body of Mr. Phieu. They interrogated his son, who said his father had no known political or religious enemies. He also said he was not familiar with the device that had blown his father up.

This was the extent of the investigation. On May 7, the four ICCS members met. The Canadians and Indonesians claimed it was a PRG assassination attempt, although the Indonesians said it was not targeted at Mr. Phieu personally, but had been meant to blow up the market. The Canadians announced that they were unilaterally sending their report to Saigon the next day.

Having seen the dead body of Mr. Phieu, a crater, and fragments of the bomb, and having interrogated his son, Von Nostitz concluded the following:

"The victim, Mr. Phieu, was a member of the Cao Dai religious sect. The Cao Dai sect has traditionally been

**SWINGING
AC-DC
WANTED**
* * *

Crombie seeks alternate to sit on electric body

—*Headline, Toronto Globe
and Mail, August 31, 1973*

inimical to the PRG ideology and program, whereas the PRG has usually regarded the Cao Dai as a reactionary organization behind a religious front.

"Apart from his Cao Dai associations, Mr. Phieu also held a senior respected or a natural leadership position in a Republic of Vietnam controlled community, which made him an important PRG assassination target. Such key individuals in RVN controlled villages have traditionally been prime PRG terrorist objectives.

"According to the statement of the witness the victim had no known personal enemies. The witness has also documented that Mr. Phieu followed a routine which included the daily buying of banana leaves at the market

"Accordingly, it can only be concluded that the victim fell within the scope of the PRG political assassination program which widely prevailed in Vietnam prior to the ceasefire. The victim was presumably destined for liquidation by PRG terrorists, not only because he was a Cao Daist but also because his assassination can be presumed to be a part of the PRG effort to weaken the natural leadership class and social fabric of an RVN controlled community.

"Therefore it is concluded that this incident was a PRG violation of Article 3C of the ceasefire agreement."

The report was signed by Col. Von Nostitz, another Canadian and two Indonesian members of the ICCS.

It will be noted that almost every one

of Von Nostitz's conclusions is not based on any evidence whatsoever. Moreover, many of them are totally false. Specifically:

● Von Nostitz concludes that Mr. Phieu was deliberately targeted by the PRG. Although the Indonesians signed the report, they themselves had reached the conclusion the day before that Mr. Phieu was not targeted. Mr. Phieu's son had also said that his father had no known political as well as religious enemies. There was no proof that Mr. Phieu was targeted by the PRG.

● Von Nostitz says that the Cao Dai religion has been "inimical" to the PRG. This is absolutely untrue. The Cao Dais have traditionally taken a neutral stand on the war. They have gone to tremendous lengths not to support either side, unlike the Hoa Hao with whom Von Nostitz apparently has them confused. If anything, the Cao Dai have suffered more from the hands of the GVN than from the PRG during the war.

● Von Nostitz states as a fact that "Mr. Phieu had no known personal enemies." However, this was based solely on the interrogation of the son, who said Mr. Phieu had no "political" or "religious", not "personal", enemies. And besides, nowhere in the world, and particularly not in Vietnam, would a child say his parents had personal enemies in a situation such as that.

● Von Nostitz concludes that Mr. Phieu held "a senior respected or a natural leadership position," but no evidence was presented to support that.

● Von Nostitz says that "it can only be concluded" that Mr. Phieu "fell within the scope" of the PRG political assassination program which "widely prevailed in Vietnam prior to the ceasefire," when *Von Nostitz was not in Vietnam*. Then he says that Mr. Phieu was "presumably" destined for liquidation by PRG "terrorists", because his assassination "can be presumed" to be part of a widespread PRG attempt to weaken GVN control.

"Fell within the scope", "presumably", "can be presumed" — on this basis Van Nostitz concluded that the PRG had violated the Paris accords.

The Canadian government's decade of complicity with the U.S. in Vietnam is despicable enough. But its hypocrisy in continuing this role as U.S. apologist while mealy-mouthing its "impartiality" crosses a new line in governmental indecency.

Fred Branfman

RASPUTIN WAS A MUCH MISUNDERSTOOD MAN

But there was a sense of history in the making as the Prince, great-grandson of Czar Nicholas the First, was driven past Moscow's dreary apartment buildings to a villa in the Lenin Hills where he is staying.

From the ponderously furnished villa he has a magnificent view over Moscow to the golden onion domes of the Kremlin. It could only remind him of how the excesses of his ancestors opened the way for the new Kremlin masters to impose even harsher repression.

—*Frank Jones, Toronto Star, September 3, 1973*

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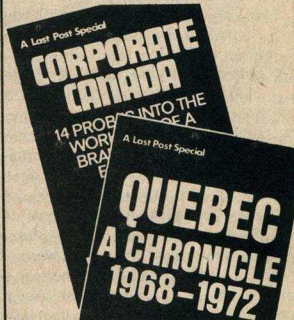
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by Claude Balloune

The bourgeois French Canadian grapevine in Montreal is circulating a rather interesting story concerning *Pierre Elliott Trudeau*. This grapevine, which is Trudeau's milieu, says that the Prime Minister intends to resign shortly, possibly at the end of November, and "return home" to academic life. His intention, according to the story, is to turn the federal Liberal Party over to *John Turner*. It seems that somewhere in the depths of his Oriental-tinged philosophy he feels his trip to China completed some sort of circle Meanwhile, the Ottawa grapevine says that the *Three Wise Men* — Trudeau, *Gérard Pelletier* and *Jean Marchand* — are no longer the tight clique they once were. Trudeau and Marchand haven't spoken to each other for some time. Pelletier and Marchand have long been cool toward each other, and now Pelletier is growing increasingly disenchanted with Trudeau.

From the mailbox

A copy of a letter dated October 4, 1971, signed by *Lord Thomson of Fleet* at Thomson House, 200 Gray's Inn Road, London WC1, and addressed to a *Mr. H. W. Muller*, c/o Foreign Exchange, Swiss Bank Corporation, Paradeplatz, Zurich, Switzerland, has come into my possession. It's marked "confidential" and it gives me great pleasure to divulge its contents, which strike me as meaningless. It reads as follows:

Dear Mr. Muller,

Thank you for your letter which I read with interest. I might say that I agree with much that you say. I am not at all happy with the situation in Canada, particularly with respect to the points you mentioned. However, I don't think there is any possibility of starting a new party or joining Walter Helier's new "Action Canada". This would not make any real impression on the voters of the country, particularly in the short term.

While I am disappointed that Robert Stanfield has not made more of an impression as leader of the Conservative Party, he is a very fine man personally and I think if he could get elected Premier he would do a very good job. I think the only hope we have is to try and get him elected and, of course, support Conservative candidates. Certainly that is my view.

If you make any further progress in your plans, I would be glad to be advised.

Yours truly,
Lord Thomson of Fleet.



TRUDEAU
a word . . .



MARCHAND
. . . to the wise

The reason I mention the above letter is that if old Lord Thomson can't even get *Paul Hellyer's* name straight, why does anyone bother to read his newspapers?

Legal beat

Ottawa broadcaster and former Parliamentary Press Gallery president *Geoff Scott*, who recently attracted attention for having accompanied Defence Minister *James Richardson* on a round-the-world trip of unclear purpose, is back in the news. Scott got wind that he was cast in an unfavourable light in *Larry Zolf's* new book on the Ottawa scene, a consequence of his penchant for doing imitations of politicians. He phoned *Bob Fulford*, editor of *Saturday Night* which is publishing lengthy excerpts from the book (before anything had appeared in print), and heatedly threatened suit if the reference saw the light of day. Fulford, unable to remember as he listened to the angry voice on the other end of the line which of the many people Zolf had slighted was Geoff Scott, was somewhat perplexed by the whole episode.

Another lawsuit is developing over a review by the Southam chain's *Jim Ferrabee* of *Geoff Stevens's* new book on Tory Leader *Robert Stanfield*. The review compared Stevens's venture into book-length political journalism favourably with similar efforts by *Maclean's* editor *Peter C. Newman*, who, said Ferrabee, never let a fact stand in the way of a good story. Newman saw the review in the *Vancouver Sun* and immediately threatened to sue Ferrabee. *Charlie Lynch* has since approached *Rt. Hon. John G. Diefenbaker* (who, it will be remembered, was the anti-hero of Newman's *Renegade in Power*) on behalf



CHARLIE LYNCH
an approach to Newman's anti-hero

of Southam and asked him to act as defence lawyer in the case.

Lawsuit number three involves trendy Toronto writer and professor *James Eayrs*, who is suing columnist *Douglas Fisher* for having said, among other things, that Eayrs is unpopular among his students at the *U of T*. Former Eayrs students are being rounded up to testify as witnesses for the defence Eayrs, by the way, applied to the late *Lester Pearson* to be the editor of his memoirs. Pearson turned him down. The two professors he chose instead, *John Munro* (not the Labour Minister) and *Alex Inglis*, are both Tories.

Yankee Doodle

The inexorable influence of the American empire continues to make itself felt. The consul-general of the United States in Calgary, a *Mr. Harold Hall*, was recently appointed adjunct professor of political science at the University of Calgary Meanwhile, the *Canadian Armed Forces* now have a surplus of flying instructors. The reason for this is that their use in the United States under the NORAD agreement is no longer required. And the reason for that, of course, is that all the American flying instructors have come home from Southeast Asia.

A clipping from *Cinema Canada*, entitled "Meanwhile, at Uncle Tom's Igloo", came to my attention. It said, "The Canada Week Committee, not to be confused with the Committee for an Independent Canada, recently held a gala ball at \$100 per couple to present an award to

Gordon Stulberg, president of Twentieth Century-Fox, for 'being an outstanding Canadian.' " Then I received this blurb from the Canada Committee, parent group of the Week Committee: "The yearly gala ball was intended to promote an awareness of what it means to be a Canadian. Stulberg left Canada in 1946 but used a great deal of Canadian talent in *The Neptune Factor*" PS: For this, the Canada Committee gets a \$95,000 grant from the *Secretary of State* for its general activities in the promotion of Canadian unity and identity.

On the Quebec front, *Robert Bourassa* is having his troubles in a number of areas. For instance, he was told of some environmentalists' fears that the James Bay project if carried out could seriously affect the climate in the south. The project would flood an area of Quebec about the size of Lake Superior and a body of water that big alongside Hudson Bay may have the effect of lowering the mean temperature of the area to the south by as much as several degrees. On hearing this theory, the man fondly known in Quebec as "Bob-la-Job" quipped: "Let them wear an extra sweater." The sharp-witted latter-day *Marie Antoinette* knows that this theory is so absurd that the James Bay project people haven't even bothered to make a study of possible climatic changes.

Not-generally-known Dept.

One of *Salvador Allende's* brothers-in-law, *Eduardo Grove*, was the first Chilean ambassador to Canada in 1942. Until that time, almost all of Canada's foreign relations were handled directly by Whitehall. *Allende* himself visited Montreal in 1941 when he was Minister of Health in the Popular Front government. A year later, when the Socialists were dismissed from the cabinet, his brother-in-law in Ottawa arranged several job offers for him in Canada. Allende was tempted to move here but finally decided to stay in Chile Allende's other brother-in-law, *Col. Marmaduke Grove*, was also his predecessor as President and the first leader of the *Chilean Socialist Party*. While an air attaché in London in the 1930s, he was known as a bon vivant, and was often introduced at parties as Marma, Duke of Grove.

I hear that *Marshall McLuhan* has landed a media consultant's contract with the *Vatican*. Since he had a similar job with Prime Minister Trudeau, does this mean he's received a promotion or a demotion?

There is much grumbling in the supposedly revamped *CBC News*. Causes of the discontent are the new bosses, *Denis Harvey* and *Malcolm Daigneault*, both formerly of the *Montreal Gazette*. News staffers refer to the former as "The Rabbit" and to the latter as "The Doughnut".

CHILE REPORT



by Last Post staff and Latin American Working Group

INTRODUCTION

Brazil, Indonesia, Greece, Bolivia, Uruguay — and now Chile. In the growing roster of countries that have fallen under right-wing military regimes in recent years, Chile stands out for two reasons: the unique nature of the government that was overthrown by a military junta on September 11, 1973, and the peculiar ferocity with which the junta has pursued its goal of "extirpating the Marxist cancer" since the coup.

The stories coming out of Santiago have far overshadowed the tales of political repression in Greece that attracted world attention, and even surpassed the reports of death squads and torture in Brazil. Only in Indonesia did a new regime suppress and eliminate its opponents with such relish and such disregard for liberal niceties.

With the death toll reported as high as 25,000 and going higher, many initial supporters of the junta, both in and out of Chile, were having second thoughts. In North America there was a change in the tone of newspaper editorials, which at first had expressed satisfaction at the downfall of Salvador Allende's socialist experiment along with the usual hopes that democracy

would be quickly restored. In Chile criticism of the junta began to be heard (privately and anonymously, of course) from members of the Christian Democratic party, who had been among Allende's bitterest enemies.

For all these people, the reign of terror in Santiago was an eye-opening experience. Those who had worked openly or covertly for Allende's overthrow — the Chilean upper and middle classes in general and the Christian Democrats in particular, U.S.-based corporations, the American government (with some help, in a minor way, from our own Canadian government) — bore a large measure of responsibility for the bloodshed, even if they took no direct part in the putsch, for they had helped create the political and economic circumstances in which the putsch and its aftermath could take place.

In this collection of articles, compiled from the world press and from information obtained by Chile solidarity groups in North America and by *Last Post* staff, we present a picture of the struggle that preceded the coup and the bloody events that have followed it.

The 'frankly fascist' men move first

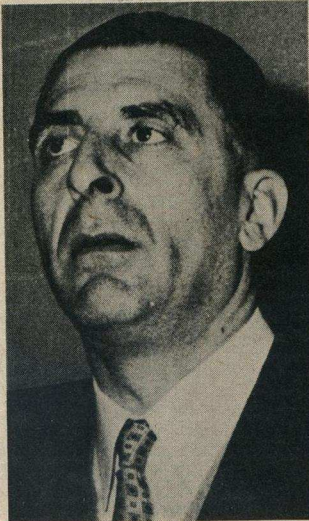
While in exile at the conclusion of the Spanish Civil War, Gil Robles, monarchist leader and a key politician in the movement to overthrow the Republican government, surveyed the wreckage of Spain and the consolidation of power in the hands of General Franco. "This is not what I wanted for my country," Robles lamented.

In Chile today, scant weeks after the overthrow of the Allende government, while the firing squads go about their work and books are burnt in the streets, there is mounting evidence that the politicians of the right are beginning to realize that the coup they spent months, even years, organizing may not be to their liking.

When the Chilean military announced plans for a new constitution that would fashion Chile in the mould of a Mussolini-style corporate state, Patricio Alwyn, who earlier had rushed to embrace the junta after Allende's murder, meekly protested.

"We will never agree [to the new constitution] without the consultation of the people," said Alwyn.

Photo: Prensa Latina



Eduardo Frei:
remarkably silent

"Shut up," said General Pinochet. Alwyn has shut up. And according to *Le Monde* correspondent Philippe Labreuve he is now left with a "tense smile which betrays his fears."

Eduardo Frei, who expected to be president by now, has been remarkably silent.

The military, because it had not overthrown a government in Chile for 40 years, had gained a reputation for abstaining from political affairs. But they only overthrow governments when they have to, like strikebreakers who only scab during strikes. They now are settling eagerly into power.

All this has led to speculation about two anti-Allende coups in preparation throughout the spring and summer. The ultra-right in the military was prepared to move much, much earlier.

In 1969, after the first successful showing of what would become the Unidad Popular, and on the heels of an upsurge of the Left in the parliamentary elections, there was a small revolt of the army in Santiago. The officer who led the revolt, General Vial, was later

to be implicated in the murder of Army Commander-in-Chief Rene Schneider. Schneider was killed in an abortive kidnapping designed to provoke military intervention which would have prevented Allende's inauguration in 1970. September 11, 1973 was not the first attempt by sections of the military to attain power, even if one is prepared to discount the army revolt in June 1973 as a feint to convince Allende that the military was really loyal.

Plans for a Christian Democratic coup are estimated to have begun seriously when all the parliamentary obstructions failed to topple the government, when, for the first time in Chile's history, a mid-term election actually strengthened the party in power and when the carefully planned and orchestrated "strikes" of the truck owners failed to win enough support to create even the appearance of a popular demand for Allende's resignation.

The plan was co-ordinated with the military. In preparation for its joint manoeuvres with the United States Navy — American ships with Marine landing parties were in Chilean waters at the time of the coup, able to help with communications between Valparaiso and Santiago, and presumably ready as a back-up force — the Chilean Navy had "purified" itself.

In the summer, there were large-scale arrests of junior officers and sailors, including several incidents of torture.

The Commander-in-Chief of the Chilean armed forces, General Prats, was forced to resign under pressure from other generals. Prats, if not a supporter of Allende, at least supported the constitution. Pinochet got Prats's job.

Since late July, Allende had been urgently seeking a dialogue with the Christian Democrats. Any and all efforts at a *modus vivendi* were rejected by

Eduardo Frei, and what has been termed the "Freiist coup" by the magazine *Chile Hoy* was underway.

According to this magazine, there were three stages to the coup Frei had planned:

- (1) partial or general strikes by professionals, truck owners, etc;
- (2) an institutional offensive posing the question of the duality of power between the Executive and Congress, and;
- (3) *pronunciamento* (proclamation) of the armed forces in favour of the Congress.

Within the armed forces, the Frei group relied on a certain number of middle-echelon officers of the armed forces command who were mobilized against the Unidad Popular and the high command which was considered soft or spineless.

By late August, the "Freiist coup" had reached the stage where the Chamber of Deputies had passed a resolution declaring the Allende administration illegal. The following release from *Agence France Presse* speaks for itself:

"On Wednesday evening, the Chamber of Deputies adopted a resolution affirming the 'illegality' of the Allende government. The proposal, presented by the Christian Democrats, stated that the government had violated the principle of equality before the law, gravely limited the right of free expression, violated the autonomy of the university, and repressed with violence the right of association in attacking the truckers' union. The proposal passed 81-47.

"Its strategic importance, according to Victor Barberis, a Socialist deputy, is that it 'gives the rebellious military people an instrument permitting them to disengage themselves from their constitutional obligations.'

Allende talks about assassination

"The social process is not going to disappear because one of its leaders disappears. It may be delayed or prolonged, but in the long run, it can't be stopped. In the case of Chile, if they assassinate me, the people will carry on, they will follow their course, with the difference perhaps that things will be much harder, much more violent, because it would be a very clear and objective lesson for the masses showing them that these people stop at nothing. And I have accounted for this possibility; I don't lay myself open to it, I don't offer opportunities, but at the same time, I don't think about the possibility of this happening all the time."

—Salvador Allende in an interview with Regis Debray.



General Pinochet:
Mussolini-style corporatism

"In such a climate, the arrival of the American Squadron of the South Atlantic, in Chilean waters, for manoeuvres of several weeks, leads some people to ask if this is just a coincidence."

Miami Herald correspondent William Montalbano, who has rather impressive connections with the military throughout Latin America, describes the hectic activity of the days leading up to the coup:

"The sources say that by Thursday Sept. 6 the navy had informed the army and the air force, which itself was more than ready but too weak to act alone, that it was prepared to rebel.

"That night Allende met with the leaders of the Communist and Socialist parties and agreed to seek an immediate accord with the Christian under the good offices of Raul Cardinal Silva Henríquez, Roman Catholic Cardinal of Santiago.

CHILE: A REPORT

"As it was discussed, the government would agree to a plebiscite on whether Allende should stay or go. The government might lose, but merely scheduling the plebiscite would buy about five months of precious time and would head off military intervention in the meantime...."

"On Saturday Sept. 8, Interior Minister Carlos Briones announced a settlement to a long-standing dispute over control of Santiago's television Channel 9. The move was seen as conciliatory to the opposition.

"Last Sunday, Briones spoke of the Christian Democrats in almost warm terms, and Chile seemed as though it might step back from the brink.

"But something happened under the surface during the weekend, the sources are not clear what, to make chances for a political solution evaporate."

What indeed happened?

Chile Hoy, in its last edition dated September 6-13, says the second coup was nurtured by frankly fascist elements of the National Party and Fatherland and Liberty, in liaison with low-ranking officers at the head of certain Navy units and garrisons notably in Valparaiso and various southern cities. Taking ad-

vantage of the political disorder created by the Frei plan, the fascist conspirators put together an operational plan near mid-June based upon a first phase of terrorist sabotage, carried out by civilians who received technical support from military officers, including Navy

Reserve officers. The Intelligence Service of the Second Naval Region (Talcahuano), through the arrest and torture of progressive Navy officers in mid-August, succeeded in purging the Navy of elements opposed to the putsch.

Navy officers were the hardliners in



Chilean soldiers attack the Moneda Palace

In 14 days, the morgue received and

The following is excerpted from a despatch by John Barnes of Newsweek magazine, generally describing the means by which the situation in Chile is "normalizing":

* * *

The military junta will not admit that there have been mass executions since the overthrow of Salvador Allende's Marxist government. "We have executed perhaps eight people since then for shooting at troops," Col. Pedro Ewing told newsmen. But that simply is not true. Last week, I slipped through a side door into the Santiago city morgue, flashing my junta pass with all the impatient authority of a high official. One hundred and fifty dead bodies were laid out on the ground floor, awaiting identification by family members. Upstairs, I passed through a swinging door and there in a dimly lit corridor

lay at least 50 more bodies, squeezed one against another, their heads propped up against the wall. They were all naked.

Most had been shot at close range under the chin. Some had been machine-gunned in the body. Their chests had been slit open and sewn together grotesquely in what presumably had been a pro forma autopsy. They were all young and, judging from the roughness of their hands, all from the working class. A couple of them were girls, distinguishable among the massed bodies only by the curves of their breasts. Most of their heads had been crushed....

Workers at the morgue have been warned that they will be court-martialed and shot if they reveal what is going on there. But I was able to obtain an official morgue body-count from the daughter of a member of its staff: by the fourteenth day following the coup,

she said, the morgue had received and processed 2,796 corpses.

No one knows how many have been disposed of elsewhere; a gravedigger told me of reports that helicopters have been gathering bodies at the emergency first-aid center in central Santiago, then carrying them out to sea to be dumped. One priest informed me that on the Saturday after the coup he had managed to get into the City's Technical University, which had been the scene of heavy fighting, on the pretext of blessing the dead. He told me he saw 200 bodies, all piled together.... the morgue count alone sets the regime's kill rate at an appalling 200 Chileans a day — just for the capital.

With hardly an exception, the victims come from the *poblaciones* — the slums that encircle Santiago and house half the city's 4 million inhabitants. During the three turbulent years of Salvador Allende's administration, the poor of the

the whole plot. It is probably through them, according to *Le Nouvel Observateur*, that contact was maintained with American special forces. The Chilean marines for years underwent training at the U.S. Marine training base in the Panama Canal Zone. This professional contact was renewed every year on the occasion of joint manoeuvres with the U.S. fleet. Coincidentally, this year the manoeuvres were being held in September.

The second part of their plan called for the elimination of Allende by non-institutional means.

These two plots came along at the same time, but the first plot swept past the Freist coup.

Commenting on the *Chile Hoy* story of two coups, Alain Joxe of *Le Nouvel Observateur* notes that in spite of what happened during the crucial first week of September, the Freist military men are all represented in the junta and government, and dissension among the new rulers is bound to develop.

Meanwhile, Alwyn sits in Santiago with his party whose hatred of socialism surpassed its instinct for self-preservation; his "tense smile betrays his fears." And the country he betrayed heads into its nightmare.

Allende's opponents orchestrate class war

Over a year ago Claudio Orrego, a Christian Democratic theoretician, explained that his party's strategy against the Allende government would be patterned on the example of the Russian Army retreating before Napoleon:

"Never join battle when the enemy has all its strength at its disposal. Retreat right back to Moscow while at the same time launching disruptive and demoralizing attacks, adopt a scorched earth policy ... until winter comes. Then is the time to attack."

This is perhaps why Salvador Allende, when he spoke at the United Nations, quoted Pablo Neruda's assessment of his country as a "silent Vietnam".

Disrupt and demoralize was not, thus, a strategy exclusive to the foreign nations hostile to the new government in Santiago. The international strangulation of credit, the active obstruction of Washington, and all the dollar bills the

CIA could pass out, all this is insufficient to explain the defeat of the Allende government.

Chile has had for decades the nearest thing to a textbook case of class war since the Weimar Republic. And what has been least understood about the final months of the Allende government is precisely how stark that internal class war was.

The backdrop to the accelerated events between the months of April and September is that persistently annoying word which no one really understands, "inflation".

The key to the admitted serious sickness of the Chilean economy lies in not treating "inflation" as an arbitrary economic tide, ebbing and flowing according to unseen lunar pulls every night on the national news. Inflation is, like most things, caused by men, rather than bacteria.

A good part of Chile's inflationary crisis (inflation is, after all, fundamentally a crisis in the distribution of wealth) can be laid at the doorstep of Washington and the international credit system which froze Allende out.

But the rest of the story is that inflation was the product of a class battle of gigantic proportions.

Everything began in 1970, when Allende decided on a general wage increase. The aim was to solve the problems of production facilities which were only partially exploited, redistribution of income and unemployment.

This resulted immediately in a rise in demand for consumer goods and services, which in turn produced a considerable production boom, and the gross national product jumped very considerably by 8.5 per cent. That was the year of the "Chilean miracle".

The *Manchester Guardian*, in an article by correspondent Pierre Kalfon, points out a few interesting things:

"In fact what happened was that the Chilean middle class, thanks to the role it played in the economy, benefitted more than any other social category from this favourable state of affairs, without however feeling they owed anything to Mr. Allende. On the contrary,

processed 2,796 corpses

poblaciones never wavered in their support of his government, for the fact was that the *rotos* (broken-down ones, as they are contemptuously called by the more affluent) had never had it so good . . . Presumably the junta believes that since the poblaciones provided the former government's main support, they must be terrorized into accepting the fact of its demise. So the local leaders are now paying with their lives for their love of Allende. Not one poblacion has escaped the terror.

I spoke with three women from the Pincoya poblacion. One of them, a mother of two, had just found out that she was a widow. She told me this tearful story: "Soldiers raided our poblacion last Saturday at 8 in the morning. In the section where we live, they rounded up about 50 men and held them until a police lieutenant came to take his pick. When the lieutenant saw my husband, he made him step forward and told him:

'Now you will pay for all you people have done.' The *carabineros* took him and a few others to the police station, and the rest were arrested by soldiers." For three days, she and the other women of Pincoya searched for their men in police stations and the two soccer stadiums where thousands are incarcerated. It was only after they heard that a 17-year-old boy from their block had been found at the morgue — shot in the head and chest — that they made the journey to see the lists of the dead. There they found her husband, Gabriel, as well as every adult male from one block of their poblacion . . .

The stories of atrocities are endless, and by now, inhabitants of the poblaciones are utterly terrified . . . "They can kill whomever they want to kill," says [Orlando] Contreras [of José María Caro poblacion] bitterly. "There is nothing, absolutely nothing, that we can do about it."

CHILE: A REPORT

the people who began in December 1971 to complain of extreme scarcities, which even now do not exist, belong to the upper crust of society."

The rate of inflation for May 1972 was higher than that of the entire preceding year. As the *Guardian* says:

"This was because the middle classes were putting into circulation their accumulated profits while making sure to pay no taxes by organizing a clandestine network to buy and sell staple goods. This is how the black market started. Under pressure of demand, "free" sector prices rose, leading in turn to higher manufacturing costs for articles with "frozen" prices. And these higher costs had to be counter-balanced by an additional issue of money . . .

"This explains the atmosphere of dissatisfaction and the present wave of strikes for wage increases — a phenomenon which the opposition is careful to exploit, when it is not actually instigating it. There is a growing scramble among the middle class, which is

still a privileged category, to convert a rapidly deteriorating paper-money into personal property and real estate.

"This disparity between supply and demand explains the disappearance of staple goods. People are now having to join long queues at the grocer's or the supermarket to buy sugar, oil, rice, soap, toothpaste, or knitting wool. There has even been such a shortage of flour over the last few weeks that bakers have shut shop.

"On the other hand, everything that is lacking in the shops can be found, without too much difficulty, 'elsewhere'. Veritable 'queuing professionals' have come into existence: whole families (which often come from the subproletariat) make purchases simply in order to resell at a higher price, and they make more money that way than if they had a regular job. Whether as buyers or sellers, practically all Chileans are involved in the black market.

"This is a dangerous situation for the

Government. While people spend hours queuing, the complaints fly thick and fast: 'Before Allende, we could find anything, now there's nothing any more and we have to queue.'

"There are very few who realize that previously, a kind of rationing was imposed by level of income."

Where the "disrupt and demoralize" tactic comes in is the opposition refusing, step by step, to allow any change in the tax system. Thirty per cent of the tax revenue is provided directly by rich taxpayers, 70 per cent by the population as a whole. The opposition refused to supply the necessary finances for wage re-adjustments, so once again the state has to turn to minting new money.

If this is still complex, it comes down to this: To even begin to redistribute income, it is necessary to have a credible grip on the financing system of the economy, on the wage system, on the tax system, on the price system. The opposition, through its majority in parliament, assured the failure of any redistribution of income, and saw to it that it was instantly dissipated in inflation of the currency instead.

In the meantime, breadlines aside, the middle classes were largely able to ensure they got what they needed through an entirely new economy that existed as a sort of tapeworm within the official economy — the highly organized black market.

That is the technical backdrop, the science of what was happening when the middle classes were confronted with the prospect of redistribution of income for the benefit of the working classes. Now here are the events — the ones we saw in the newspapers, if we saw them at all. The actual physical manifestations of a class war.

On April 19, to seek an almost arbitrary beginning, workers supporting the Christian Democrats went on strike at the El Teniente Copper Mine, keeping 30 per cent of the 12,000 member work force off the job. They were demanding a 41 per cent wage hike above and beyond the 100 per cent hike given all workers by the government. These workers were the skilled engineers and tradesmen, not the ordinary copper workers. This strategic strike crippled Chile in the middle of an extremely serious copper crisis, when Chile was starved for foreign currency. The strike was directly organized by the Christian Democrats.

ITT's 'Action Plan' for Chile

Much publicity has been given to the efforts of ITT (the International Telephone and Telegraph Co.) to prevent the election of Salvador Allende in 1970. Information produced at the U.S. Senate Committee investigation included an offer of \$1 million by ITT to Henry Kissinger, President Nixon's national security assistant, and to CIA head Richard Helms to help any government plan to stop Allende.

It is less well known that ITT's efforts continued after Allende took office. These included a plan to create so much economic chaos in Chile that Allende would not be able to govern. This action plan was sent to Peter Peterson, assistant to President Nixon for international economic affairs.

What happened in the White House after that is not known. It can only be said that the ITT plan closely resembles what actually happened, as the following excerpt from the plan makes clear:

* * *

Continue loan restrictions in the international banks such as those the Export/Import Bank has already exhibited.

Quietly have large U.S. private banks do the same.

Confer with foreign banking sources with the same thing in mind.

Delay buying from Chile over the next six months. Use U.S. copper stockpile instead of buying from Chile.

Bring about a scarcity of U.S. dollars in Chile.

Discuss with CIA how it can assist the six-month squeeze.

Get to reliable sources within the Chilean military. Delay fuel delivery to Navy and gasoline to Air Force. (This would have to be carefully handled, otherwise would be dangerous. However, a false delay could build up their planned discontent against Allende, thus, bring about the necessity of his removal.)

Help disrupt Allende's UNCTAD plans.

It is noted that Chile's annual exports to the U.S. are valued at \$154 million (U.S. dollars). As many U.S. markets as possible should be closed to Chile. Likewise, any U.S. exports of special importance to Allende should be delayed or stopped.

On June 20, the College of Medicine calls a 24-hour strike by all physicians; some teacher and student unions take part. All striking doctors are supporters of the Christian Democratic party.

On June 21, a pro-government workers' demonstration to counter the oppositions' walkouts of the previous day.

On July 20, a demonstration by workers supports the government and demands nationalization of 90 strategic factories.

On July 26, the Confederation of Ground Transport, an organization of truck owners, declares a national strike or lockout of truck transport. Transportation in Chile is frozen.

July 28: Striking truck owners are held responsible for over 50 fire and dynamite bombs which disabled government trucks and disabled train service in Southern Chile.

August 1: The *New York Times* reports Santiago is receiving only 30 per cent of its normal supplies. Attacks on the central railway system seem directed at isolating the capital from the seaports; rail lines are cut and bridges sabotaged. A dozen private business and professional organizations form a "civic front" and demand the ousting of President Allende. Over 100 acts of sabotage reported in the last 48 hours.

August 3: A major pipeline is blown up, with 25,000 gallons of fuel lost. Bombs explode at Communist Party and



President Allende greets a supporter

pro-government trade union headquarters.

August 4: President Allende charges that there is a concerted plan by opposition parties to bring about the overthrow of his government. Merchants begin to shut down their stores in the provinces.

On August 7, the *Wall Street Journal* reports a total of 200 bombings and terrorist attacks since the truckers' strike began 12 days ago.

August 8: Allende demands the resignations of two air force officers, as military raids on factories in search of left-wing arms caches continue. Right wing organizations like Fatherland and Liberty are allowed to retain their arms.

On August 9 the Chilean Medical Association plans to protest shortages of medicine and alleged presence of armed leftists in hospitals. Dentists announce they will join the strike. Chile's 150,000 shopkeepers and storeowners close down for half an hour to back the nationwide transport strike. Two thousand professional employees of the Ministry of Public Works and the state railway system schedule a 24-hour strike. Allende's entire cabinet resigns to pave way for a new government of military men, leftists, and non-political figures. The opposition insists on an all-military cabinet.

August 10 saw the escalation of bombings, direct calls for attacks on leftists and overthrow of the government by Fatherland and Liberty. A group of professional associations issue a statement calling for "rectification of the government".

Nixon declares economic war

"Thus, when a country expropriates a significant U.S. interest without making reasonable provision for such compensation to U.S. citizens, we will presume that the U.S. will not extend new bilateral economic benefits to the expropriating country unless and until it is determined that the country is taking reasonable steps to provide adequate compensation or that there are major factors affecting U.S. interests which require continuance of all or part of these benefits.

"In the face of the expropriatory circumstances just described, we will presume that the United States Government will withhold its support from loans under consideration in multilateral development banks.

"Humanitarian assistance will, of course, continue to receive special

consideration under such circumstances.

"In order to carry out this policy effectively, I have directed that each potential expropriation case be followed closely. A special inter-agency group will be established under the Council on International Economic Policy to review such cases and to recommend courses of action for the U.S. Government.

"The Departments of State, Treasury, and Commerce are increasing their interchange of views with the business community on problems relating to private U.S. investment abroad in order to improve government and business awareness of each other's concerns, actions, and plans. The Department of State has set up a special office to follow expropriation cases in support of the Council on International Economic Policy."

↑ August 12: Gunmen shoot at a bus and truck convoy making deliveries. In Lonoche a bridge was dismantled to prevent non-striking truckers from making milk collections.

August 14: The government is now providing military convoys to accompany truckowners who want to return to work.

August 17: The head of the State Economic Planning Agency reports the truckers' strike costs \$6 million a day. Factories are closing for lack of supplies and fuel.

August 18: Oscar Balboa, a leader of the pro-government truckers, is shot to death before his home.

August 21: Rafael Cumsile, president of the National Confederation of Retail Trade and Small Industry calls for a strike of the organization's 140,000 shopkeepers and the formation of "defense groups". Many professional associations join the doctors' refusal to work, including lawyers and pilots. Wives of military officers demonstrate in front of the home of the defense minister. A wave of terrorist attacks breaks out against the homes and shops of pro-government merchants.

August 24: High school students pour into the streets protesting the delayed start of school because of strikes — students are led by members of the opposition political parties. Physicians, dentists and pharmacists continue to remain on strike. There have been almost 600 dynamite attacks and other sabotage attempts in the last month.

August 30: Various employers' organizations form the Comando Unico Multigremial and call on the Armed Forces to "adopt a clear, immediate and definite attitude in defense of the fatherland and national security."

Sept. 1: White collar and professional workers en masse go on a prolonged strike.

Sept. 2: Eduardo Cruz Mena, president of the College of Physicians, already on strike, withdraws emergency shifts in hospitals. He says "It is certain many people will die as a result of the lack of medical attention; in wartime one has to kill."

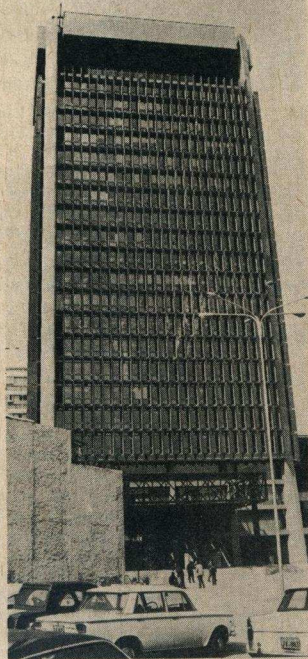
Cruz's statement was a frank acknowledgement of how bitter the conflict had become. Only nine days later, General Augusto Pinochet and his cohorts would take Cruz at his word.

Allende's death: the last hours in the Moneda

The junta claims that President Allende committed suicide. Their account was at first accepted uncritically by the press, although there have since been some second thoughts. Here are excerpts from Cuban Premier Fidel Castro's very different account of the last hours in the Moneda Palace.

* * *

photo: Prensa Latina



Junta headquarters:
Now renamed **Diego Portales Palace** in honor of Chile's first dictator, who ruled 1793-1837. It had been named after Nobel Prize winning poet **Gabriela Mistral**.

At approximately 9:15 in the morning, the first shots were fired from outside against the Palace. Fascist infantry troops, more than 200 men, were advancing along Teutinos and Morande Streets, on both sides of the Plaza de la Constitucion, towards the Presidential Palace. They were firing on the President's Office. The forces who were defending the Palace amounted to more than 40 men. The President gave orders to open fire on the attackers and he personally fired on the fascists, who retreated in disarray with several losses...

At approximately 12 o'clock the air attack began. The first rockets fell on the winter patio in the centre of the Moneda, perforating the roofs and exploding inside the buildings. Further waves of planes and further impacts came one after another, swamping the whole building in smoke and poisoned air.

The President gave orders to collect gas masks, inquired about the state of the ammunition supplies and exhorted the combatants to resist the bombing firmly.

The ammunition for the automatic rifles of the President's personal guard was nearly finished after almost three hours of fighting, so the President ordered the door to the armoury of the Palace Caribaneers' garrison to be broken down...

While the President took supplies from the armoury, the air attack was violently renewed. An explosion broke windows near to where the President was, scattering fragments of glass which injured him in the back. This was the first wound he suffered. While he was receiving medical attention he ordered the moving of the arms to continue, and he never stopped showing concern for each one of the comrades.

Minutes later the fascists violently renewed the attack, combining the air force action with the artillery, the tanks and the infantry. According to eyewitnesses "the noise, the gunfire, the explosions, the smoke and the poisoned



Allende's body is carried from the Moneda

air turned the Palace into a hell." Despite the President's instruction to turn on all the water faucets to avoid the ground floor going on fire, the Palace began to burn on its left wing, and the flames began to head for the military aides' room and the red salon. But the President, who was never discouraged for a minute, even at the most critical moments, ordered the massive attack to be met by all available means.

Then came one of the President's greatest deeds. While the Palace was wrapped in flames he crawled under the gunfire to his study, facing Plaza Constitución, personally took a bazooka, aimed it at a tank on Morande Street — which was firing furiously at the Palace — and put it out of action with a direct hit. Seconds later another combatant put a tank out of action.

The fascists brought in further armored cars, troops and tanks up to number 80 Morande Street, stepping up the fire on the door into the Moneda, while the Palace continued to burn. The President went down to the ground floor with several combatants to repel the fascists' attempt to get inside the Palace from Morande Street, and they drove them back . . .

Close on 1:30, the President went up to inspect the positions on the upper

floor. By that time several defenders had died from the gunfire and explosions or had been burned by the flames . . .

After 1:30 the fascists took over the ground floor and the fighting continued. The fascists tried to burst through up the main staircase. At about two o'clock they managed to seize a corner of the upper floor. The President was crouching, together with several of his comrades, in a corner of the red salon. As he advanced to the point where the fascists were breaking in he received a bullet in the stomach which made him double up with pain. But he did not stop fighting and, leaning against an armchair, he continued to fire against the fascists a few metres away, till a second bullet in the chest brought him down. As he lay dying, he was riddled by bullets.

On seeing the President fall, members of his personal guard counter-attacked forcefully and drove the fascists back once more to the main staircase. Then, amid the combat, there came a gesture of singular dignity: They took the President's inert body to his study, seated him on the Presidential chair, put on his President's sash and wrapped him in a Chilean flag.

Even after the death of their heroic President, the immortal defenders of the

Palace held off the savage fascist assaults for two hours more. It was only at four in the afternoon, after the Presidential Palace had been on fire for several hours, that the last resistance was put out.

U.S. ambassador: the right man in the right place

Nathaniel P. Davis, the U.S. ambassador to Chile, has had a revealing career.

1947-49: Served in the U.S. foreign service in Czechoslovakia.

1954-56: Political officer in the foreign service in Moscow.

1956-60: Chief officer in charge of Soviet affairs, State Department, Washington during the height of the Cold War.

1960-62: First secretary of U.S. embassy in Venezuela.

1962-65: Davis joined the Peace Corps and rose to position of deputy associate director. For one year he served as acting director in Chile. It is notable that Davis, who had been trained in one assignment after another as an expert on Communism and East European affairs should have been switched to the Peace Corps during the very time there was much debate in Washington over whether it should be used as an intelligence-gathering wing of the government. This is the period during which the CIA is known to have interfered in the Chilean elections, backing Eduardo Frei, who was elected president in 1964.

1965-66: Served as Minister to Bulgaria, with the purpose of establishing full diplomatic relations.

1966-68: Senior member of the U.S. National Security Council.

1968-71: Headed U.S. embassy in Guatemala, replacing John Gordon Main who had been killed by guerrillas. This was a peak period of the "pacification program" in Guatemala during which thousands were killed. †

1971: Davis was transferred to Chile

after Allende took office. He brought with him his experience as an expert on Communist affairs and on guerrilla and left-wing movements in Latin America.

December 1972: Prior to Allende's visit to the United Nations, Davis cabled President Nixon: "Perhaps what is significant now is growing conviction in opposition parties, private sector and others that opposition is possible Even more important is increasing realization that opposition is necessary. What government is doing goes beyond transactionalism. [Allende's] objectives are increasingly seen as incompatible and as going beyond what can be accepted. If opposition interests are to be protected, confrontation may not be avoidable."

September 8, 1973: Davis flew to Washington to meet with Secretary of State Henry Kissinger.

September 10, 1973: Returned to Chile.

September 11, 1973: The Chilean armed forces and police overthrew the Allende government.

Castro warned Chileans

On December 2, 1971, Cuban leader Fidel Castro concluded a tumultuous visit to Chile. Before returning to Cuba he spoke to a mass rally in the National Stadium in Santiago — the same stadium which now houses thousands of junta prisoners.

Castro's prophetic speech outlined many of the problems which he felt confronted the Chilean people. The excerpts printed below have an important bearing on the events that led to the putsch and the subsequent terror in Chile.

* * *

And — I repeat — we have learned something else. We have witnessed the verification of another law of history: we have seen fascism in action. We have been able to verify a contemporary principle: the desperation of the reactionaries, the desperation of the exploiters today tends toward the most brutal, most savage forms of violence and reaction.

You are all familiar with the story of fascism in many countries; in those countries that are the cradle of that

movement. You are all familiar with the story of how the privileged, the exploiters, destroy the institutions they created once those institutions — the very institutions they invented to maintain their class domination: the laws, the constitution, the parliament — are no longer of any use to them. When I say they invent a constitution, I mean a bourgeois constitution, because the socialist revolutions establish their own constitutions and forms of democracy. What do the exploiters do when their

A first-hand report on the prisoners in the stadium

Adam Garret-Schesh and his wife were in Chile two years preparing their dissertations on the rise of Allende's Unidad Popular Party.

They were arrested shortly after the coup, and taken to the National Stadium, where upwards of five thousand prisoners were being held.

They were released after a week, and arrived in Miami. This description is drawn from a telephone interview.

The pattern of events described within the stadium has subsequently been corroborated through missionaries expelled from Chile who have been able to talk to priests held in the National Stadium.

* * *

The shootings and the beatings were a very direct first-hand experience for us because of where we were placed. For most of the week we were held in a large hallway near the exit to the playing field. We were facing four of the five cells on our side, plus the interrogation rooms. So in fact we watched the two lines being made up — one of which got to be called the "life" line and the other the "death" line.

You could see clearly the whole pattern of the lines, a pattern each time the executions took place. In addition, because of where we were, under where the bleachers meet the ground, we watched the prisoners being beaten in

front of us — we were 50 yards from the entrance to the playing field.

In order to go to the bathroom we had to go through the gym locker rooms which became the cells, and there we were able to talk to people. Over the course of the week we got to most of the detention cells. So we knew who was in them, and who was no longer there.

We saw the sequence that preceded the executions several times. There was no mistaking it.

Every time a group of people of about ten to twenty were prepared for the firing squad, they were prepared in a special way, and they went through a

special registration desk. You could tell from the way that line-up was guarded that something serious was going to happen.

Every single time — and only when this line was being led out into the stadium, they would turn on the exhaust fans in the locker rooms, so the prisoners inside couldn't hear. But we were out in the hall, a very large hall with very wide doors leading out into the field. So we could hear a lot more.

Everytime the line was led out, the exhaust fans turned on, there would be every single time a prolonged burst of about a minute or so of automatic weapons fire.

At one point my wife was almost next to the door itself, like about five yards away, she happened to glance around (she wasn't supposed to be looking, the guard told her not to look) and she caught this incident: A young student was brought out with his hands behind his back, and a guard puts a cigarette in his mouth, lights the cigarette, and he was led away. Another was led away also. Then she heard what must obviously have been a group of prisoners

of the problems to come

own institutions no longer guarantee their domination? How do they react when the mechanisms historically depended upon to maintain their domination fail them? They simply go ahead and destroy them. Nothing is more anti-constitutional, more illegal, more anti-parliamentarian, more repressive and more criminal than fascism.

Fascism, in its violence, wipes out everything. It attacks, closes and crushes the universities. It attacks the intellectuals, represses them and persecutes them. It attacks the political parties and trade unions. It attacks all mass organizations and cultural organizations.

And we have been able to verify, in this unique process, the manifestations of that law of history in which the reactionaries and the exploiters, in their desperation — and mainly supported

start singing. And as they started singing, intensive shooting began. And as the shooting continued there was less and less singing. Until finally the singing stopped and the shooting stopped.

It's hard to imagine any other explanation for the sequence of events. We saw about 500 people go through the "death" line process. You never saw the faces again.

We were there about a week. We sat most of the day on a slab of foam rubber, sort of a mattress. People weren't allowed to mill about. The ages ranged tremendously. About five per cent of the prisoners were women. There were older men and even one very old woman I couldn't believe was any more than a beggar woman from her looks. But most of the prisoners were in their teens or twenties — though by no means exclusively.

In terms of the walks of life the bulk of people seemed poorer, and were definitely working people, but there was also a significant number of men and women who were well dressed. There was also a very large proportion of foreigners — a lot of people from Europe, a Canadian I think, some priests and missionaries.

from the outside — generate that political phenomenon, that reactionary current, fascism.

We say this in all sincerity: we have had the opportunity to see fascism in action.

Of course, it is said that nothing can teach the people as much as a revolutionary process does. Every revolutionary process teaches the people things which, otherwise, it would take dozens of years to learn.

This involves a question: who will learn more and sooner? Who will develop more of an awareness faster? The exploiters or the exploited? Who will learn the faster from the lessons of this process? The people or the enemies of the people?

(CASTRO'S AUDIENCE SHOUTS "THE PEOPLE!")

Are you absolutely sure — you, the protagonists in this drama being written by your country — are you completely sure that you have learned more than your exploiters have?

(CASTRO'S AUDIENCE SHOUTS "YES!")

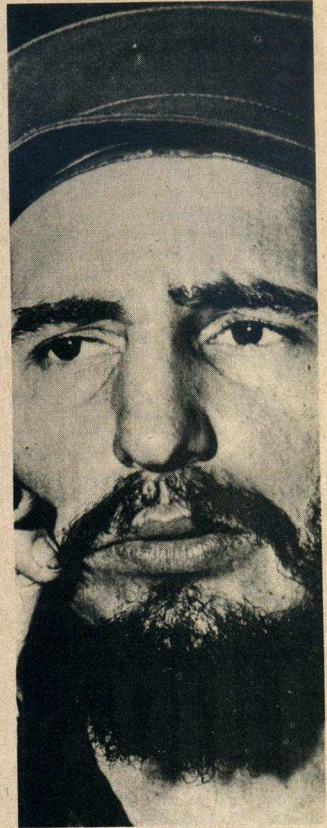
Then, allow me to say that I don't agree — not with the President [Allende] but with the mass.

Tomorrow there'll be a headline in some paper somewhere in the world, reading, "Castro disagrees with the masses." We disagree on one aspect of the appreciation of the situation.

In this sort of dialogue on scientific and historic matters, we can say that we are not completely sure that in this unique process the people, the humble people — which constitute the majority of the population — have learned more rapidly than the reactionaries, than the old exploiters.

And there's something else: the social systems which the revolutions are transforming have had many years of experience to their credit — many, many years of culture, technology and tricks of every kind to use against revolutionary processes. They face the people — who lack all that experience, know-how and technology — armed with the experience and technology accumulated through the years.

Is it because the people lack qualities?



Premier Fidel Castro

Is it because the people of Chile lack patriotic virtues, character, courage, intelligence and firmness? No! We have been deeply impressed when we spoke with the farmers here, after having chatted with them for half an hour, we'd ask them how far they'd gone in school, and they'd answer, "We don't even know how to read or write." . . .

We have seen, in the Chilean people, qualities which our people lacked in the early days of the Revolution: a higher level of culture, a higher level of political culture, a much higher level of political culture! This is because the situation in our country was different from here. For example, an electoral victory for the Marxist parties — that is, the Commun-

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ist Party and the Socialist Party — and other organizations which supported those parties.

In regard to political culture, you have started from a higher level than ours. Moreover, you start from a patriotic tradition which dates back 150 years. You start from a much higher level of patriotic awareness. A higher awareness of the problems in your country

From the economic standpoint, Chile has more economic resources than Cuba. Chile has an incomparably higher economic development than Cuba, based on a natural resource which it now owns In other words, you start from a technological and industrial level much higher than the one that existed in Cuba.

Therefore, all the human conditions, all the social conditions that make for advance exist in this country.

However, you are faced with something we didn't have to face. In our country, the oligarchs, the landowners, the reactionaries, didn't have the experience that their colleagues here have. Over there, the landowners and the oligarchs weren't in the least concerned about social changes. They said, "The Americans!" — they called everybody from the United States Americans — "will take care of that problem. There can't be any revolutions here!" And they went to sleep on their laurels.

This is not the case in Chile, though!

The reactionaries and the oligarchs here are much better prepared than they were in Cuba. They are much better organized and better armed to resist changes, from the ideological standpoint. They have all the weapons they need to wage a battle on every field in the face of the process's advance. A battle on the economic field, on the political field and on the field of the masses — I repeat — on the field of the masses!

Now, then, we have beaten them everywhere. We beat them, first, on the ideological field; second, on the field of the masses; and third, on the field of armed battle.

In our opinion, the problem of violence in these processes — including the Cuban process — once the revolution is in power, does not depend on the revolutionaries. It would be absurd, incomprehensible and illogical for revolutionaries to engage in violence when they have an opportunity to advance, to create, to work, to march

toward the future. Therefore, it isn't the revolutionaries who promote violence in these circumstances. And, in case you didn't know this, you'll find out through experience.

That's the experience we went through when the Cuban revolutionary movement won

We were simply amazed when we heard the President [Allende] say that a very important newspaper in Washington — or New York — has published statements by a high-ranking government official who said that "the days of the popular government in Chile are numbered."

I would like to point out that it's been many a year since some crazy U.S. official had the idea of saying that the days of the Cuban Revolution were numbered.

It would be logical, in view of a statement like that, not only to get angry, to protest the insult to one's dignity, to protest against the offense, but also to ask what makes them believe such a thing and why they feel so confident about it. What kind of calculations did they make? What computers did they put into operation to figure this out? This doesn't mean that Yankee computers don't make mistakes. They do, and we know it by experience

Nevertheless, one must ask what are the grounds for such optimism, for such an assurance, and where does the encouragement come from. And you are the only ones who can supply the answer.

Or maybe you'd be interested in hearing the opinion of a visitor who is not a tourist? Do I have your permission to express it?

(CASTRO'S AUDIENCE SHOUTS "YES!")

All those in favour, raise their hands. (ALL HANDS GO UP)

Well, in view of the permission granted me in this sort of plebiscite — to express my opinion in matters of concept, I say that such confidence is based on the weakness of the very revolutionary process, on weaknesses in the ideological battle, on weaknesses in the mass struggle, on weakness in the face of the enemy! And the enemy outside, which supports the enemy at home, tries to take advantage of the slightest breach, of the slightest weakness.

You're going through a period which is very special, albeit not a new one,

in the matter of the class struggle. There are countless examples of this. You're going through that period in the process in which the fascists — to call them by their right name — are trying to beat you to the streets, are trying to beat you out of the middle strata of the population. There is a specific moment in every revolutionary process when fascists and revolutionaries engage in a struggle for the support of the middle strata.

The revolutionaries are honest. They don't go around telling lies. They don't go around sowing terror and anguish or cooking up terrible schemes.

The fascists Well, the fascists stop at nothing. They'll try to find the weakest spot. They'll invent the most incredible lies. They'll try to sow terror and unrest among the middle strata by telling them the most incredible lies. Their objective is to win over the middle strata. Moreover, they'll appeal to the basest sensibilities. They will try to arouse feelings of chauvinism

If you want my opinion, the success or the failure of this unusual process will depend on the ideological battle and the mass struggle. It will also depend on the revolutionaries' ability to grow in numbers, to unite and to win over the middle strata of the population. This is because in our countries — countries of relatively little development — these middle strata are quite large and are susceptible to lies and deceit. However, in the ideological struggle, nobody is ever won over except through the truth, sound arguments and by right. There is no question about that.

I hope you will win. We want you to win. And we believe that you will win!

There was something which made a deep impression on us today, and that was the words of the President, especially when he reaffirmed his will to defend the cause of the people and the will of the people. Most especially when he said a history-making thing: that he was the President by the will of the people and that he would fulfil his duty until his term was over or until his body was taken out of the Palace. Those of us who know him know very well that the President is not a man of words but a man of deeds. All of us who know his character know that this is the way he is.

We saw how the people reacted to the President's words

Canada cuts off loans to Allende

Until shortly after Salvador Allende was elected President, the Canadian government's Export Development Corporation had loans out to Chile of \$24.7 million.

At the same time, the EDC had loans out to Brazil of only \$13.2 million.

By 1972, a dramatic change had taken place. Loans to Chile had been frozen, and remained frozen. Aid to the military junta in Brazil, on the other hand, multiplied several times, reaching \$62.5 million.

Something had happened, and at least two Members of Parliament — Conservative Wally Nesbitt and New Democrat John Harney — had no doubt

what that something was.

During a debate in the Commons, Nesbitt said: "There is one firm that I have referred to before in this House whose application to the Export Development Corporation was turned down under very strange circumstances. The Corporation had earlier agreed to this particular loan but later refused it. I, personally, made a phone call to find out the details and was told by a senior official of the department that it was government policy not to make any further loans, directly or indirectly, to Chile. Of course, one wonders why because in the past the record of that country has been good I am aware that

Chile's credit is probably not very good but other branches of government have not hesitated to extend loans to countries like Pakistan and others of questionable political value in southwest Asia"

Nesbitt went on to say that this could only lead people to believe that "some kind of sleazy international interference is going on and that perhaps our government, perhaps with some foreigners, is interfering in the internal affairs of another country."

Harney of the NDP noted the shift in financing from Chile to Brazil and said: "One does not have to look for conspirators in these things, but one can be led to believe that there may have been some influence on the EDC which said, 'Look here, Chile isn't a good bet any more because it has a Marxist president, and besides Chile has done the nasty thing of expropriating or nationalizing large American corporations in Chile. Brazil, on the other hand, is safe. Brazil has a fine, stable government, and we are going to lend our money there.'"

That Canada, like government and business in the United States, should have favoured cutting off loans to the Allende government is not surprising in view of the make-up of the Export Development Corporation (see *Last Post*, Vol. 3, No. 2, for other EDC operations).

Its board includes businessmen from the private sector as well as public servants. Canadian businessmen, like their American confreres, have found Latin America a lucrative hunting ground. And this group has had strong

In the House of Commons

Macdonald shouts 'No' to the motion

The following exchange took place in the House of Commons the day after the coup d'etat when NDP leader David Lewis moved a motion of sympathy for the people of Chile. Note Energy Minister Donald Macdonald's attitude to the tragic events.

* * *

Mr. Lewis: If I could obtain unanimous consent for this motion I am sure it could be put without debate. I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House extend its sympathy to the people of Chile in the tragic death of their President and express the hope that democratic institutions will be restored without delay.

Mr. Speaker: This motion, also, is proposed under the terms of Standing Order 43 and requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

An hon. Member: No.

Mr. Speaker: There is not unanimous consent. The hon. member for Prince Edward-Hastings seems to question the decision of the Chair. I will inquire again. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Macdonald (Rosedale): No.

An hon. Member: Who said no that time?

Mr. Macdonald (Rosedale): I did.

TEN INTERNATIONAL COMMITTEES IN CANADA (Vancouver to Halifax)

appeal for help for South Vietnamese political prisoners

"Anyone who goes to Saigon today must ask him or herself: What kind of mentality could produce this nationwide police apparatus, this attempt at the control and surveillance of 18 million people?"

"... It is a mentality which uses the language of freedom in public, even as it sets monthly kill quotas in private."

(Fred Brantman, testimony in U.S. Congressional Asian and Pacific Affairs Subcommittee, Sept. 13, 1973)

Information from and donations to: THE INTERNATIONAL COMMITTEE TO FREE SOUTH VIETNAMESE POLITICAL PRISONERS

Canadian Council of Churches, 40 St. Clair Avenue East, Toronto M4T 1M9, Ontario. Phone (416) 921-4156/2

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representation on the board of the EDC.

Members from the private sector since 1969 have been:

- Arthur F. Mayne, until his death in 1972. He was president of Kennecott Canada, a director of the U.S. parent company and a director of Braden Copper, which was Kennecott's subsidiary in Chile. After the Allende government nationalized Braden Copper and other foreign copper holdings, Kennecott launched a massive propaganda war against Allende and acted to prevent Chile from selling its copper in the Western world.

- P.H. Leman, the president of the Aluminum Company of Canada, the main subsidiary of Alcan. Alcan has large investments in Latin America, though not in Chile itself.

- A.H. Zimmerman, vice-president of the resources giant Noranda Mines. Noranda controlled Chile Canada Mines which was expropriated in 1971. Compensation was paid in the amount of \$4.1 million, only slightly less than Noranda's evaluation of \$4.5 million. In 1969 and 1970, Canadian imports of

Chilean copper had been worth less than \$25,000. In 1971 there was a dramatic jump to over \$9 million. The trade and commerce department says there was a single large purchase of about \$5 million and some of its officials suspect Noranda was responsible, acting to get surplus stocks of copper out of Chile before the expropriation deadline.

- R.D. Southern, president of Atco Industries and a director of Crown Zellerbach of Canada. Crown Zellerbach International has a specialty papers mill in Chile.

- P.R. Sandwell was on the board from 1969-71. He is president of Sandwell and Co. which has at least one engineering contract in Chile.

- I.S. Ross, president of Swan and Wooster Engineering, replaced Sandwell. His company is 40 per cent owned by Sandwell.

It is not difficult to imagine the attitude of these businessmen toward the Allende government.

Interestingly enough, the overthrow of Allende may have come just in time to allow completion of a \$5-million deal

between de Havilland Aircraft of Canada and Chile's domestic airline — with EDC financing. According to a report in the *Toronto Globe and Mail*, the coup d'état has made it possible for the EDC to resume making loans to Chile, and the de Havilland deal was a factor in Canada's swift recognition of the military junta.

The EDC is not the only financial institution through which Canada associated itself with the economic campaign against Chile. Canada is a member of the U.S.-dominated Inter-American Development Bank which, along with every other financing institution the U.S. could reach, cut off credits to Chile. Since the coup, the Inter-American Development Bank has rushed to resume loans to the junta.

Federal spokesmen can say that Canada did not consider politics in its loans policy, and acted strictly on economic grounds. But those "economic grounds", practised by both the U.S. and Canada, amounted to a campaign of economic warfare against Chile.



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Ottawa's ambassador defends the junta

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---CHILES MILITARY GOVT

IN OVERTHROWING ALLENDE GOVT CHILES MILITARY AND POLICE HAVE ACCEPTED EXCEEDINGLY DIFFICULT AND PROBABLY THANKLESS TASK. OUR REGRET THAT EXTRA CONSTITUTIONAL AND UNDEMOCRATIC MEANS WERE ADOPTED MUST BE TEMPERED IN MY VIEW BY FOLLOWING MAIN CONSIDERATIONS:

- A. DISINTEGRATION OF NORMAL INSTITUTIONAL SYSTEM HAD BROUGHT COUNTRY TO VERGE OF ANARCHY AND, GIVEN INTRANSIGENCE OF POLITICIANS, ARMED FORCES COMMAND STRUCTURE OFFERED ONLY APPARENTLY VIABLE TEMPORARY ALTERNATIVE.
- B. MILITARY HAD EXHAUSTED, AT LEAST IN OWN VIEW, POSSIBILITIES OF PARTICIPATING OR COLLABORATING WITH ALLENDE SHORT OF BEING COMPROMISED AND EXPLOITED FOR HIS POLITICAL PURPOSES.
- C. UNITY AND CONSTITUTIONAL IMPARTIALITY OF MILITARY WAS UNDER IMMED THREAT THROUGH ACTIVE AND OPEN CAMPAIGNS BY MARXISTS BOTH WITHIN UP AND MIR ON LEFT AND ULTRAS ON RIGHT WHICH MIGHT

...2

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HAVE SET STAGE FOR FULLSCALE CIVIL WAR.

D. POPULATION MUST BE FED WHICH IN TURN MADE IT IMPERATIVE THAT TRUCKERS BE PUT BACK TO WORK AND SEEDING AND FERTILIZING OF THIS YEARS CROPS PROCEED IN SOME SEMBLANCE OF CIVIL ORDER.

E. INFLEXIBILITY OF CHILEAN CONSTITUTION WHICH PREVENTED DEMOCRATIC SOLUTION OF IMPASSE.

2. PRESS REPORTS REACHING ARGENTINA INDICATE CABINET WILL BE ENTIRELY MILITARY. I CONSIDER THIS HOPEFUL SIGN THAT ARMED FORCES ARE DETERMINED TO AVOID BECOMING IDENTIFIED WITH ANY POLITICAL CURRENT AND COURSE MOST CONDUCTIVE TO OBTAINING SUPPORT I AM SURE THEY WILL SEEK FROM WORKERS. IT WOULD BE MISTAKE TO CONSIDER ACTION MILITARY TOOK AS QUOTE RIGHTIST COUP UNQUOTE. CHRISTIAN DEMOCRATS, LARGEST AND MOST DEMOCRATIC MINDED OF CHILES MANY PARTIES, WERE ON RECORD AS OPPOSING MILITARY OVERTHROW BUT HAD CALLED ON ALLENDE TO QUOTE RECTIFY OR RESIGN UNQUOTE AND LAST WEEK OFFICIALLY PROPOSED SIMULTANEOUS RESIGNATION OF PRES AND ALL MEMBERS CONGRESS FOLLOWED BY NEW ELECTIONS WITHIN 30 DAYS. NOW THAT COUP HAS OCCURRED ACCORDING TO PRESS REPORTS HERE PARTY HAS INSTRUCTED MEMBERS TO DECLINE POSITIONS IN GOVT. I INTERPRET THIS AS INDICATION THAT PDC WHILE NOT/NOT WILLING TO PARTICIPATE PROBABLY IN PRACTICE WILL COOPERATE WITH JUNTA IN SETTING STAGE FOR FUTURE

...3

When the putsch that overthrew the Allende government took place, Canada's ambassador, Andrew Ross, was in Argentina buying a car. From there he cabled a confidential report to the External Affairs Department two days after the coup.

This cable, which is reproduced photographically below, is a virtual PR job for the junta, picturing the generals as moderate men who have taken on a difficult and thankless, but necessary task.



Canadian
Ambassador
Andrew
Ross

PAGE THREE 786 CONFD

ELECTIONS, THIS TOO IS POSITIVE DEVELOPMENT FOR HAD THEY CHOSEN TO ACTIVELY OPPOSE IT POSITION OF JUNTA WOULD HAVE BEEN PERILOUS INDEED.

3. SOME STUBBORN EXTREME LEFT RESISTANCE OBVIOUSLY CONTINUES AND MAY PERSIST FOR LONG TIME BUT I ASSUME MODERATES OF ALL POLITICAL PERSUASIONS WILL TEND TO SWING BEHIND INTERIM GOVT IF FOR NO/NO OTHER REASON THAN ALTERNATIVE NOW SEEMS CIVIL WAR AND UTTER CHAOS.

4. RUMOURS HERE THAT GEN PRATS MAY BE TRYING TO LEAD COUNTER COUP. EVEN IF TRUEN WHICH I DOUBT AND SUCCESSFULLY CARRIED OUT RESULT WOULD BE SUBSTITUTION OF ONE UNCONSTITUTIONAL REGIME FOR ANOTHER AT COST OF FURTHER BLOODSHED.

5. ASAP AFTER I CAN RETURN TO STAGO I WILL TRY TO ASSESS EXTENT OF JUNTAS EFFECTIVE CONTROL. HOWEVER ON PRESENT READING AND AT THIS DISTANCE I CAN SEE NO/NO USEFUL PURPOSE IN WITHHOLDING RECOGNITION UNDUPLY. INDEED SUCH ACTION MIGHT EVEN TEND TO DELAY CHILES EVENTUAL RETURN TO DEMOCRATIC PROCESS. FROM MY KNOWLEDGE OF VIEWS OF SENIOR MILITARY OFFICERS UNLIKE BRAZILIAN OR PERUVIAN MODELS THEY WOULD INTEND TO TURN GOVT BACK TO CIVIL AUTHORITY WITH MINIMUM DELAY FEASIBLE.

ROSS

132230Z 730

Allende: he served democracy 40 years

1932: In the depth of the Depression which, according to League of Nations statistics, hit Chile more than any other country in the world, a Colonel Marmaduke Grove and Eugenio Matte seize power and proclaim a Socialist Republic. Within 12 days a military coup overthrows Grove. Salvador Allende, a medical student, is arrested and jailed.

1933: The Socialist Party of Chile is formed. The party is created from the merger of five small socialist groups which supported the short lived Socialist Republic. Salvador Allende is one of the founders of the Socialist Party.

1935: The Communist, Socialist and Radical parties unite for the first time in a Popular front. (The Communist Party grew out of the Chilean Socialist Workers' Party which was founded in 1912. In 1919 it joined the Communist International. By 1931, the Communist Party was strong enough to force official recognition, allowing it to field candidates in local and national elections.)

1947: The Communist Party, which has three representatives in a cabinet under President Videla, scores impressive gains in local elections. It wins 18 per cent of the total vote but wins 71 per cent of the coal miners' vote, 63 per cent of the nitrate miners' vote and 55 per cent of the copper miners' vote.

Shortly after this election, the Communists are dismissed from the cabinet, and thousands of Communists arrested and many deported. Senator Pablo Neruda is unseated. Several months later the Communist Party is officially outlawed.

1952: Salvador Allende's first presidential campaign. He represents a Communist-Socialist Coalition. (The CP is still illegal and supports Allende from underground.) Allende receives only 5.4 per cent of vote. Although women won voting rights in 1949, Chile is still far from universal suffrage. By 1957, 19 per cent of the Chilean population cast ballots. Illiterates, for example, are disenfranchised until 1970.

1953: The militant Central Workers' Federation is formed, ending a long period of division within the Chilean Trade Union movement. By 1970, CUT will become an important element in the Allende coalition.

1955: A development advisory com-

mission releases a blueprint for Chilean economic development. The mission, led by a retired vice-president of the American National City Bank and organized by a Washington consulting firm, Klein and Saks, urges a cut-back in social reforms, a reduction of governmental intervention in the economy and the encouragement of foreign investment.

1956: The Popular Action Front (FRAP) is formed. It is a coalition of Communist and Socialist parties as well as several smaller groupings. Unlike the Popular Front of the 1930's and the Unidad Popular (Popular Unity Front) of 1970, FRAP does not include the centrist Radical Party.

1958: The Communist Party is again legal and plays an important role in the FRAP election campaign which sees its candidate for President Salvador Allende narrowly lose to the conservative Alessandri.

1961: Municipal elections indicate a trend away from the Alessandri government and FRAP candidates register significant gains.

1964: In the presidential elections, Eduardo Frei of the Christian Democrats defeats Salvador Allende. Frei's campaign, heavily subsidized by the United States, is based upon a frenzied anti-Communist propaganda assault, and also promises a "Revolution in Liberty" which includes promises of a land reform and steps to "Chileanize" the economy.

1967: Municipal elections mark an upsurge of the left. The left wins 30 per cent of total vote and Christian Democrats achieve 35.6 per cent. Inflation is again rampant in Chile and a nationwide strike is called to protest government plans to cut wages and prohibit strikes.

1968: In a special Senatorial election, the Radical candidate wins with the support of the Socialists and Communists. This election foreshadows the Unidad Popular.

1969: Parliamentary elections in which the Christian Democrats lose absolute control. They win 29.8 per cent of vote while Socialists and Communists win 28.1.

1969: Christian Democratic Party splits with a left-wing faction forming an in-

dependent party which later becomes a part of the Unidad Popular.

1969: Two army units under the leadership of an ultra-rightist General, Viaux, revolt in Santiago. The Frei government moves quickly to suppress the coup. Next year, General Viaux will be implicated in the murder of the Commander-in-Chief of the Army, Rene Schneider. In 1969 the Coordinating Committee of the Unidad Popular is formed and the Basic Program of Government, The Unidad Popular's program, is approved.

1970: Salvador Allende is nominated as the UP's presidential candidate. In the September election Allende wins the presidency with 32.6 per cent of the vote. After several weeks of stormy events, including the assassination of army chief Schneider in a plot to provoke a military coup, Congress proclaims Allende president. On November 3, Allende is inaugurated.

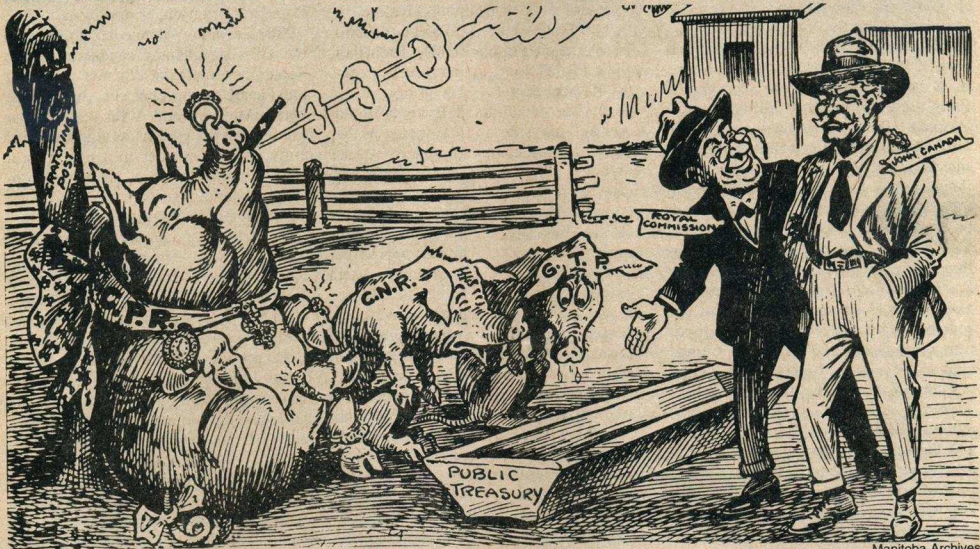
1971: Chilean government nationalizes copper mines. United States denies Export-Import Bank credits. Nathaniel P. Davis is appointed U.S. ambassador to Chile. (See story on the career of Ambassador Davis.)

1972: Moves by U.S. government and copper corporations place severe restrictions on Chile's international credit. American columnist Jack Anderson reveals ITT attempts to block Allende's election and later to overthrow him. Strike by truck owners, merchants, professional unions and manufacturers cost Chile \$100-150 million. Right-wing vigilante groups organized in wealthy areas of Santiago.

1973: Unidad Popular increases popular support in Congressional elections. U.S. government demands compensation for nationalized U.S. companies as precondition for debt renegotiation. Highly-paid copper workers strike. Riots and demonstrations lead to declaration of state of siege. Truck owners and later professional unions resume strike. Allende's aide-de-camp assassinated. Allende brings military officers into cabinet. Right-wing military junta overthrows Allende government; Allende and thousands of his supporters are killed.

The CPR still rules the West

by Robert Chodos



Manitoba Archives

A POOR BUSINESS PROPOSITION

Royal Commission:—"Now, John, I'd like to see you buy these two small pigs. True they're poor and mean and scrawny and the price is high and you'll lose money on them, but you ought to buy them.

John Canada: "Not much. I'll take all three or none."

From the Grain Growers' Guide, Winnipeg, May 9, 1917.

"Bleh!" was *Toronto Star* Editor George Bain's comment, and under the circumstances one had to applaud Bain for his moderation and restraint.

The occasion was the Western Economic Opportunities Conference, cooked up by the federal Liberal government to liven the summer political doldrums and improve their own desperate electoral situation in the western provinces. WEOC was an idea that had germinated in that dark period after October 30, 1972, when the Liberals suddenly found themselves with only seven members of parliament from west of Kenora. The Atlantic Provinces were something of a desert

for the Liberals, and Ontario a disappointment, but the west was a disaster.

So WEOC was announced in the throne speech on January 4, its stated purpose being "to consider concrete programs for stimulating and broadening the economic and industrial base of western Canada." A reporter asked Martin O'Connell, just finding his feet as Prime Minister Trudeau's principal secretary, why such a conference was being proposed for the west, and not for other regions with weak economic and industrial bases, such as the Atlantic provinces.

O'Connell said that "the mechanisms are already in

place" to deal with the problems of the Atlantic provinces, that the region was being adequately taken care of by the Department of Regional Economic Expansion; a statement which, translated, meant that the Liberals had actually gained three seats in the Atlantic provinces (to a total of five outside of French-speaking New Brunswick), about the best that could have been expected, and that no further action was considered necessary.

In short, WEOC was an electoral exercise (anyone who believed otherwise, Bain said, was an "incurable innocent"). It is in the nature of electoral exercises that concessions are made. But it is also in the nature of electoral exercises that these concessions don't go too far.

At WEOC, the candy machine was turned off when the discussion came around to freight rates. Freight rates have long been synonymous with the regional grievances of the West. And the Western Economic Opportunities Conference demonstrated why.

In a statement, the four western premiers said that "in our judgment the greatest single impediment standing in the way of the development of Western Canada's full potential is transportation freight rates, which discriminate against the West." They pinned the blame for that discrimination on the National Transportation Act, the six-year-old legislative umbrella that allows the railways virtually total freedom to set their own rates, and demanded that the Act be changed "to insert a positive commitment to promote regional development."

Prime Minister Trudeau, Transport Minister Jean Marchand and the other federal representatives at the Conference could not agree. They agreed to the obvious observation that there was, in fact, discrimination against the west. But they did not agree that that discrimination was in any way related to a piece of legislation that had been written with the railways' balance sheets rather than the needs of railway users in mind. They refused to make the commitment the four premiers wanted, and turned the whole question over to the Canadian Transport Commission for examination.

Alberta's Peter Lougheed, speaking for the western premiers, expressed his "disappointment" with the federal government's response.

It was an indication that whatever had changed in Canadian politics in a hundred and twenty years, certain basics had remained the same. In the 1850s, one Allan MacNab, simultaneously president of the Great Western Railway and Prime Minister of the united province of Canada, had immortalized himself by noting, quite logically, that railways were his politics. In the 1880s and 1890s, the Dominion government was said to be the political arm of the Canadian Pacific Railway, and the CPR, in turn, to be the government of Canada on wheels.

As the twentieth century proceeded, Ottawa was thought to have passed from the influence of railways to that of more forward-looking institutions such as mining and oil companies. But if the railway power has been somewhat diluted over the years, it has by no means disappeared. When an issue arises that is sufficiently crucial, the presence of the railways will be felt.

WEOC was one such occasion. The federal ministers did not say that the reason the National Transportation Act would not be changed was that the railways did not want it changed. They did not have to. The west knows that, in broad areas of policy, the government of Canada speaks for the railways and particularly for one of the largest and most powerful

corporations in the country — Canadian Pacific.

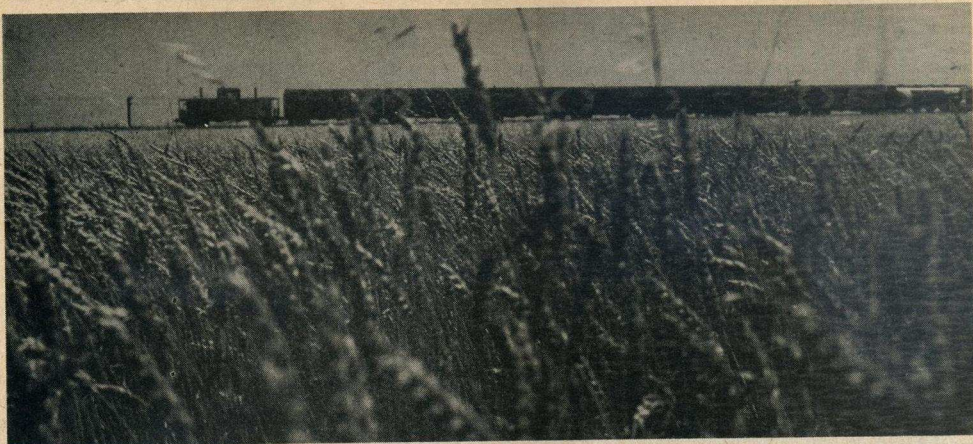
The classic CPR joke is the one about the western farmer who returns home one afternoon to discover that a hailstorm has destroyed his wheat crop, his farmhouse has been struck by lightning, and his wife has run off with the hired man. He raises his eyes heavenward, shakes his fist angrily, and yells, "Goddamn the CPR!"

The story is usually told by CPR propagandists to demonstrate the irrationality of western opposition to the railway. Ronald Keith, executive assistant to Canadian Pacific Air Lines President Grant McConachie until McConachie's death in 1965, told it in his adulatory biography of his ex-boss to show that western "resentments against the CPR... were usually illogical, since the company had spent millions in fostering settlement of the wheatlands, had assisted homesteaders with generous loans, and had written off \$37 million in mortgages in the depth of the depression." But the story has another point as well. For if the mythical farmer's perspective is distorted, the distortion nevertheless has very deep roots in reality, much as does that of the goldfish who finds proof of the existence of God in the fact that the water in its bowl is changed every day.

Westerners regard the East with many of the same suspicions that Maritimers hold toward Upper Canada, Newfoundlanders hold toward the mainland, Quebecers hold toward *les Anglais*, and northern Ontario residents hold toward the bureaucrats in Toronto who don't understand their problems. Only southern Ontario, and its satellite community of English Montreal, are free from this sort of regionalism, for the perfectly logical reason that they have benefited most from the interregional arrangements on which the country is based. But western Canada, and the Prairies in particular, are in a fundamentally different position from any other region. French Canada, the Maritimes and Newfoundland were all older civilizations that were unable to stand up economically to the newer, more aggressive society that grew up in southern Ontario (let alone the United States), and were drawn into its orbit. All three look to their original cultures and sets of values at least as much as they do to the ones that were imposed on them from Toronto and Ottawa.

In contrast, the only pre-Canadian western history of any significance is Indian and Métis history, and in the West, as everywhere else, the Indians and the Métis have been reduced to a remnant. The economic basis of western society as we know it today is a creature of central Canada, and its creation was carried out in central Canadian interests. If the western farmer began to find early in this century that the grain-marketing system, the transportation system, the banking system and the political system—the whole interlocking array of eastern Canadian institutions that put him on the land in the first place—did not operate in his interests, that was because they were never intended to. More than in any other region, strong voices in the West have expressed dissatisfaction with the economic relationships that exist in this country, but all the East would ever allow was a certain amount of tinkering with those relationships to remove only their worst effects.

The chief partner of the federal government in setting up those relationships, and the most visible representative of



There are few alternatives to rail transport on the prairies, and so railway issues are much more important there than in central Canada.

eastern interests in western Canada, has been the Canadian Pacific Railway. On the non-transportation side, Canadian Pacific participation in such other economic activities as real estate, mining, oil, and forest industries is particularly extensive in western Canada. But the railway itself is probably even more important; because of their agricultural economy and the distances that separate them from eastern population centres, transportation questions are crucial in the prairie provinces, and the lack of water routes gives the railway a more central role than in the valley of the St. Lawrence. In central Canada freight rates are merely freight rates. On the Prairies freight rates are a visible manifestation of the unequal economic rules within which the West has to operate, and a convenient symbol to fight against.

In central Canadian newspapers, stories about freight rates are rare, and usually limited to a report on some western premier or MP complaining about them. In western newspapers, stories about freight rates are frequent and insistent. On December 11, 1969, the *Calgary Herald* reported "MP to fight freight rates setup." On May 12, 1970, the same paper said "Alter rail rates first, Saskatchewan suggests." On January 28, 1971, "Regina makes pitch for lower freight rates." On February 20 of the same year, "High freight, interest rates blamed for unemployment." On July 22, "Rail freight rate increase protested." On November 9, "Provinces urge rail rate probe." On March 11, 1972, "Railways blasted for 'blackmail, conspiracy.'" On July 26, "Blakeney demands freight adjustment." On August 30, "Lougheed predicts revival of big freight rate battle." And on January 19, 1973, it was "Those freight rates again."

The list is only partial, and a similar one could be compiled from any western paper. One would never know that the western freight-rate problem was supposedly solved in 1897 when rates on the most important western product, grain, were made the subject of a deal between the CPR and the Government that is still in effect: the Crow's Nest Pass agreement. There are a lot of commodities the agreement doesn't cover. And even in areas it does cover, freight rates are often still an issue—to the West. When the newest western

glamour crop, rapeseed, first began to be grown in substantial quantities after the Second World War, its producers succeeded in having it made eligible for the Crow's Nest Pass rates. One result of this has been that the rapeseed-crushing industry has located largely in central rather than western Canada, and western rapeseed-crushers have been struggling to survive. Rapeseed oil (an edible vegetable oil) does not come under the Crow rates, and hence it is considerably cheaper to ship unprocessed rapeseed east and crush it there than it is to crush the seed in the West and ship the oil and rapeseed meal (an animal feed) to the eastern market. The transportation cost for 100 pounds of rapeseed crushed at Lethbridge, Alberta, and then shipped as oil and meal by CP Rail to Montreal is 103.1 cents, while if the same 100 pounds of rapeseed is shipped from Lethbridge to Montreal to be crushed, the transportation cost is only 68.5 cents.

The western rapeseed-crushers took their case to the Canadian Transport Commission which, although highly critical of the railways' rate-making policies, gave the prairie producers only partial relief, ordering a reduction of the rates on rapeseed meal but not on rapeseed oil. The Commission's comments on the process by which the railways set rates on rapeseed products were revealing: "The railway companies seek to find a rate under which the shipper is prepared to deliver the traffic for carriage and which, at the same time, will give the railway companies the maximum revenue return. One railway witness in describing this process, after drawing attention to the requirement that the rate be such that the shipper will actually offer traffic for carriage, described it as charging what the traffic will bear."

The rapeseed example also attracted the attention of an Edmonton economic consulting firm, Hu Harries and Associates Ltd., in a remarkable study done for the Calgary Chamber of Commerce in 1971. The study concentrated on the relationship between the freight-rate structure and the lack of secondary industry in the West; it noted that "in 1970 Canada Packers Ltd. announced plans for the construction of a substantial addition to its plant at Hamilton, Ontario for the production of rapeseed oil and meal," which could

“displace virtually the total volume of rapeseed oil and meal sold to eastern Canada by all the present producers in the west.”

The four western provinces, the study estimated, have an annual net Canadian interregional trade deficit in manufactured goods of more than \$2 billion: “This figure simply means that more than 100,000 jobs in the manufacturing industry are created in Ontario and Quebec to take care of the net western-Canadian demand. The manufacturing industry in the West is geared only to serving local markets except for the forestry industries of British Columbia. Railway freight rates combine with tariff policy and Canadian commercial policy to maintain the historic economic dependence of the West as a captive market for central Canadian industry.” The study also presented a figure of \$18.5 million for the annual direct burden of freight-rate discrimination on western shippers.

Probably the most serious form of discrimination from which prairie shippers suffer, and certainly the most interesting, is long- and short-haul discrimination. To the logical mind, it would seem apparent that since Calgary is considerably closer to Montreal than is Vancouver, and is in fact on the way from Montreal to Vancouver on the CPR main line, it should be cheaper to ship goods from Montreal to Calgary than it is to ship the same goods from Montreal to Vancouver. This, however, is not always the case. There are many commodities which can be shipped by rail from central Canada to British Columbia more cheaply than they can be shipped to points on the Prairies. One of them is steel: for a commodity classification such as “steel plate—3/16 of an inch or over, plain, not corrugated, not bent, nor drilled, nor fabricated”, for instance, the freight rate from central Canada to Vancouver is \$1.12 per hundred pounds, while from central Canada to Calgary or Edmonton it is \$1.98. For iron or steel “bars, not bent, drilled or fabricated; square, round or otherwise shaped in the drawing or rolling process”, it is \$1.61 per hundredweight to Vancouver, \$2.46 to Calgary or Edmonton.

In practising long- and short-haul discrimination, the railways are not suffering from a lapse of logic. They are, rather, answering the dictates of a higher logic, the logic of what they can get away with. The historical reason for the discrimination is that the railways felt the need to reduce freight charges between central Canada and British Columbia to meet water competition from the Panama Canal route, while between central Canada and the Prairies there was no such competition and hence no need to reduce rates. Prime Minister Mackenzie King once said in reference to the Crow's Nest Pass agreement that “the East is protected by waterways, the Pacific by the Panama Canal, and the West by Parliament.” But one need not look beyond its continuing tolerance of long- and short-haul discrimination to see why Parliament has rarely been taken seriously as a protector of the West.

The Harries study found other ways in which the freight-rate structure discriminates against the West. On a per-mile basis, rates between western points are generally higher than between eastern points; examples are legion. The west also suffers from the lack of freight-rate groupings. The whole central Canadian region from Montreal to Windsor is considered one location in determining freight rates to or from the West, but western towns a few miles apart often pay different rates. In Alberta, the same rates apply to Calgary, Edmonton, Lethbridge and Medicine Hat, but Fort Saskatch-

ewan pays more, Red Deer pays still more, and Grande Prairie pays even more than that. The rate per hundred pounds for a minimum of 100,000 pounds of iron or steel is \$2.33 from central Canada to Calgary, \$2.38 to Fort Saskatchewan, \$2.44 to Red Deer and \$3.13 to Grande Prairie. Commented the Harries study, “In the absence of large rate-groups it is likely to be futile for either the Federal or Provincial Governments to spend money in attempts to diversify industry to all parts of Alberta. A few extra cents more on a freight rate can nullify a very large capital grant to encourage industry to go to a smaller center.”

Solutions to the specific problems are obvious enough. Long- and short-haul discrimination can be outlawed by an Act of Parliament—the Harries study suggested that such a clause be put into the Government's proposed Competition Act. The Canadian Transport Commission can require the railways to institute freight-rate groupings in the West. But the broader problems would remain—the dependence of the West on the railways, the close relationship between the railways and an eastern-dominated economy, the role of agricultural hinterland assigned to the West in that economy—and discrimination, in one form or another, would still be practised. In proposing solutions to those wider problems, the study called to mind the fact that the Calgary Chamber of Commerce is, after all, a chamber of commerce, and that Hu Harries was a Liberal MP. The study proposed that the Canadian Pacific Railway move its head office from Montreal to Calgary (a proposal to warm a chamber of commerce's heart), or alternatively, that the two railways create separate corporate entities under separate management (but not separate ownership) to run their operations west of Thunder Bay.

In discussing the idea of moving the CPR head office to Calgary the study said, “It is mere tautology to say that personal relationships are important in business and it is important to realize the extent to which on-the-spot decisions with a full knowledge of all local factors can pave the way to effective economic action. The railways of Canada are very large corporations and in spite of the best efforts to regionalize decision-making, it is still important to recognize the existence and location of the head office. For three-quarters of a century railway decision making has been two thousand miles from the center of western traffic.

“There is now no reason why the head office of one of the railways should not be in the west. The logical choice is Canadian Pacific. The relocation of the head office of Canadian Pacific to Calgary would do much to provoke reasonable freight rates for the west.”

In other words, if only Canadian Pacific understood our problems better and were more familiar with our needs, then all would be well. But Canadian Pacific has, on the whole, understood western needs only too well over the years. It is simply not in its economic interest to meet those needs. The federal government understands western needs too: it has on occasion introduced measures that defended western interests against the interests of Canadian Pacific. And the government has usually found it necessary to reverse its own course fairly soon afterwards.

The Turgeon Royal Commission, which reported in 1951, was unique among the astonishingly large number of commissions that have studied the railway situation in Canada. It alone examined the problem from the point of view of the people who depend upon the railways rather than from the point of view of the railways' balance sheets. Its findings,



This view of downtown Calgary is dominated by Canadian Pacific buildings. The Husky Tower (owned by Canadian Pacific despite its name) and Palliser Square are in the centre.

and their subsequent implementation in legislation, were regarded as "a great victory for the west," in the words of the Harries study. The contrast with the MacPherson report of ten years later is striking; in fact, the MacPherson recommendations represented a dismantling of the structure that had been put into effect as a result of the Turgeon report.

The Turgeon Commission proposed a series of measures designed to promote equal freight-rates for equivalent services anywhere in the country. Although its recommendation stopped short of outright prohibition of long- and short-haul discrimination, the Commission did conclude that this practice should be restricted, saying that rates to intermediate points should be limited to a maximum of one-third more than the long-haul rates. It recommended that the lonely stretch of track between Sudbury and the Lakehead be regarded as a bridge between eastern and western Canada, and that the federal government pay for the maintenance of that bridge. In effect, that meant a subsidy to Canadian Pacific—the idea that Canadian Pacific, rather than western shippers or the federal government, should be required to pay for the maintenance of the bridge was beyond the Turgeon Commission—but at least it was a subsidy designed to lower east-west freight rates and not, like the subsidies later recommended by the MacPherson Commission and implemented in the National Transportation Act of 1967, to maintain the CPR's financial position.

The bridge subsidy, the one-and-one-third rule to combat long- and short-haul discrimination, and other measures were implemented. The railways quickly found their way around the one-and-one-third rule, using the mechanism of agreed charges, effectively a private contract between the railways and shippers. The province of Alberta obtained a hearing on this matter, with W.F.A. Turgeon himself as commissioner, but Turgeon found the railways to be within their rights in circumventing the rule. Meanwhile, the railways were applying pressure, in the form of constant increases in freight rates, for federal action that corresponded to what they wanted. The Diefenbaker government finally appointed another Royal Commission, and the MacPherson report and the National Transportation Act were the result. Since the passage of the Act, freight rates have been a hotter issue in western Canada than ever.

When ideas with western origins *have* become established parts of federal policy, these have generally been in the area of "western development," a distinction drawn by economist Vernon Fowke. In these areas, Fowke said, western advice "was most unlikely to favour the retardation of that development," and hence it "was often quite acceptable to eastern policy-makers." Sometimes, in such cases, western interests and the interests of the CPR were more or less in harmony. Land policy is an example often cited by the CPR. Except in the very early days of the railway, when it sold some of its land grant for quick cash and gave some more



All through the early years of this century, the Grain Growers' Guide was among the severest critics of the railway power. This cartoon appeared August 10, 1910.

of it back to the federal government as part of the cancellation of its debts, the CPR had looked to the long term rather than the short term to realize indirect profits from its lands. Once the initial financial crisis had passed, it could well afford to dispose of its land at relatively liberal terms to encourage settlement—since settlement meant traffic—and even to undertake an irrigation project in the dry belt of southeastern Alberta. The point the CPR is trying to make is that its rule of the West has been in the West's interests.

There is, however, another whole area of policy, the area that Fowke called "the question of national integration." Western advice in this area "was seldom found acceptable because it was most likely to be opposed to integration on eastern terms." Western conflict with the CPR on this question is as old as the CPR itself. Before the Canadian Pacific Railway Act of 1881 had even been passed, the province of Manitoba objected strongly to article 15 in the proposed contract between the CPR and the federal government, which read: "For twenty years from the date hereof, no line of railway shall be authorized by the Dominion Parliament to be constructed South of the Canadian Pacific Railway, from any point at or near the Canadian Pacific Railway, except

such line as shall run South West or to the Westward of South West; nor to within fifteen miles of Latitude 49." This was the monopoly clause.

Prime Minister John A. Macdonald told Manitoba that the purpose of the clause was to prevent American railroads from entering the North West Territories west of the Manitoba border, and nothing prevented Manitoba from issuing its own railway charters. Manitoba accordingly issued three of them. The CPR protested that this violated the contract, and the federal government promptly disallowed the charters. A battle was begun that would last until 1888. Railway charters kept being disallowed in Ottawa as fast as they could be issued in Winnipeg. When one Manitoba road, the Red River Valley Railway, threatened to cross a branch of the CPR, a footnote to Canadian military history was enacted. An army of 250 men was rounded up at CPR general manager William Van Horne's orders and took positions behind an old locomotive. They were confronted by 300 volunteers from Winnipeg. As historian G.P. de T. Glazebrook described it, "Reinforcements were brought by both sides, and it was only a growing sense of reasonableness in both groups of partisans that prevented a fight."

For the federal government, the situation was becoming untenable. The CPR was insistent that its monopoly be maintained. It was good for the CPR, it was good for the country, and a piddly little province like Manitoba couldn't be allowed to stand in the way. For a long time, the federal government accepted that position, but Manitoba's pressure was too insistent to ignore. On April 18, 1888, the Government bought its way out of the monopoly clause; the clause was cancelled and the Government agreed to guarantee the interest on a new \$15 million CPR bond issue. But while Manitoba finally

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achieved victory in its struggle against railway monopoly, it was less successful in combating the corollary of monopoly, which is high freight rates. The original rates charged by the CPR were the same as those charged by the Government on the sections of the Pacific railway it had completed and operated, and were comparable to those prevailing the East, with lower rates for many commodities. Then in 1883, with government approval, the railway announced a substantial hike in its western rates. The new rates were the cause of much discontent in the West, and neither the cancellation of the monopoly clause nor an investigation by a railway rates commission in 1895 offered much satisfaction. Not until the turn of the century, with the reduction of some rates by the Crow's Nest Pass agreement and the appointment of a regulatory body, the Board of Railway Commissioners, did the federal government offer any recognition that western freight rates were a problem.

The election of the new Liberal government in 1896 marked a ratification rather than a reversal of the national policy of protectionism and close co-operation with the CPR begun by Macdonald in 1878. In 1905, Prime Minister Wilfrid Laurier told the Canadian Manufacturers' Association that the settlers then pouring into the Prairies "will require clothes, they will require furniture, they will require implements, they will require shoes — and I hope you can furnish them to them in Quebec — they will require everything that man has to be supplied with. It is your ambition, it is my ambition also, that this scientific tariff of ours will make it possible that every shoe that has to be worn in those Prairies shall be a Canadian shoe; that every yard of cloth that can be marketed there shall be a yard of cloth produced in Canada; and so on and so on" If this meant business opportunities for the eastern manufacturer, it also meant higher prices for the western farmer. The two key elements of the national policy, the tariff and the railway, were becoming serious points of contention between East and West.

By this time, the foundations had been laid for probably the most significant political protest movement that has ever emerged in Canada. As the population of the West grew after 1900, the protest movement grew with it. Under the banner of the United Farmers of Alberta, it captured the provincial government of that province in 1921. In the same year, another manifestation of it, the Progressive party, elected sixty-four members to the federal House of Commons, thirty-seven of them from the Prairies. In the 1930s it gave birth to the Co-operative Commonwealth Federation (CCF), and in the 1960s it was one of the elements making up the New Democratic Party. An aberration of it led to Social Credit.

The movement was not unique to Canada: the political culture that produced Tommy Douglas in Saskatchewan was the same one that produced George McGovern in South Dakota; moreover, the farmers drew much of their intellectual leadership from British thinkers. But the social condition out of which the movement developed was particularly acute in western Canada; the phrase "next year country" aptly expressed the mixture of disillusionment and hope that the prairie farmer felt. The Canadian plains seemed the last frontier in the civilized world, and if a person who wanted to work hard and improve himself couldn't carve out a good life there, then where could he go?

Parliamentary strength was only one expression of the agrarian protest movement; on the economic level it resulted

in institutions such as wheat pools and consumer co-operatives. In the early years of the century, it also established an extraordinary monthly—and later weekly—magazine, the *Grain Growers' Guide*. From the time its first issue appeared in 1908 until the mid-1920s, the *Guide* spoke with a clear and steady voice in favour of political power for farmers, public ownership, citizens' participation in government, co-operatives, women's rights, and the agrarian way of life; and against the protective tariff, eastern monopolies, the grain elevator companies (except the Grain Growers' Grain Company, owned by the farmers, with which it was associated), the two old parties (particularly the Conservatives), booze, and the railways—with special attention reserved for the largest and most powerful of them, the Canadian Pacific.

The *Grain Growers' Guide* discussed railway issues for the first time in its second issue, in September 1908, with an article—the first of many—advocating public ownership of all railways. The *Guide* believed in public ownership in principle, but it also had specific grievances against the railways. One, of course, was high freight rates. "And This a Civilized Country!" the *Guide* headlined one article in 1911 that attacked the CPR's policy of rate discrimination against western Canada. The article compared CPR rates on lumber for equivalent mileages in the East and in the West. Between Chapleau, Ontario, and Ste. Anne's, Quebec, a distance of 592 miles, the rate was 15 cents per hundred pounds; between Kenora, in northwestern Ontario, and Sutherland, Saskatchewan, a distance of 600 miles, the rate was 28 cents per hundred pounds. "Most of us have thought," said the *Guide*, "that the action of the lumber

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combine had put the price of lumber high enough but when the railways add another tribute like this it is easy to see where the consumer gets the heavy end of the load."

Whenever freight rates were increased, a *Grain Growers' Guide* editorial was not long behind. In 1920 it directed its comments at a statement by J.D. Reid, minister of railways, in defence of a recent rate increase:

"Mr. Reid was very solicitous for the welfare of the CPR. He drew a dismal picture of this vast corporation failing to pay its usual dividends, discontinuing its glowing advertisements of Canada in foreign countries, and finally, coming to the Dominion government, cap in hand, begging to be saved from the hands of the official receiver. Mr. Reid laid it on with a trowel; no one would ever imagine from his remarks that the system he was eulogising had reserves of approximately \$317,000,000, of which \$116,000,000 had accumulated since 1910. . . .

"The increase granted should allow the CPR to realize a surplus of something over \$10,000,000 in 1921. It is quite true that nobody wants to see the CPR 'go broke' but there is a vast difference between giving it a chance to meet all its expenses and pay its 'usual dividends' and helping it to add a few millions to its already swollen reserves. If the country practically guarantees the dividends of the company, why should it be allowed to accumulate a surplus?"

Another continuing theme of the *Guide* was the shortage of boxcars for grain, which reached critical proportions in the season of 1911-12 and was the cause of disastrous financial losses to the farmers. The *Guide* saw the railways as being in cahoots with the grain-elevator interests; when a farmer could not find a car to load himself, he was forced to sell to the line elevator companies, which "were taking advantage of the farmers in three ways—in grading, in dockage and in price, and in some cases in weights—the elevators as a result making from ten to twenty-five cents over and above their usual profits." Whether or not there was in fact a conspiracy, the farmers were unshakably convinced of it, and letters complaining of the car shortage poured into the *Guide* office from all over the Prairies.

The *Guide* also attacked the local tax exemptions received by the CPR, a loss of revenue which, the magazine charged, resulted in hardships and lack of services in many western localities. In 1915, it reported on a convention in Edmonton of the United Farmers of Alberta where "a resolution in favor of asking the Dominion Government to pay the municipal and school taxes of C.P.R. lands in order to allow schools to be maintained and public improvements to be made was brought. . . . by H. Sorensen, of Strathmore. Mr. Sorensen said that in 1913, out of five schools he knew in the irrigation district, four were closed and the children went uneducated because of the C.P.R. exemption. When the Dominion government, in order to secure a transcontinental railway, gave a land grant and tax exemption it was not just to make that a burden upon the school districts and municipalities in the West. For one year the C.P.R. made a loan, but they would not continue it. A delegate outside the irrigation area said the odd sections in his district were owned by the C.P.R., and thru not being able to collect taxes on those lands, the school could only be open for four months instead of eight or nine. The resolution was carried unanimously."

The solution the *Grain Growers' Guide* proposed for all these evils was nationalization. It was particularly tenacious in pressing the issue when nationalization of the Grand Trunk Pacific and the Canadian Northern was under consideration

in 1918. "The nationalization of the C.P.R., which is the largest part of the whole problem, remains to be tackled," it said on December 4, 1918. Earlier it had commented: "It was said years ago at Ottawa that the C.P.R. was 'the government of Canada on wheels.' Under any possible method of dealing with Canada's railway problem which falls short of nationalization of the C.P.R. in addition to all the other railway systems, the C.P.R. is likely to become, proportionately at least, an even more powerful influence than in the past. The only way to solve the problem and prevent the possibility of 'a government of Canada on wheels' is for the people of Canada to nationalize the wheels."

Some of the specific ills the *Guide* exposed were corrected, but the basic pattern remains, and the gutsy periodical's approach would find a ready audience in the West today. Its fate, like that of the larger movement it represented, was not altogether a happy one. The *Grain Growers' Guide* changed its name to the *Country Guide* in the late 1920s and as such it still exists, minus the political content. The Progressive party, which offered so much hope in 1921, was largely absorbed into the Liberals by 1926. The path that parts of the western movement took is perhaps best illustrated by the career of Charles Dunning. Born in England in 1885, Dunning came to Canada in 1903 and settled on the prairies, starting as a farm hand. As a farmer, he became active in the grain growers' movement; he was vice-president of the Saskatchewan Grain Growers from 1911 to 1914, and organized the Saskatchewan Co-operative Elevator Company, of which he was general manager until 1916. In that year, he ran successfully for the Saskatchewan legislature as a Liberal and was appointed to the cabinet; from 1922 to 1926, when he resigned to run for the federal House of Commons, he was premier of Saskatchewan. Under Prime Minister Mackenzie King, he held a number of federal cabinet posts, including the ministry of finance, until 1939 when he took up his third career, business, at which he was as successful as he had been at the first two. In the early forties he lent his name to a vicious campaign being carried on by a group of powerful businessmen to combat the rising CCF, the spiritual heir of the movement Dunning had been part of thirty years earlier. By the time he died in 1958 he was chairman of Ogilvie Flour Mills and a director of a whole maze of corporations, including the Bank of Montreal, Bell Telephone, the Steel Company of Canada, and the CPR.

Dunning was unique only in the prominence he achieved in his later life. But even if some of the people and institutions the western protest movement spawned did not live up to their early promise, the impetus of the movement itself was never lost. The growth of the Saskatoon-based National Farmers' Union in the sixties and seventies is a sign of its continuing vitality. On another level, so is the election of New Democratic Party governments in Manitoba in 1969 and in Saskatchewan in 1971. "The acquisitiveness of eastern Canada," wrote Harold Innis in his history of the CPR in 1923, "shows little sign of abatement." Fifty years later, it still shows little sign of abatement, and as long as inequity persists, so will the regional consciousness and sense of grievance of the Prairies.

Robert Chodos is a member of the Last Post editorial board. The CPR's influence in the West is one of the subjects discussed in his book The CPR: A Century of Corporate Welfare, just published by James Lewis and Samuel.

Reviews

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Towards a new party

by RAE MURPHY

(Canada) Ltd. the Political Economy of Dependency, Edited by Robert Laxer. McClelland and Stewart. 274 pp. \$3.95.

Last winter, the Ontario Waffle organized a twelve-part series of lectures and discussions in Toronto. To everyone's surprise, including the Waffle's, the series attracted more than three hundred regular participants and up to two hundred more on any given evening.

Perhaps the number who attended the lectures — which, after all, was very few people in a very big city — was not significant, but it did demonstrate that the Waffle, even after its cover of NDP respectability had been blown, had an audience. Of much more significance, the Waffle demonstrated that it had the intellectual resources to probe Canadian reality and to outline a perspective on the issue of Canadian society in the late decades of the twentieth century — national survival and socialism.

The lectures have now been edited and published under an unfortunately cloying title: *(Canada) Ltd.* It is an excellent book.

However, there is a catch. It seems that the Waffle is now trying to reach a decision — or rather engaged in a discussion of a decision already taken — upon whether or not to form itself into a socialist party.

(One can always tell when the Waffle is engaged in an internal discussion: it splits. Sure enough, a dozen or so Wafflers have issued a long — 15-page, single-spaced, typed-on-both-sides-of-the-paper — letter of resignation. The burden of the letter appears to be an appeal against the formation of a party. Ah well, nothing worthwhile is ever unanimous.)

The Waffle high command appears to have decided to bite the bullet and so *(Canada) Ltd.* must be read not only as a collection of essays but as a manifesto of sorts for a new socialist party. To this end, the book is framed by a very detailed and provocative introduction by Robert Laxer (father of Jim Laxer, the Waffle's candidate for the NDP leadership in 1971) and what is in effect a summary by Mel Watkins. Watkins's conclusion is tied directly to the introduction and much that is discussed in the middle doesn't

relate to either.

In the introduction, Laxer describes *(Canada) Ltd.* as "an analysis and a strategy." As one would expect, the analysis is there. From chapter one to chapter eleven Canadian society is analysed or at least, as Laxer suggests, a brave beginning is made at analysing it. The analysis either leads toward, or is based upon, two theses.

According to the first thesis, Canada is neither a colonial nor an imperial state but rather a dependent capitalist state within the American empire, and it is in crisis because the American empire is in crisis.

As some of the essays point out, what has hitherto been a profitable relationship between the imperial masters and a native capitalist class that has always concentrated on mercantile activities while leaving the driving to others (first Britain and latterly the United States) is now in trouble. The special relationship between Canada and the U.S. is now coming to an end. The inevitable result of this is that, as the American empire contracts, Canada faces a "de-industrialization". That is, the Americans can no longer afford, or no longer see as necessary, any long-term industrial development in Canada. Robert Laxer suggests that Canada is "a dependency moving toward colonial status."

This argument is developed in some excellent chapters by Tom Naylor, Jim Laxer and Mel Watkins.

An essay by Jim Laxer, "Canadian Manufacturing and U.S. Trade Policy", is a particular example of the ability of the Waffle to do what nobody else on the Canadian left seems willing or able to do: test a theory against original research. With Doris Jantzi, Laxer led a research project which studied the statistical trends in manufacturing activity in Ontario industry by industry and region by region. The study, although so far hardly conclusive, indicates a disturbing shift away from manufacturing activity in Ontario.

This process seems to be general throughout the industrialized world, but in Canada it is proceeding faster and covers a wider range than elsewhere. It is partly a reflection of a vast increase in labour productivity and of a trend toward consolidation, but there is also inescapable evidence that the Americans are "repatriating" their manufacturing and research investments.

The second thesis of *(Canada) Ltd.* starts with the Canadian bourgeoisie's inability — even presuming a desire —

to do much about anything. The Committee for an Independent Canada gets its deserved, if repetitious, lumps, as does the Abe Rotstein school of "gee whiz ain't it awful" economics. The solution is for the Canadian working class to take control of its own, and Canada's, destiny. The Waffle, by George, is calling for a REVOLUTION!

Now they don't quite say that exactly, although Robin Mathews begins his piece with a poem entitled "Death and Revolution" that ought to send shivers through the bourgeois hides of our literary critics. However, the "strategy" that Robert Laxer announces in his foreword, even paraphrasing Marx ("... political science, as a discipline devoted to changing as well as explaining the world"), is up there, front and centre. And it is in this area that the book gets rather woolly.

Both Laxer in the foreword and Watkins in the conclusion tee off on George Grant. A number of years ago Grant, in *Lament for a Nation*, saw either in the failure of Diefenbaker or in his subsequent defeat the end of Canada. Grant's assumption was that with Diefenbaker's political demise, the Canadian bourgeoisie had sold its last chance to be independent, and since there was nobody else, the game was over. Well, says the Waffle, there is somebody else — the Working Class.

Just as *Lament for a Nation* was a red tory's article of lack of faith, the second thesis of *(Canada) Ltd.* is (in spite of a lot of circumlocution) an article of faith which holds that at some point the working class will seize political power and transform Canada into an independent socialist country. The Waffle is buttressed in this belief by its revolutionary

optimism.

"It may sound simplistic to those who think that new rules are unthinkable," says Robert Laxer, "but those who need the jobs to survive, those who have no alternative to working for a living, may now be ready to change the rules and to undertake a fundamental change in power relations. If they have been socialized for socialized production, can they now make the leap to socialized ownership and social power — to an independent socialist Canada?"

"That is one of the major questions of this book; and therein may lie the secret of Canada's independent future. When a sizeable section of working people in Canada have decided that they can find it within themselves to accept responsibility as a new social power to lead society, as the dispossessed who shall inherit Canada's earth, then perhaps the movement to independence will have entered its highest stage."

Perhaps as insurance, both Watkins and Robert Laxer cite a Gallup poll which appears to indicate that Canadians wouldn't mind seeing their energy resources nationalized. Well, political theoreticians have been known to cling to thinner reeds.

But the essential ideological task the Waffle faces, especially now as it seems bound to launch a socialist party, is to connect its critique of what is with a coherent vision of what should be, and to come up with a strategy to bring those ends about. In this area the Waffle has been woefully weak and there is little indication in *(Canada) Ltd.* that the Waffle has developed either a program or a strategy for change.

For example, the book uses John Porter to demonstrate the existence of classes in Canada and then criticizes Porter both for the incompleteness of his study and for (if I may use the term) waffling on his conclusions. This is very interesting, but then what?

Similarly with John Smart's rather light treatment of the history of the populist and socialist movements in Canada. Quoting Leo Johnson to the effect that the Canadian left has been distinguished by its lack of intellectual work on Canadian problems, Smart goes on to argue about the tendency toward centralism in the social democratic movement. Along the way he pronounces the Communist Party hopelessly compromised and, of course, moribund.

All this may be quite true, but there has been good Marxist intellectual work done in Canada. Johnson may not have read it. Furthermore there has been a tradition of struggle waged by the Communist Party and other socialist movements that have grown on Canadian soil. The Waffle, simply by virtue of the time and place of its existence, reflects much of what has gone before, for example the pioneering work done by the Communists on the relationship between Canadian independence and socialism in the 1950s.

If, as Smart says, the Communists have become hopelessly compromised by their relationship with the Soviet Union, what will the new socialist party learn from that experience? Does the Waffle consider that it will build socialism in Canada in a vacuum? There are questions the Waffle has to come to grips with and instead it evades them by accepting many of the canards of the Cold War. Anti-Communism still appears to be the *lingua franca* of the new socialists and it militates against the development of a positive strategy.

The attitude toward the New Democratic Party expressed in *(Canada) Ltd.* also poses more questions than it answers. Waffle strategy prior to the showdown at Orillia was to cap-

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Robert Chodos

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Publication: November

Grass Roots

Heather Robertson

Grass Roots is a record of life today on the farms and in the small towns of Western Canada. Heather Robertson describes the cycle of boom and bust, which is depopulating the countryside and impoverishing the people who remain behind, through portraits of individual farm families and towns like Biggar, Saskatchewan and Miami, Manitoba. *Grass Roots* is a remarkable book, even more impressive than Heather Robertson's first book, *Reservations are for Indians*.

Cloth \$10.00 125 photographs

Publication: October

James Lewis & Samuel, Publishers

ture the leadership of the NDP and turn it into a socialist party. If the goal now is to establish a new socialist party to supplant the NDP, does this mean that something has changed either in the Waffle analysis or in the NDP?

Or is it simply, as Mel Watkins suggests, that it is "improbable" that the NDP can become a vehicle for social change? Improbability does not seem a very secure term on which to build a new party.

These are rather important questions that require the sort of analysis the Waffle seems capable of developing. Some attention to these questions would help eliminate some of the ad-hockishness that characterizes the Waffle approach to its strategy and to the tactics it develops.

For example, one of the finest essays in the book is on the history and development of the trade union movement in Canada. In this chapter, Mel Watkins not only discusses a principled attitude of a political movement toward the trade union movement but also expresses the complexity of its history. Yet in practice, the Waffle has made some horrendous mistakes in its policy toward and activity within the unions. Why, for example, was it so easy for the leadership of the trade union movement to pin an anti-union label on the Waffle — and make it stick?

Since Robert Laxer suggests that the book is both an analysis and a strategy, it seems legitimate to ask about the strategy of the new socialist party toward the trade union movement, and how it will develop in practice.

Then there is the question of nationalism, which, in *(Canada) Ltd.*, is pursued most vigorously by Robin Mathews. One can approve of the good fight Mathews has fought through the mildewed halls of Canada's English

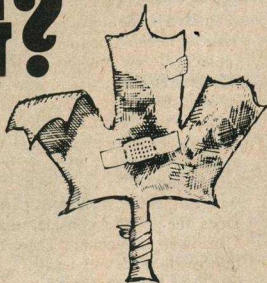
departments, and one can agree with many of the points he makes. But the nationalistic exuberance that leads him to recast Canadian history to accord with present sensibilities at times verges on the ludicrous.

Literary tastes, of course, vary. Susanna Moodie may have had certain virtues to admire, although I thought she bitched about the weather and the surly help too much. But when one remembers that her problems started when old man Moodie went off to put down the rebellion, one begins to wish there had been in their character a little bit of that American-style "anarchistic liberalism" of which Mathews is so scornful. Mathews's resurrection of that tedious man Frederick Philip Grove is his own business, but his praise of an old reactionary like Hugh Maclellan is really a bit much for someone who professes to be a socialist.

To be sure, his argument against the importation into Canadian culture of a foreign value system and, indeed, a foreign mythology is vital to any struggle for the integrity of Canada. His work in debunking much of the mythological crap which masquerades as literary criticism and which only obscures reality is of great importance. It is not that Mathews goes too far in this particular essay but rather that he veers off on a tangent which leads nowhere except out of the Northrop Fryling pan into some fire.

In any case, a new political party will soon be formed in Canada. On the basis of *(Canada) Ltd.*, the direction the party takes in establishing the left as a viable element in the Canadian body politic definitely bears watching. Regardless of any criticisms one may have of the Waffle, they have undertaken a role that no other group seems willing or able to undertake at this time.

WHAT'S HAPPENING?



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How 'New Brunswickan' is the Irving empire?

by ROBERT CHODOS

K.C. Irving: The Art of the Industrialist, by Russell Hunt and Robert Campbell. McClelland and Stewart. 197 pp. \$8.95.

The art of writing descriptively but at the same time critically about the nation's economic masters, home-grown and foreign, is in its infancy in Canada. We have Gustavus Myers some sixty years ago, Frank and Libby Park more recently. Other than that, books about our corporate elite generally tend to be sponsored, and often published, by the corporations themselves.

The appearance of a book such as *K.C. Irving* is thus an event to be welcomed. Written by two former editors of the lamented *Mysterious East*, the

Fredericton-based magazine that bucked the Irving press monopoly in New Brunswick, *Irving* can in no way be mistaken for a puff for the man or his works. Russell Hunt and Robert Campbell dredge up episodes that Irving himself, with his passion for secrecy, would prefer were forgotten. The book is eloquent in demonstrating that this professedly non-political man has interfered in New Brunswick politics to the extent where one of his sons could say, in 1967, that "K.C. Irving has never lost an election." Hunt and Campbell make it clear that they do not consider Irving's rule of New Brunswick to have been for the higher good of the province.

All this is admirable. The deals through which Irving gained control of the bus lines of Saint John, his attempt to control the mining development on New Brunswick's north coast, his fight with Premier Louis Robichaud over the latter's Equal Opportunity program in the sixties, his evasions before the Senate Committee on the Mass Media: all these are discussed in detail. Many of the details are interesting and all are instructive.

Irving, however, attempts to straddle two forms, and as a result fails to convey the insights of either. It is not, nor does it claim to be, a biography. We are told little of Irving's childhood or personal life. At the same time, it makes no real pretence to economic analysis. The deals, the battles, the expansions are all there, but the larger economic trends of which they are a part are not.

Thus we miss the clarity with which, say, an Alden Nowlan could have pinpointed how Irving the man was made by his Presbyterian roots, and also the endeavour that, say, a Leo Johnson would have made to situate Irving in the context of Canadian and even world capitalism. Efforts that Hunt and Campbell make in both directions are unsatisfying. On the personal side, they make an analogy in their opening chapter between the way Irving has constructed his empire and the way an artist puts together a painting — an analogy which, happily, is not picked up in the remainder of the book.

On the economic side, while aptly pointing out that Irving's oft-proclaimed love for New Brunswick is larded with a generous helping of self-interest, they appear to take at face value his claim that the Irving empire has, at least, kept the control of New Brunswick industries inside the province. As an example, they say that "he did not sell Irving Oil to Standard Oil of California: he kept fifty-one per cent of the refinery and kept Standard out of the parent company altogether. He is not a member of the board of any company he doesn't dominate; preferably, he will not be on a board if he doesn't own the operation lock, stock and barrel."

The most recent edition of the Statistics Canada reference book *Inter-corporate Ownership* shows Irving with only forty-nine — not fifty-one — per cent of Irving Refining Ltd. It is Standard that has the fifty-one per cent. And far from being out of the parent company altogether, Standard also owns forty-nine per cent of Irving Oil. A minor factual discrepancy perhaps, but one that casts doubt on the extent to which Irving has been able to build his empire without substantial help from the very outsiders he has always been so quick to denounce. In another example ignored by Hunt and Campbell, Irving Pulp and Paper is thirty-five-per cent owned by the Kleenex folks, Kimberley-Clark. Here, Irving has retained control, but not the absolute control Hunt and Campbell tell us he strives for.

In another, more successful, analogy, Hunt and Campbell compare the Irving empire to a dinosaur: "There are not

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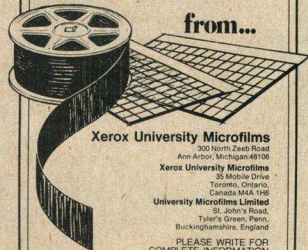


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many places left in the world where such a gigantic thing could be put together, not many places where it could survive. Like the dinosaur, it cannot adapt to change, and as the planet wobbles on its axis and the climate cools, as the little warm-blooded animals appear and start eating its eggs, it will die, lapsing back into a mere corporation like the others — quasi-governmental, run by cautious, sensible middle managers driven only by their own instincts toward self-preservation."

This contains the key insight of the book. Irving's domination of New Brunswick is a stage in the development of the province, a stage that superseded the inchoate capitalism of the early years of this century and is now already, with Irving's retirement from the active management of his companies, giving way to something else. It is unfortunate that they give us so little indication of what that something else will be. Corporations, after all, do not generally "lapse back". Dinosaurs such as Canadian

Pacific, Brascan and Bell Canada, while radically changing character, have nevertheless continued to grow. So, one suspects, will the Irving empire, even without the master's hand at the tiller.

Hunt and Campbell, then, have left the field open for people who want to delve further into the career of K.C. Irving and the effect he has had on his native province. But they have written a useful book, and one that will prove valuable to anyone who undertakes to do that delving.

The Medium has its own messages

by STUART ADAM

News from Nowhere: Television and the News, By Edward Jay Epstein. Random House.

Edward Jay Epstein, in his recently published *News From Nowhere*, has established himself as part of the tradition in American thought which started with Walter Lippmann's study of public opinion.

Epstein's analysis of the news organizations of the three U.S. networks is yet another attempt to flesh out and give meaning to the problem Lippmann was wrestling with in 1922 when he attempted to confront democratic theory with the empirical proposition that the public's conception of political things is hopelessly out of joint with the facts. For Lippmann, whom Epstein bothers to cite in his preliminary remarks, a media-caused veil of illusion separates citizens from democratic rationality. Lippmann said public opinion has a defective organization and Epstein would no doubt agree although he's quite unwilling to seriously engage the broad social and political questions which animated Lippmann's work.

On balance, however, Epstein's contribution will be regarded as worthy. He has painted a useful and detailed portrait of the backdrop to television journalism and he has tried to show in his analysis that the news Americans see nightly is less a reflection of an 'external reality' — the newsman's objective portrait of the flow of events — than a reflection of needs that are internal to the news organizations themselves.

In this vein, he has analysed carefully the relationships between the content of

news, on the one hand, and the various environments — political, economic, administrative and technological — which circumscribe its production, on the other.

More precisely, the aim of the study is to demonstrate the truth of the proposition arising out of organization theory that the key to explaining the 'outputs' of the news-room 'lies in defining the basic requirements it needs to maintain itself.'

Accordingly, stingy time allocations tied to network profit aspirations normally prevent in-depth reporting; the doctrines of fairness and equal time, sanctioned by the Federal Communications Commission, require that journalists extend fair and equal treatment to all, truth, honour and justice notwithstanding; the affiliates require that networks confine their reporting to national issues and avoid local ones; transmission facilities and budgets combine to favor visual material from large centres. In this last case, it costs so much more money to send visual material from Albuquerque than it does to

convey it from Chicago that Chicago will make the news with monotonous consistency. News, as we have been told so many times now, is where the cameras and the facilities are. The argument is summarized thus:

... Network news cannot be entirely explained in terms of organizational requisites. The personal opinions of newsmen color newscasts to some degree, no matter how stringent a network's controls; also, reporting and editorials in the other news media, especially the *New York Times* and *Time* magazine, help crystallize issues ... Nonetheless, the organizational imperatives of network news, and the logics that proceed from these demands, irresistibly shape the pictures of society in consistent directions ...

So the medium has its own message after all, and by exposing it Epstein feels he has answered Spiro Agnew, the radicals and assorted social scientists whose various outlooks have guided them to a variety of critiques, most of which

While the politicians scramble for political points, while the oil industry rattles its sabres, while the National Energy Board looks the other way, while the Canadian public pays the price, the sellout continues . . .

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suggest that the news is ideological. Epstein denies this and asserts that ideological content is, at best, marginally idiosyncratic. A phrase Robert Park once used to describe newspapers approximates very closely what Epstein is arguing. Park said "the newspaper is not the willful product of any little group of living men." Epstein would add the rider that the news is the outcome of a neutralized system, the power of which is to diminish to the point of marginality the broad social and political values and aspirations of individual journalists.

But has he answered a serious critique of these news systems? Probably not. For one thing, however difficult it may be, it is essential in building a serious critique or answering one to describe the phenomenon on which the system impresses itself. In other words, news has intrinsic qualities and motifs for which the FCC doctrines, to cite one of

Epstein's examples, may be mere modifications.

Unravelling these qualities belongs to a study which is quite foreign to organizational theory. Once studied, however, it may ameliorate the strength with which the organizational proposition is maintained.

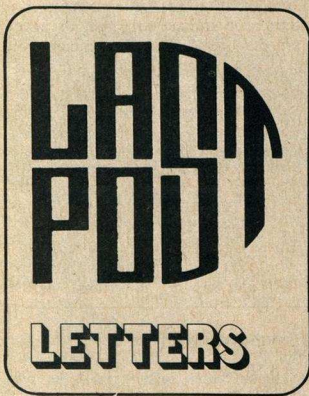
Secondly, and far more important for the kind of case under review, it would be necessary to look 'functionally' at the news systems to see how they articulate to the social and political realms conceived in their broadest aspects.

Just as organizational theory maintains that outputs are a function of maintenance requirements, so also does social theory teach that the news systems are parts of an integrated social system in which power is exercised. Accordingly, it is helpful — but not very — to show that news systems do what is necessary for self-maintenance.

It is much more helpful to show how the system performs other functions — for example, preserving the complex of power in the United States, Spiro's, Richard's and the people's sometime anger, notwithstanding.

It is important to stress that the question has to be posed in that way for it to be answered and as complex as such a study would be, the assertion that the critics have been answered would be offered more confidently. Epstein, committed as he is to the method of organization theory, studies phenomena which do not bear directly on the question.

Still, the book that Epstein has written is worth reading, if not for the complex questions out of which it springs, at least for the carefully-presented record of research based on interviews with news executives, news and cameramen, and direct observation of the news-production process.



TELEGRAM TO
LARRY ZOLF
IN REGARD TO YOUR COMMENTS IN
THE RECENT LAST POST.
HAPPY BIRTHDAY TO YOU
HAPPY BIRTHDAY TO YOU
HAPPY BIRTHDAY DEAR LARRY
HAPPY BIRTHDAY TO YOU.
REGINA SECTION LARRY ZOLF FAN
CLUB.

Dear Last Post:

I was both shocked and enraged at your review of my book *Nationalism, Communism and Canadian Labour*, not because the review was obviously unfair and full of distortions, but because your

reviewer, perhaps recognizing the shabbiness of his effort, chose to hide behind a false name. Both you and I know that the so-called reviewer "Allan Mackenzie" is a non-person. It is absolutely disgraceful and totally incomprehensible that *Last Post* — whose well-deserved reputation for forthrightness and courage, for poking through the pretensions and hypocrisies of Canadian society has made it perhaps the most influential journal of the Canadian left — should allow the author of this silly, inane review to write under an assumed name.

What disturbs me most is the reason for this deception. What possible explanation could there be for a reviewer behaving so furtively and so cowardly? What does he have to hide? Could it be that his identity would explain the hostility of his review? Could it be that either he or a relative of his — perhaps his father — were participants in the events described in my book and feel they were not given the prominence they thought they deserved.

If this is the case — if either the reviewer or a member of his family were mentioned in my book and feel slighted — would it not have been more judicious of you to give the book to a less biased, less aggrieved reviewer, to a reviewer who could judge the book on its merits and who had no personal axe to grind. Certainly, at the very least, you should have insisted that your mysterious reviewer identify himself. Surely your readers should have been entitled

to that information.

Let me emphasize that I do not object to the review. I do not like it, nor do I think it fair, but a reviewer is entitled to write what he wants about a book. What he is *not* entitled to do, — I hope — is to deliberately deceive your readers by writing under a false name. Your readership deserves better. You owe it to them, as well as to yourselves — to maintain the credibility of the *Last Post* as a serious and responsible journal — to smoke out your shy reviewer, to shame him into identifying himself

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publicly, and to force him to explain his contemptible decision to conceal his true identity.

Irving Abella
Toronto

Ed. Note: Mr. Abella is perhaps not aware that pseudonyms are often used in journalism and that this is an accepted practice. In this case, it had been hoped that the use of a pen-name would encourage readers wishing to respond to the review to do so in terms of what the review said rather than in terms of personalities.

Dear Last Post:

Poor old Luis Bunuel. A man of sound ideas who just can't express himself well enough to make anything but "pièces d'art." Look at him! He pretends to be a revolutionary but he isn't. The proof? He's inaccessible to middle North America. If only he could make a film like *High Noon*. Then he could get on the afternoon teevee reruns and have a devastating effect on the masses. As it is, his film, *Le Charme Discret de la Bourgeoisie*, remains one of the "droppings of the disaffected cerebral left."

This is the essence of a review of Bunuel's magnificent film in the July issue of the *Last Post*, a magazine familiar with the plight it says is Bunuel's. For does not the public also treat the *Last Post* as a "dropping of the disaffected cerebral left?"

But Bunuel's dilemma is not to be compared with that of the *Last Post*. He does his job as an artist. His films stir, they trouble, they destroy, they release the imagination to give a glimpse of the future possible. And they're distributed all over the world, despite these subversive qualities. How absurd of the *Last Post* to call his work inaccessible. It's tantamount to saying speak white (like we do in Etobicoke and on the National) or I won't listen. Instead of mourning the inaccessibility of Bunuel's films, let us mourn the ethnocentricity of certain elements of the Toronto left; and graver still, far graver, our debilitated language, our stripped-down imagination rendered daily number by the deadly lullabies of the mass media and the humdrum working world. Unlike Bunuel, the *Last Post* is not doing its job, for it has failed to even consider these most important matters and related politico-cultural questions, such as women, sex It is playing, poker-faced, the media game. Rules and all. Have you

noticed it no longer even calls itself a "radical" magazine?

Considering that, one is surprised to see the magazine's silly attempt to adopt an ultra-left position on the film, *Le Charme Discret de la Bourgeoisie*. "Bunuel's method is fine if the aim is the making of a pièce d'art," says writer Carole Orr. But she is evidently doubtful of the value of a piece of art when one can make a piece of propaganda instead. She accuses Bunuel of drowning his film in symbolism (mistaking the dream sequences for symbols) and pronounces him a failure as a radical artist. There is a veiled suggestion he might in the future look to Maoist shorts for inspiration. This idea, that leftist art must be "direct" propaganda, is rampant in the confused and feeble ranks of the Canadian left. It's a Maoist position, difficult even for a Maoist to defend, let alone an individual who appears to have assumed it quite unwittingly.

Such confusion, such a flimsy excuse for a serious look at Bunuel's film would normally not startle us. We have grown accustomed to the stolid, empty intellectualism of the media, inspired by television whose early, empty successes led certain editors and directors to conclude people are stupid. Unfortunately, these individuals, mostly products of the dark fifties, have had an unhappy influence on some of the better young journalists who now believe that superficial simplicity is the sole guarantee against losing one's audience. One might have expected the *Last Post* to

challenge the lie implicit in this concern. But the magazine appears to be going along with it, perhaps out of concern for its student and union bureaucrat readers. Real class terms are thus excluded from copy. (Who would understand them anyway?) And one can only conclude it is also for that reason that no mention whatsoever was made of surrealism in Carole Orr's two-page review of *Le Charme Discret de la Bourgeoisie*. It's a pity, for therein lies the key to Bunuel's work.

Take those pesky dream sequences in *Le Charme Discret*, for example, the ones the writer calls symbols of "the masked violence of the bourgeoisie". They aren't that at all, of course, but what can you do if your audience is incapable of grasping the theory of surrealism which underscores Bunuel's work? You have to deviate. You have to refrain from saying that surrealist artists see dreams as part of reality, subconscious glimpses of the truth, the future or whatever, that memory has either been trained to forget or never learned to remember. That means you can't present the film as it is: a marvellously optimistic prophecy of the imminent disintegration of the bourgeoisie. For in the dreams of the ambassador and company, somebody is always trying to eliminate them. They are not just haunted by violence. They are violently paranoid. And who wouldn't be with his subconscious acting like that?

But you can't say any of those things, so you just toss the film off as "inaccessible" and say it's unfortunate leftist

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intellectuals have to be so SYMBOLIC when they could produce direct statements of propaganda.

Luckily, it's mostly graduates and professors of English 222 who see symbols where there are none. Your average Joe has dreams and like the ambassador, is a little afraid they might come true.

Aha, you will say. The average Joe didn't go to see the film and that is the final proof that Bunuel has failed as an artist who once said he wants to make the "public doubt the tenets of established order."

Here I am willing to concede a point, but first another tap on the knuckles for ethnocentricity. Perhaps, as the article says, only the bourgeoisie came, while the real public took in *Cabaret* down the street. But aren't you talking about Toronto? In Montreal it ran for months.

And who knows how it did in Europe, the milieu in which Bunuel lives and works and with which he has something culturally in common.

Still, it's probably true that even in France the working classes (since the LP wants to be ouvriériste about Bunuel) probably didn't turn out in masses for the film. Could it be because art, like education, is just another of the goodies to which certain groups in this particular system of production have no access? Art and the *Last Post*, of course.

What then is the left-wing artist to do? Should he put his camera or his pen to the production of propaganda? But who then will mirror this era? The documents, the history books can only tell the story of man as a social creature. And if leftists generally agree that social and economic structures provide the

fundamental framework of existence, only the most vulgar interpretation of historical materialism would ignore the psychological plane: how sex, language, etc. are deformed by the dominating ideology.

It is on this level that the radical artist must do his job, keeping language from atrophy, fighting the de-eroticisation of consumerism, poking, stirring, and prophesying. That's what Bunuel has done in the bulk of his work. Even those currently too alienated to enjoy his films will profit in the long run. The new state is only the means to the new man.

Meanwhile, the *Last Post's* attempt to criticize Bunuel from the left is like the Montreal *Gazette's* calling the NDP too conservative.

Gail Scott-Isacson
Montreal

LAST POST PUZZLE

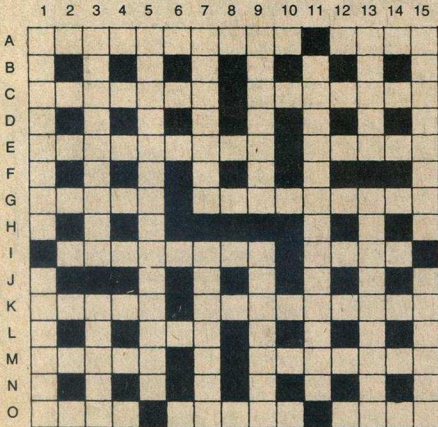
Clues are cryptic, consisting of at least two elements, one of which is a direct reference to the answer, the other a rebus, anagram, hidden word, play on words or a pun. Any proposed solution to a clue may therefore be checked against the whole clue to see that it fits in with all the elements. Anagrams are usually flagged by the inclusion in the clue of a word such as "confused", or "upset"; puns are flagged by words such as "we hear". Letters in the answer may be indicated in the clue. Thus S may be indicated by "south", P by "soft" (music), M by "thousand" (Latin), IE by "that is", EG by "for example", MD by "doctor" and so on.

Specimen clue: "Preserve a District Attorney in the country"

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PRIZES

First 3 correct answers get copies of the two *Last Post* books. Winners of last issue's puzzle were Lewis S. Albatross, R. Spasoff and Ellen Adams.



CLUES—ACROSS

- A1 He makes Dief indignant about an English landlord. (10)
- A12 Montreal Urban Community has a bomb, and that's a lot. (4)
- C1 Homo sapiens matured and ran the business. (7)
- C9 Ageless medium Edward turned away. (7)
- E1 A bookish sort, Jack the ripper-off. (9)
- I11 Deranged, 51, odd and priapic in Newfoundland. (5)
- G1 Mrs. Ulysse drops her pen to run away. (5)
- G7 A sweetie makes age curb us. (5, 4)
- I2 Trudeau has a Women's Auxiliary twice in Ontario. (8)
- I11 Tax for translating Montreal newspaper? (4)
- K1 It's given opportunities for corruption by Socrates. (5)
- K7 Slander an insect with an evil disposition. (9)
- L5 Milhouse loses his head and his dwelling, gains fifty and becomes sick. (3)
- M1 At noon I am about to become a vegetable. (5)
- M9 Flat broke, we hear, and lacking gumption. (2, 5)
- O1 Liberal MPs from Alberta are religious, we hear. (4)

- O6 No soft drug dealer at the wedding. (5)
- O12 A mother for the number one man. (4)

CLUES—DOWN

- A1 About an MP in the anglicized Quebec motto. (8)
- A3 The law placed one. (5, 4)
- A5 Of which Davis is *Deus Ex?* (3, 4, 7)
- A7 Natives and greek through in hotels. (7)
- A9 One noon sunbather is not a Brit. (1, 3, 3)
- A13 As far as blunt illegalities conceal. (5)
- A15 Info. on Ontario scandal? It's a gas! (8)
- B11 Diets, Red rages, give mediocre American pap. (7, 6)
- G13 Uneducated commuters were in the rail strike. (9)
- I7 McGee's assassin wasn't without purpose. (7)
- I9 Everyone finish to the point, he might have been a modern Bolivar. (7)
- J1 Ottawa was near the city. (6)
- J15 Vapour about right in the river. (6)
- K3 Syndicate is a particle beneath the United Nations. (5)

SOLUTION TO PREVIOUS PUZZLE

ACROSS

- A1 Waffle
- A8 Flattery
- C1 Toronto
- C9 Tim Buck
- E1 Red-blooded
- E12 Bain
- G1 Abysmal
- G9 Amateur
- I1 Excreta
- I9 Siberia
- K1 Name

K6 Clear Grits

- M1 Brascan
- M9 Debater
- O1 Lot
- O5 Bases
- O11 Girls

DOWN

- A1 Watergate
- A3 For a day
- A5 Long-limbed
- A9 Lutherans

A11 Time

- A13 Emulate
- A15 Yukon
- B9 Loto
- F11 Garbage bag
- G7 Lead lines
- G15 Reassures
- I3 Compact
- I13 Reinter
- K1 Nobel
- K9 And
- L5 Scab



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