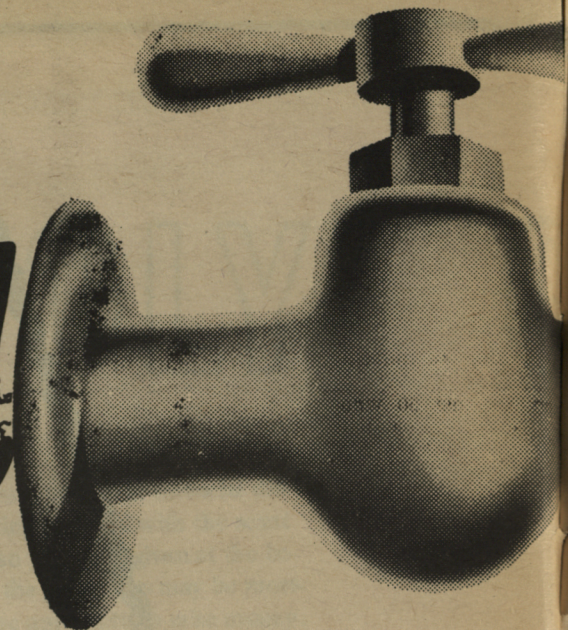




Canada



By Leo Johnson

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A bitter truth which Canadians must be made to face if we are to remain an independent people: today the dominant class in Canada, the businessmen and corporate managers, have become a subversive quisling army engaged in the destruction of Canadian nationhood.

It is not in terms of their birth or citizenship that the Canadian business elite is un-Canadian -- most in fact were born and raised in Canada -- but it is their outlook which is un-Canadian: their primary concern is to achieve the greatest amount of profit from the operations and management of the corporations they control.

The problem and source of danger for Canada from this elite is that they have almost unanimously concluded that U.S. capital is and must be dominant in Canada, and that Canadian development is necessarily dependent upon and subordinate to the drive of American international corporations to integrate the world's economy into a single gigantic economic empire.

What is it the United States wants from Canada?

It wants our minerals, our power, our oil and gas, our timber, and above all, our water. Today the United States faces a crisis in raw materials.

For a century the Americans have raped and destroyed half a continent. In the greed for profits, conservation was ignored and the environment destroyed, millions of acres devastated by exploitative mining, urban blight and wasteful farming practices. Pollution and wastage are destroying what little remains of a vast wealth of water and natural resources.

Today, the Americans, who make up only 6 1/2 per cent of the world's population, consume, waste and destroy almost half of the world's energy and resources.

It uses half the world's steel, more than half its oil, and 80 per cent of its natural gas. Moreover, the rate of consumption is increasing. By 1980 it is estimated that Americans will consume 80 per cent of the world's energy.

But a crisis is at hand. There are not endless supplies of anything -- and already 33 separate minerals are on the U.S. government's critical list. Today the U.S. imports: 30 per cent of its oil; 50 per cent of its lead; 50 per cent of its potash; 55 per cent of its zinc; 75 per cent of its copper; 90 per cent of its gold; 95 per cent of its bauxite; 95 per cent of its manganese; and 95 per cent of its asbestos.

As demand in the U.S. grows, greater and greater amounts of goods must be imported. Canada inevitably has become the focus of America's need and greed.

Fred Knelman, writing in a recent issue of Weekend magazine (June 27, 1970) clearly states the problem facing Canada: "History has witnessed the rise and decline of supreme world powers from ancient Greece to Britain of the 19th Century. Each in its own time was a major consumer and producer. But nothing in the past compares to the world's localized affluence in the United States today.

"What was once obtained by war and piracy, a technique not entirely abandoned (South East Asia, Latin America, Greece, and others is now obtained by blackmail, barter or investment. There is truly an imperialist principle in resource exploitation and the resource drain to the United States, a glutton which consumes and is planning to consume the great proportion of the world's energies and non-renewable resources."

In Canada, the primary means of grabbing off Canadian resources is by the corporate takeover -- a process which has long since reached a crisis stage.

Since 1963, over 600 Canadian firms have been taken over by foreign firms.

Contributing to this total in the past seven years were:

- 1963 -- 35 takeovers;
- 1964 -- 87 takeovers;
- 1965 -- 74 takeovers;
- 1966 -- 74 takeovers;
- 1967 -- 79 takeovers;
- 1968 -- 155 takeovers;
- 1969 -- 102 takeovers;

In 1966 non-residents owned 57.5 per cent of mining, quarrying and oil wells, and 56.4 per cent of manufacturing. Within that 56.4 per cent, however, are some highly significant figures:

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| Wood industries | 27.2 per cent foreign owned |
| Paper and allied industries | 40.5 per cent foreign owned |

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| Non-metallic mineral products | 46.5 per cent foreign owned |
| Primary metal industries | 56.8 per cent foreign owned |
| Chemicals and chemical products | 84.3 per cent foreign owned |
| Petroleum and coal products | 97.9 per cent foreign owned |

In the Canadian north there are some 304 million acres leased out for foreign oil and gas exploration companies -- 69.1 per cent -- an incredible give-away.

The most frightening aspect of current events are two proposals of recent years: the Mid-Canada Corridor and NAWAPA -- the North American Water and Power Association.

The Mid-Canada Corridor, simple enough, is a proposal that the federal government spend millions of dollars on a transportation network to enable corporations to cheaply and easily rip out the resources and ship them south. In other words to get Canadians to spend their tax dollars to subsidize the rape of their own resources -- just as was done with the C.P.R. a century ago.

NAWAPA is even more frightening. The U.S. now uses 400 billion gallons of water per year. By 1980 it will use 900 billion gallons. But a special commission set up by Lyndon B. Johnson made it clear that by 1980 all the U.S. water supplies will be polluted. NAWAPA

is America's answer. Instead of living within its means and cleaning up its polluted lakes and rivers, the Americans are proposing to dam up Canadian rivers flowing north, and by building a huge series of canals, take Canada's water south. It will be, without doubt, the biggest resource steal in history.

All this has been and is being done with the most massive and clever propaganda campaign in history. "Resource Rape" is called "Resource Development." The take-over of Canadian resources is called "Continental energy and resources planning and utilization." American corporate take-overs are called "investment" and ripping the minerals out and shipping the south is called "increasing Canadian exports." The worse part of this "big lie" technique is that the take-over of Canada is being managed and engineered by Canadian businessmen justified and facilitated by Canadian politicians, and financed by Canadian savings and profits created by Canadian workers.

What is completely ignored is that the export of raw materials is in reality the export of Canadian jobs -- and the destruction of Canada's future. Resource extraction provides fewer than 100,000 jobs in Canada, but the refining and manufacturing of these same resources creates millions of jobs in the U.S., Europe, and Japan.

The ultimate irony is the huge Brinco hydro project in Newfoundland where the electricity will be sent south to smelt Newfoundland iron ore in Pittsburg and Cleveland.

The tragedy of all this is that there is no need to sell out Canada's future. Actual foreign cash makes up only a small part -- in 1968 less than 15% of foreign investment in Canada. The remainder of the capital invested represented retained profits (made possible by no capital gains tax) depreciation, depletion allowances and capital funds obtained from Canadian banks, trusts and insurance companies. A major cause of the drastic credit squeeze of the past few years was the huge amount of borrowing by foreign corporations to finance Canadian takeovers and expansions. Canadian savings were being lent by Canadian banks and other agencies, to buy out Canada.

In Canada, one class, and one class alone has been the major beneficiary of this sell-out -- the Canadian business and managerial elite who were well paid for their work, and who stepped into high paid jobs in the branch plants created by the takeovers.

Where does the government stand in all this? Despite a few belated bleats from Joe Greene, Minister of Energy and Resources, it is apparent that they accept the over-all trend of events. Indeed, the long list of top businessmen who step smoothly from boardroom to cabinet post and back to boardroom reads like a roll call of the Cabinet itself.

Robert Winters provided the ultimate example of the kind of businessman-politician which sets government policy:

- 1) 1948 Minister of Reconstruction and Supply
- 2) 1950-1953 - Minister of Resources and Development
- 3) 1953-1957 Minister of Public Works. Winters was defeated in 1957.
- 4) Re: 1961 from Financial Post DIRECTORY OF DIRECTORS

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| President | Rio Tinto Mining Co. of Canada (British) |
| " | Preston Mines Limited |
| " | Rio Algom Mines Limited |
| " | Rio Tinto Dow Limited |

