

***TOWARD AN
INDEPENDENT
SOCIALIST
CANADA***

***The Election Programme
of the Ontario Waffle
1974***

ontario waffle publication

4

F5013.1174-N5321

F5002-1974-N532

The High Cost of Living and U.S. Control of Canada

Canada is a country blessed with rich resources to meet the needs of its people. Canada's resources can create skilled jobs with high pay in a fully manufacturing economy. Yet we have one of the highest rates of unemployment of any western country. Canada has a rate of price inflation greater than increases in wages. The real income of working people is falling.

This country has an abundant supply of food, yet food costs rose almost 20 percent in the last year. The escalating cost of housing has put ownership of a home out of the reach of 90 percent of younger people and threatens to push rents to even dizzy heights.

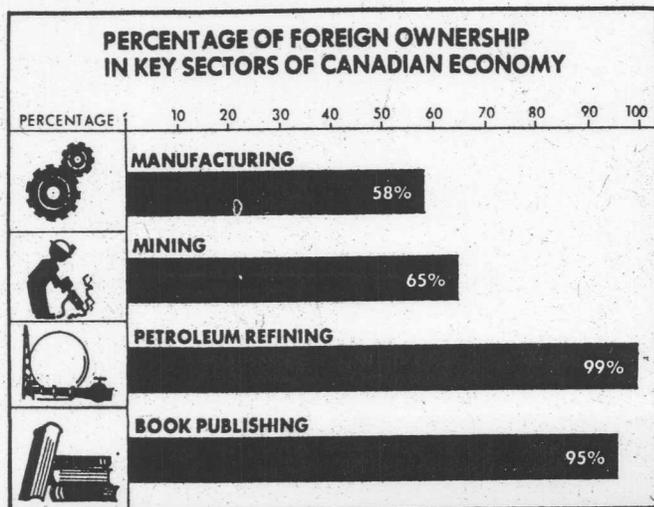
At the same time, the profits of corporations have soared. They increased by 40 percent in 1973, and in 1974 they are even higher, breaking all previous records.

In the midst of this massive redistribution of income from wages to profits, the Liberal-NDP alliance which has governed Canada for the past year and a half did nothing to check inflation and reduce the gouging profits of the corporations. Indeed, the Budget which brought the Trudeau Government down would have increased the rate of inflation.

Rather than control prices, the Government allowed the American-dominated oil and gas companies in Canada to pull off the biggest price hijack in history.

The Government continued to pursue policies that lock Canada into dependency on the United States.

The new foreign ownership legislation fails to deal with the existing foreign-owned companies which control two-thirds of Canada's resource industries and three-fifths of the manufacturing sector. It purports to deal with further take-overs, yet Liberal Cabinet ministers have given assurances to the U.S. that it will not be used to block take-overs. The legislation will only attempt to marginally reduce the costs to Canadians of foreign control. The possibility of rolling back the high level of foreign ownership, without which no independence is possible for Canada, was absolutely rejected.



Rather, by granting huge extra profits for the oil companies, the Liberal-NDP alliance in government has made possible gigantic investments in exploration and development in the Canadian Arctic and the Athabaska tar sands. The avowed purpose of this huge profit concession is to help the U.S. achieve "self-sufficiency" on a continental basis.

Such developments, in turn, cannot do other than increase the rate of inflation as higher energy costs spread throughout the economy. They can only reduce the prospects for full employment as Canada is steered over more sharply from manufacturing toward resource extraction. Giant resource schemes, such as the MacKenzie Valley Gas Pipeline and the James Bay project in Quebec, produce few permanent jobs for Canadians. Their main effect is to erode Canada's energy base and hence any prospects for a viable manufacturing economy.

The Three Old Line Parties and Continentalism

None of this should particularly surprise Canadians. The Liberals are, of course, dominant within the Liberal-NDP alliance, and that party is the established party of continentalism.

The Conservative party could hardly be said to offer an alternative. Historically, it is the party of Bay Street, of the big financial interests.

Its anti-inflation policy is the frankly pro-business approach of wage-price controls, at a time when real wages are falling. Far from dealing with the power of the American oil companies, the Conservative party is virtually a mouthpiece for them. The Conservative Lougheed Government in Alberta is notorious for granting favours to them. A Stanfield Government, with 17 MP's from Alberta, would be hard put to do worse, but it would undoubtedly try.

The NDP, by permitting the Trudeau Government to do what it has done—and not done—must take its share of the blame. The New Democrat MP's have remained for 18 months in an alliance with the Liberals that has brought unprecedented inflation. They have taken credit for the new foreign ownership legislation that, in effect, sets up a government agency to oversee the further take-over of Canada.

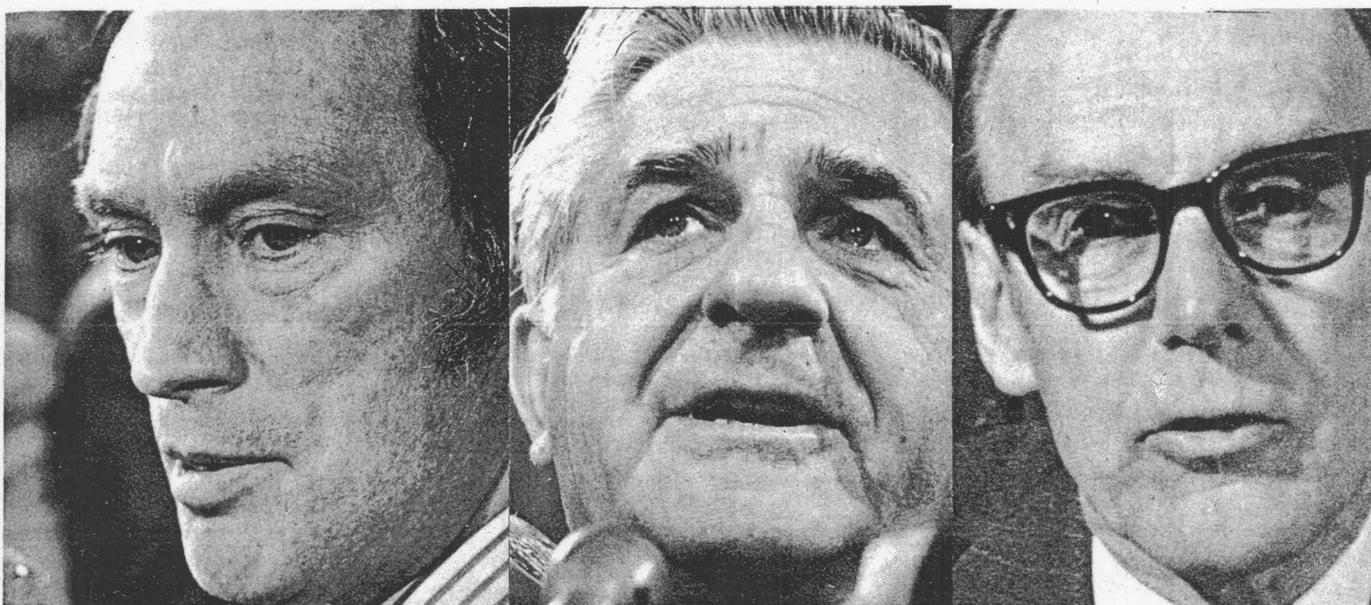
They even take credit for the Trudeau Government's oil policy that has been a prime cause of inflation. This policy facilitates frontier developments for U.S. markets, locks Canada more tightly in the long run into America's continental energy strategy.

At the provincial level, the NDP Government in Saskatchewan, after some brave words to the contrary, has now retreated to an oil policy which is not significantly different from that of the Lougheed Government in Alberta.

It is clear that all three major parties have backed continentalism with all the adverse effects that we already know that has for Canada. This can only result in more, not less, U.S. domination of our economy and our culture. This can only mean continuing military and

For can jobs

W allo peti nati mai ene will res the the T a bi ver hav sor ban cor indi A the cre pla dor ind as che prc T str wo wo



For the average Canadian, continuing continentalism can only mean a continuing inflationary spiral, erosion of jobs, and a reduced standard of living.

Branch Plants and De-industrialization

Why do Canadian governments, federal and provincial, allow American corporations to export half of Canada's petroleum and capture most of the profits from the nation's oil industry? Why do they allow a continental marketing arrangement to set the pace for Canadian energy development, when it is clear that such a policy will increase price for Canadians? Why do they tax resources companies that are mostly foreign-owned at the lowest level of any corporations in Canada, when these companies provide so few jobs for Canadians?

The reason is that such policies are part and parcel of a branch plant industrial strategy that results from the very nature of Canadian business. Canadian capitalists have always specialized as commercial businessmen in someone else's empire. Canadian merchants and bankers have profited from the venture of foreign companies in Canadian resource and manufacturing industries.

As a result, Canada's commodity production, in both the resource and manufacturing sectors, has been increasingly organized within the framework of a branch plant system. Branch plant corporations occupy dominant positions in the nation's mineral and forest industries. They control key areas of manufacturing such as automobiles, electrical products, machinery, chemicals, rubber and plastics—as well as petroleum products.

That branch plant system means an industrial structure for Canada that has many disadvantages for working people. It is no accident that Canadians are the world's leading importers of manufactured goods. In

Canada, imports account for one out of every five dollars spent, in the U.S. for one out of twenty. Twenty-five percent less of our work force is in manufacturing than in the U.S. The percent of the labour force engaged in manufacturing in Canada is among the lowest of any industrialized country. It is comparable not to the U.S., Western Europe or Japan but to Greece and Ireland.

Much of Canada's manufacturing industry is simply warehouse and assembly operations. Dependent on imported technology and imported parts and components, most branch plants in Canada are incapable of producing an end-product from start to finish.

The Canadian auto industry is a classic example of the weak and dependent nature of the manufacturing sector. This is no small matter, for the auto industry is the central industry in Ontario, which is in turn the nation's most industrialized province. At stake are not only the 85,000 jobs in the auto industry proper. Jobs in industries such as steel, glass, plastics, textiles, electrical products and rubber depend on the auto industry.

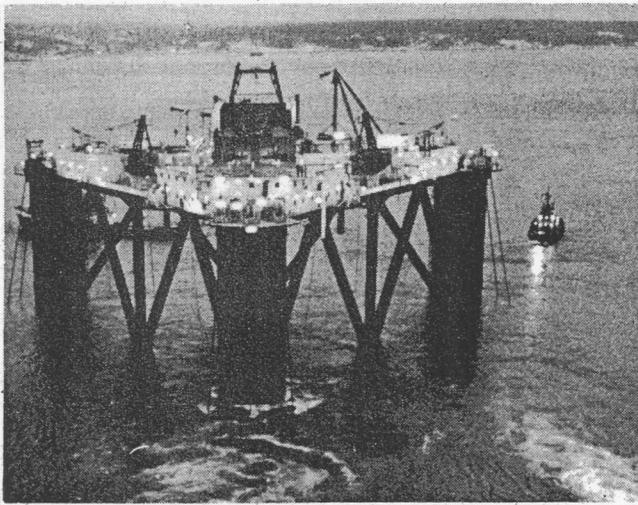
The Canadian auto industry is completely intergrated with and controlled by the U.S. auto industry. The consequences, in terms of fewer jobs in Canada, was so serious that in the mid-sixties the Canadian government entered into the auto pact agreement. This was to ensure Canada a fair share of the auto market in North America. But in recent years, the U.S. has threatened to remove safeguards in the agreement that protect Canadian jobs. Furthermore, Nixon's tax incentives have encouraged the American auto companies to invest in the U.S. instead of in Canada. In 1970, 13 percent of new North America auto investment was located in Canada; by 1973 this had fallen to a dismal 5 percent.

Foreign ownership has given Canada a weak industrial base. Now the present American policy of stepping up Canadian resource exploitation will erode that already weak base. Always a resource hinterland, this will make Canada even more so—to the point where Canada could literally become a resource hinterland without any resources.

In effect, the American presence in Canada constantly recreates the conditions for continuing and deepening Canadian dependence.

It works this way. The Americans import increasing amounts of Canadian resources, thus tending to create a trade balance in Canada's favour. To offset this, the U.S. government takes steps to augment the already existing tendency of U.S. firms to export parts and components to their Canadian branch plants. To deal with the resulting sluggish growth in the manufacturing sector of the economy, Canadian governments turn to giant resource-exploiting projects such as the MacKenzie Valley Gas Pipeline and the James Bay Hydro Development. Dependence begets dependence.

All of this is very real in the seventies because the mighty U.S. economy is no longer so mighty as it was in the fifties and sixties. Now that the United States faces serious competition from western Europe and Japan, its need to rationalize Canada's position within its empire has been greatly increased. Today, it is in the over-riding interest of American capitalism that Canada increase its twin role as supplier of resources and consumer, but not producer, of manufactured goods.



As manufacturing dwindles and resource exploitation expands, jobs will wither away. Building pipelines and dams creates jobs in the short run but not in the long run. Only about 150 permanent jobs will result from the operation of the proposed MacKenzie Valley Gas Pipeline.

The massive amounts of capital, running into billions and billions of dollars, required for these huge projects will both starve other more job-creating sectors for funds and lead to a flood of foreign capital entering Canada. Foreign capital, by driving up the value of the Canadian dollar relative to the U.S. dollar and other currencies will have two adverse effects: It will make it more difficult for Canada to sell its traditional exports abroad and cheaper for Canadians to buy imported goods rather than domestically-produced goods. Both ways jobs are destroyed.

The energy produced by these projects is overwhelmingly destined for U.S. markets, that being their

rationale in the first place. Along with the resources, most of the profits flow south as well, to the American shareholders. And judging from the past, Canadian governments will continue to fail to get benefits for Canadians by taxing resource company profits—even though these will continue to skyrocket.

What it all adds up to is nothing less than the de-industrialization of Canada.

Crisis in the Public Sector

The retarded growth of this country's manufacturing sector has compelled the overdevelopment of the service sector. Today Canada has the most over-extended service sector of any of the industrialized economies.

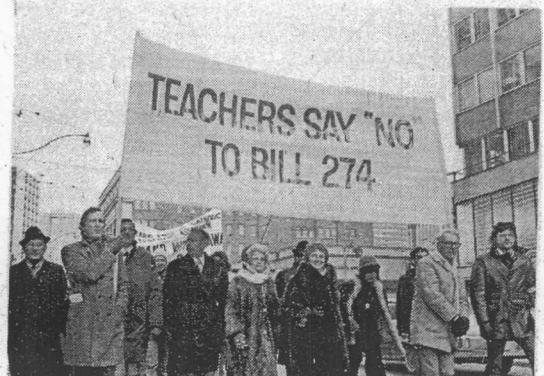
Much of the service sector growth has been created through expanding the number of jobs under government auspices. In effect, governments have become employers of last resort, attempting to take up the slack as the corporate sector is no longer able to generate the jobs needed by an expanding labour force.

But the use of this device to create jobs imposes costs on Canadians. As governments spend more relative to the size of the commodity-producing sectors of the economy, financed in part by increasing the money supply, they contribute to the escalating inflation.

Alternatively, public sector jobs are financed by increasing taxes. In principle, taxes can be imposed either on corporate profits or on the incomes of working people. In fact, the last decade has seen a dramatic increase in the share of tax revenues raised from working people and a dramatic decrease in the share coming from corporate profits. This is true both at the federal and provincial levels of government.

At the same time, governments try to limit the pressure for rising expenditure, not by cutting back subsidies to the corporations, but by wage controls on government employees. The latter are left with little choice but to strike and risk the brunt of repressive legislation.

The resolution of this dilemma lies in the implementation of a bold new industrial strategy for Canada. This means expanding the productive base of the economy. It means appropriating the surpluses in the resource sector that now accrue as super-profits to foreign shareholders for the Canadian people through public ownership.



Dreaming the American Dream

The U.S. corporate takeover of our economy has made Canada into a dependent country. In the same way our cultural institutions and social values are threatened by a spreading of American ways of thinking. Canadians are being taught to disregard the loss of our country by being saturated with U.S. television programmes, magazines, movies and books.

We are being pushed into seeing the world through American eyes and judging it by American standards. Canadians cannot use the most popular media to talk to each other about our country, our experiences, our hopes. Instead we are being talked at by Americans. In effect this makes us strangers even in our own country. We are made to feel that what happens in Canada is not important and that the U.S. is where the action is.

The takeover of our country spills over into all aspects of our lives. During the day we work for U.S. corporations, in the evenings we watch U.S. television programmes.

Canadian businessmen who own hockey teams and football teams are just like their industrial partners in selling out to the U.S. American football in Canada and the expansion of hockey into the U.S. are good for business. Who cares about the impact on Canadian sports?

Our educational system is not geared to developing our creative abilities and talents to best serve our society. Instead schools are used primarily to create a work force made-to-order for the corporations. The system is used to instill American values through the use of U.S. methods and materials. In the universities a very high proportion of the teaching staff are actually American citizens.

The special privileges to *Time* and *Readers Digest* must be ended. Canadian content on T.V. and radio must be made a reality, with emphasis on quality as well as a higher proportion of programming time. Publishing of Canadian books, newspapers and magazines, aided by lower paper prices and mailing costs, must be expanded. Otherwise, Canadian publishing will become only a memory after the invasion of giant American corporations like McGraw-Hill, which wiped out Ryerson Press after more than a century as a Canadian publisher.

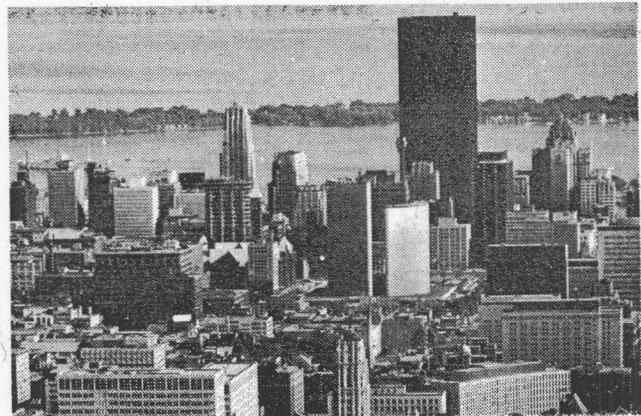
We have to recognize that the first steps to recovery of our cultural independence must be made through control of the institutions, the media and the systems of distributing magazines and books. These must be made to serve Canadian society so that we can begin to control our own lives.



Housing and Transportation

The concentration of Canada's manufacturing industries in a narrow strip between Windsor and Montreal, and the development of a few large population centres elsewhere, has greatly contributed to high land prices. This concentration has increased travel time to and from work, and has led to the disastrous reduction in prime farm land.

In our large cities, houses are now out of reach of ninety percent of the population who do not already own a house. Many young families have been forced to give up the hope of owning their own home. Others have been able to buy a house only under very adverse circumstances, and often it turns out to be in substandard condition. Last year, eighteen percent of new fully-detached housing built in Canada were mobile homes. Many other people have only been able to afford homes that were up to fifty miles from their work place.



This is a disgrace in a country as large and as underpopulated as Canada. Exorbitantly high land prices are one of the main culprits of high house prices. Speculators have pushed land and housing prices out of sight and in the process have amassed fortunes.

Profits on land speculation should be taxed at 100 percent.

But speculation is only part of the problem. High population density in a few areas greatly contributes to pressure on land and land prices. A new industrial strategy which redirects new growth in jobs, and thus in housing, to underdeveloped areas in Canada is a necessity if owning a home is again to become a possibility for working Canadians.

Even this is not enough. Most of the new housing starts at present are for upper income Canadians. This is where most of the profits are made by developers and financiers.

We must build houses that working people can afford. To do this, we need a publicly owned housing industry that will build decent houses and make them available at cost. Massive public land banking must be carried out to keep land prices down.

The second major hardship produced by concentration of population is the increasing length of time that working people must spend in their cars fighting traffic, or on the bus in their way to and from work. The pains of workers to shorten the working day through long struggles are easily lost in this fashion.

Directing new growth to smaller centres and less populated areas must be the basis for improving transportation for Canadians.

Greatly improved public transportation facilities are needed as well. Only with the introduction of adequate public transportation systems can the wasteful and expensive overuse of the automobile be ended. Existing urban areas can be better served than they are at present. New housing areas should be developed in conjunction with public transportation networks.

Agriculture and the Family Farm

The unplanned expansion of urban areas is pushing many farmers off prime agricultural land. Smaller farmers are unable to cope with rising costs and the competition from large corporations.

The squeeze on many farmers is leading to the destruction of many rural communities. The family farmer is caught between the scissors of the farm implement corporations on the one hand and the huge packing, processing and produce corporations on the other. The farm implement corporations squeeze the most out of the farmers by their monopolistic prices; the food processing and marketing companies pay the farmer the lowest possible price while charging the consumer all the traffic will bear.

Many people who would prefer to remain in rural areas, and whose activity there would be beneficial to our economy, are being pushed into urban areas where they face serious problems of unemployment and poverty.

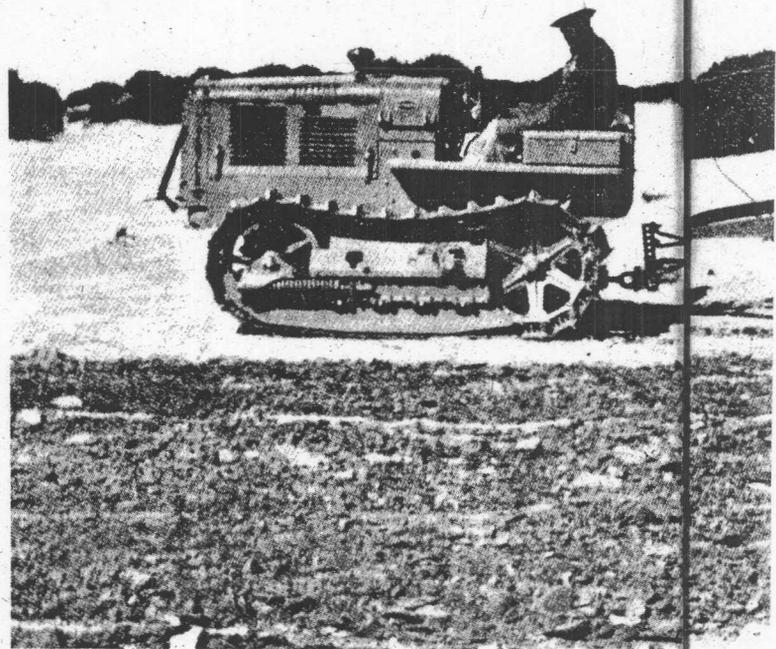
In addition, the growing corporate control of agriculture is raising costs of food for consumers and worsening conditions of work in agriculture.

Only with effective regional planning and decentralization can these problems be dealt with.

In calling for price controls on food, working people realize that it is not the farmer who is responsible for the escalating cost of meat, bread or milk. Such a demand is not meant to lower the income to the family farm but to curb the profits of the large companies.

Both working people and small farmers have a common interest in gaining public ownership and control of our energy resource industries and car and truck manufacturing.

The business elite of Canada will change course towards a policy of Canadian economic independence through a new industrial strategy. Canadian businessmen have sold this country to their U.S. seniors for a price. As junior partners they continue to grow richer while most Canadians suffer a decline in pur-



chasing power. Their political parties—the Liberals and the Conservatives—the parties of the oil companies, the U.S. manufacturing corporations and the Canadian banks—express their political interests. These interests are linked to continentalism—to the U.S. domination of Canada. It is the large U.S. and Canadian corporations who call the shots in the Liberal and Conservative parties.

The NDP - Left Wing of Continentalism

The case of the NDP is somewhat different. The NDP leadership claims to represent the working people of Canada, and it is a party whose membership is made up mainly of working people. But the general membership of the NDP does not control the party; it is the top leaders of American unions in Canada, which now supply a substantial part of the NDP's funds, who exert ultimate control in the party's councils. These leaders, who now control any NDP convention by manipulating the union's official delegates to such conventions, hold the real power.

These were the few top labour leaders who decided on and executed the expulsion of the Waffle from the Ontario NDP. They did this to curb the movement for in-

dep
mili
Waf
leac
TI
whe
sinc
chev
cour
resp
In
who
part
tine
in t
In
bus
doe
eco
to i
mac
reg
H
the
NDI
serv
It
nati
has

between the three parties on the need and the strategy for solving Canada's central problem—the U.S. domination of our country.

The Need for a New Party

Only the working people of Canada can free this country from U.S. control.

The working people of Canada—all who work for private or public employers in non-managerial positions in primary industry, in communications, and the service sector—constitute the great majority of our population.

Only the working class can and will fight for a new industrial strategy to make Canada independent, to make Canada a country run by its people for the benefit of the people—an independent Socialist Canada.

Since the country's major political parties have failed to give voice to the need for a new industrial strategy, new political institutions will arise to fill the vacuum in Canadian politics. The Ontario Waffle Movement for an Independent Socialist Canada is one of the new institutions created by working people to fill that vacuum. Our aim is to help to develop and win a new industrial strategy for Canada.

The Waffle has a five year history of organizing for Canadian independence through socialism and of supporting workers in their day-to-day struggles.

In 1969 it issued its Manifesto "For an Independent Socialist Canada". It has mobilized public support against the sell-out of our resources, and in defence of jobs in the auto industry. Wafflers have walked on many picket lines.

The Waffle was born within the NDP, but its commitment to nationalism and to socialism was unacceptable to the leadership of that party. Since 1972, the Waffle has been an independent political grouping. As it grows in strength, it is moving towards becoming a full political party.

A New Industrial Strategy through Public Ownership

The first principle in a new industrial strategy must be the development of a new energy policy. This must be a strategy to develop Canadian energy resources in response to Canadian needs and not for export.

The adoption of a self-sufficiency approach in energy would ensure Canadians with energy at the lowest possible cost. It would eliminate the need to import foreign capital for energy development.

A self-sufficiency model for energy would act on the following basis:

- The immediate construction of an all-Canadian oil pipeline from western Canada to Montreal, capable of carrying sufficient crude to eliminate imports of higher-priced overseas oil into eastern Canada.
- Exploration of east coast offshore fields to provide eastern Canada with crude oil and natural gas from this region.



dependence and socialism in the NDP and as a threat to militants in their own unions who might follow the Waffle's example in challenging the established leadership.

The NDP kept the Liberals in power during a period when there was the fastest erosion of living standards since the 1930's. NDP governments in B.C., Saskatchewan and Manitoba have done little or nothing to counter the stranglehold of U.S. corporations over their respective economies.

In spite of the many progressive workers in the NDP who still hope that it can be changed into a true workers' party, the NDP is in practice the left wing of continentalism. This is true in the country as a whole as it is in the trade unions.

In spite of the rhetoric sometimes heard from the business community, the NDP is not a socialist party. It does not demand public ownership of key sectors of the economy, such as the resource industries, but continues to imagine that giant corporations like Exxon can be made to act in the public interest by taxation and regulation.

Having kept the Trudeau government in office since the last election, David Lewis is on record as saying the NDP is even willing to enter a coalition with the Conservatives.

It is a sad fact that the continentalists defeated the nationalist wing in all three major parties. The last year has proven that there is no basic difference in policy

A programme to end

Increase real incomes

Prices have risen ten percent in the past year—and there is no end in sight.

Prices have risen more than wages. The purchasing power of the take home pay of the great majority of Canadians has fallen.

Food costs have risen 20 percent. The cost of a house has escalated out of the reach of 90 percent of younger people.

But the profits of corporations have soared. Profits increased by 40 percent in 1973 and in 1974 they are breaking all previous records.

The working people of Canada must demand immediate price controls on food, clothing and shelter, without wage controls.

They must insist on their right to strike to stop the continuing erosion of their incomes. Contracts must be re-opened and new contracts must be limited to one year.

There must be a federally-owned public housing industry that eliminates the exorbitant profits of the speculators and developers and provides homes for purchase and rent at cost.

The real incomes of the least well-to-do Canadians must be protected by raising the minimum wage to \$4.00 an hour and the old-age pension to \$400 a month.

Canada needs a new strategy at achieving Canadian development and advancing the interests of the Canadian people.

At the centre of U.S. strategy is the control of resource extraction by American corporations. Canadians must take control of their own resource industries. This can be done by establishing public ownership of Canadian resource industries.

This way our resource industries can provide a basis for manufacturing and employment.

Only this policy can give Canadians in the 1970s the control over their own resources.

Canadian independence and social justice

Canada cannot be a free country unless the vast majority of the working people of Canada control the nation's future. Canada has been only too happy to open its doors to American corporations.

We cannot rely on the generosity of the American people. We must depend on ourselves.

No political party can achieve this goal simply by putting it forward in a campaign. Only when Canada is controlled by the people for this goal can it be achieved.

And only a socialist program can replace private foreign ownership with public ownership controlled by the people of Canada.

.S. control of Canada

9

conomic strategy aimed
dependence and at
working people.

ontrol of Canada is the
stries by U.S. cor-
own and control their
and the best way to do
public ownership of
cies.

can be used as the
Canada. sm 70 2120
guarantee jobs for

pendence

olism

one an independent
majority of people, the
and take control of the
and businessmen have
to our country's future
tion

to win Canadian in-
Canada can only rely

achieve this goal by
win an election cam-
paigns, together, struggle
be relieved.

t Gramme, designed to
nership with Canadian
inure control by the

Real equality for women

Women suffer double exploitation—at work and at home.

More and more women are working because they have to keep up their family's standard of living. One quarter of all women who work are the sole support of their families.

But women are excluded from certain areas of work and end up concentrated in the service sector. They constitute a separate work force, and are systematically made unequal through lower wages, discriminatory hiring and promotion, "special" job categories and the use of part time and temporary status. When they do the same work as men they get lower pay and fewer benefits.

A new industrial strategy will create more jobs for both men and women. Women must be paid the same as men and they must have the same access to better paying jobs.

Women must be able to expand their role in society outside the home without being doubly burdened. This can only be done by providing high quality child care facilities through the extension of the school system. Maternity leave with full pay and benefits should also be available for a period up to three months.

- The phasing out of all oil and natural gas exports to the United States.
- The gradual development of the Alberta oil sands for Canadian needs with no undertakings to export oil sands production.
- A moratorium on the building of a Mackenzie Valley natural gas pipeline and a refusal to undertake any additional natural gas exports.

But simply setting out the self-sufficiency approach is not adequate. Of crucial importance is the question of who is to preside over the implementation of a new energy strategy for Canada. The foreign-owned oil companies have acted as private governments, making decisions on the development of Canada's energy resources in response to continental rather than Canadian need. They have presided over the export of much of Canada's low cost oil and gas. Their activities have enhanced American rather than Canadian industrial development. They have produced handsome profits for their foreign owners that now exceed the amount of new foreign capital flowing into Canada for energy development.

With their long record of acting against the interests of the Canadian people, the oil companies can have no part of a new strategy for Canada. A crucial principle in a new strategy must be complete public ownership of the nation's energy resource industries. Only public ownership will ensure the pursuit of a strategy in the interest of the majority of Canadians.

Public Ownership- How?

If public ownership is needed how should it be achieved?

Two key factors should determine the level of compensation to be paid to the oil companies in bringing them under public ownership. First, the oil resources over which they preside are already publicly owned. Under the British North America Act, resources are part of the public domain. They can be leased to private corporations, but their ownership can never be alienated. To pay compensation for the estimated worth of the resources would be absurd, since the resources already belong to the people.

What about compensation for the investments undertaken by the oil companies to develop the resource? The largest single source of investment capital for the oil companies comes from the tax write-offs they enjoy. For the past fifteen years the public, through foregone taxes, has been putting up twice as much development capital as have the foreign owners of the oil companies. And while the foreign-owners have been taking a dividend out of Canada larger than the provision of foreign capital, the public has not received a nickel for its huge investment.

The fact is that the Canadian people have already paid full compensation to the oil companies and their foreign owners do not deserve a penny more.

But while paying compensation to the foreign oil

companies would amount to double compensation, that is not the case with the individual shareholders who have investments in the oil industry. These individual investors, who hold a small portion of the ownership of the oil companies, should be compensated immediately and in full when public ownership is implemented.

A Self-sufficiency Model for Resources and Manufacturing

The goal of publicly owned energy industries pursuing a strategy of Canadian energy self-sufficiency makes sense only as an element in a new industrial strategy. Phasing out exports of energy resources would create the opportunity to develop manufacturing industries. Ending energy exports means reserving Canada's lowest cost energy resources for domestic use to provide a comparative advantage for Canadian industry. In addition, eliminating the outflow of dividends and profits to foreign owners would maximize the availability of development capital for Canadian industry. The adoption of the **self-sufficiency model** means that capital can be used for industrial development in Canada, not siphoned off into projects for resource exports.

A new industrial strategy should involve reducing Canada's imports of finished products to provide a new domestic market for the nation's manufacturing output. If Canada set as a goal for this decade the lowering of Canadian per capita imports of manufactured goods to the American per capita level of imports, a new annual market of more than eight billion dollars would be available to Canadian industry. Supplying this market would create enough new jobs in manufacturing and in related service industry development to eliminate unemployment in Canada.

Public ownership of Canada's oil industry can only be achieved if the country is determined to embark on a broad new industrial strategy at the same time. Canada's trained manpower, extensive and varied resources, and potential for manufacturing are such that the country is capable of achieving full economic independence from the United States. Only such a new strategy, geared to ending Canada's industrial dependence on the United States, would guarantee success in the face of likely American attempts to retaliate against Canada's nationalization of the oil industry.

Highest priority would go to the development of the nation's skilled manpower to provide a new source of technology. In addition large investments would be needed to create an independent machinery industry to provide Canada with the equipment needed for a full industrial economy. Furthermore, such a strategy would necessitate the willingness of Canada to create an all-Canadian auto industry under public ownership, geared to producing for the Canadian market.

Another key element in a new industrial strategy must be the decentralization of the location of manufacturing industries. At present 80 percent of Canada's

What's Behind Inflation

Inflation was the immediate issue that killed the Trudeau minority government and forced the calling of the election.

Inflation has given "the free enterprise" system its biggest jolt since the Great Depression of the 1930's. For years, satisfied politicians assured the hard-working citizen that the system was working, that economic growth under the direction of the big corporations was yielding a rising standard of living for everybody. They have not known quite what to say—much less to do—when by 1973 and 1974 the system meant a falling standard of living for everyone except a few at the top.

Canada's inflation occurs within an international economic system that, though dominated by huge American corporations backed by the U.S. government, is increasingly under strain.

Inflation is a by-product of monopolistic rivalry on an international scale. Instead of many small companies competing and driving prices down, a small number of giant corporations set prices. Their competition by a wasteful sales promotion, increase prices. They squeeze wages to keep costs down and profits up.

The system is a kind of economic warfare among the companies operating globally and backed by their respective governments. It is also warfare between the companies and workers within each country. The "warfare" however, must be kept within limits so as to minimize an undesired side-effect like run away or "two digit" inflation.

Stability is most likely when one country and its companies dominate the system. For two decades following World War II, the U.S. was in a position of undisputed leadership. The system worked, though with steady and slow inflation.

But eventually Western Europe and Japan recovered, while at the same time the U.S. sapped its economy in the costly War in Vietnam.

manufacturing is located in a narrow band of central Canada stretching from Windsor to Montreal. Ending Canada's role as a resource hinterland can only occur if substantial industrialization is undertaken in the country's primary producing regions. Western Canada, northern Ontario, eastern Quebec and the Atlantic provinces must be the priority regions for the location of new manufacturing.

A key goal in a new industrial strategy must also be the elimination of wasteful production. In our present social system, goods are produced because they are profitable, not because they meet human needs. This leads to the squandering of material resources and human labour.

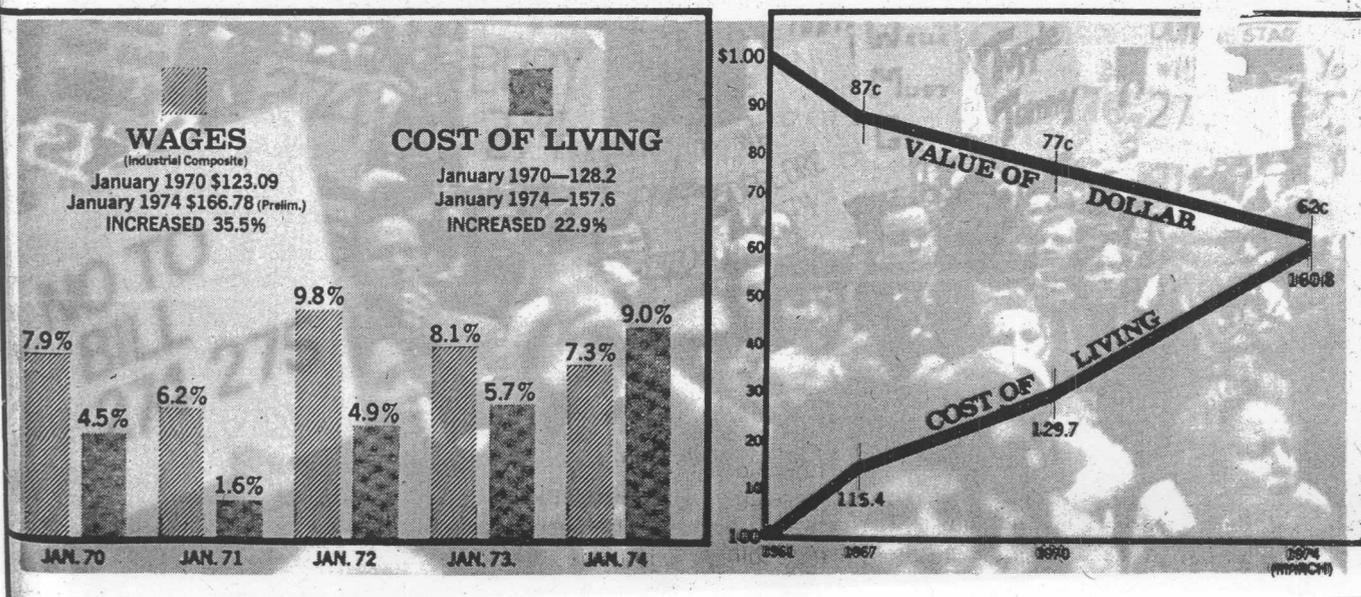
A New Industrial Strategy and a Socialist Society

Why should we Canadians embark on such bold departures in our energy and industrial strategy?

We should be because we must if we are to avoid being prisoners in an American economic machine, during a decade of gigantic struggle for power among the great industrial nations. The energy crisis is a product of that struggle. In the coming world economic upheaval, Canada will be defenceless as the northern frontier of an American empire that is itself in serious economic difficulty.

We should because a new energy and industrial strategy can mean that for the first time the people on the northern half of this continent can make their own history, and can become full, creative human beings, in a self-determining society.

We should, because to take such a step means embarking on a course that will lead to a new socialist party in Canada based on equality of the human condition, in which exploitation of people for private profits is eliminated.



The "war" began in the form of an attack on the over-valued U.S. dollar. The opening skirmishes created sufficient turmoil that in August 1971 Richard Nixon announced his New Economic Policy. That was simultaneously an admission of the U.S. dollar weakness and a clear statement that the U.S. intended to fight to protect its interests at home and abroad.

The sniping back and forth in the money markets in turn induced hysteria in commodity markets as even "respectable" corporations scurried to secure their investments in something solid. The inflationary spiral took off and broke through into the double-digit level. The giant oil companies, mostly U.S.-based, weighed in with their fabricated "energy crisis". The result was the "oil price revolution" of 1973, the full inflationary effects of which have yet to work their way through the system.

The case of oil makes it clear why inflation is taking place and why little is done to stop it. Those who have power are maintaining and strengthening their position—and the inflation works to their profit advantage. For other Canadian resources as well, prices are not set by Canadian costs and Canadian needs. They are set by the needs of the U.S. economy and the determination of U.S. corporations in Canada to sell our resources in the highest markets.

In addition, Canada's dependent status extends as well, into American corporate control in manufacturing. With the U.S. dollar under pressure it pays for the U.S. to export more, and import less, of manufactured goods. That tends to de-industrialize Canada.

Under these circumstances, the politicians know that if they want to be re-elected they have to take up the slack by creating jobs. That means more government spending which has, in turn, to be financed by raising taxes or printing money.

When an election may be around the corner at any time, as it has been in the minority government situation in Ottawa, the choice will be to run the printing presses. While this momentarily keeps the wolves from the door so far as unemployment is concerned, it cannot help but worsen the inflationary spiral. This is caused when there is not enough real wealth being created in the country in the form of goods produced to match money in circulation.

The three main political parties do not have policies that effectively deal with inflation. They tend to see it as a problem that emanates from abroad and for that reason is beyond their control.

The Liberals' response was to be found in their "anti-profiteering" bill—which failed to define excess profits. It left the impression that they were not certain that profiteering was taking place. In their still-born budget they did not include a single serious step to stop inflation.

The Conservatives want to implement a temporary wage-price freeze, in spite of the fact that this has been tried in other countries. In the U.S. it was abandoned because it did not work to stop price inflation. In practice, wage-price controls, to the extent they work at all, tend to control wages better than prices. The result is to redistribute income from labour (wages) to capital (profits).

The NDP deplors the present inflation but is in the uncomfortable position of having been a part of the Liberal-NDP alliance which oversaw an unprecedented spiral of the past year and a half.

Fighting Inflation

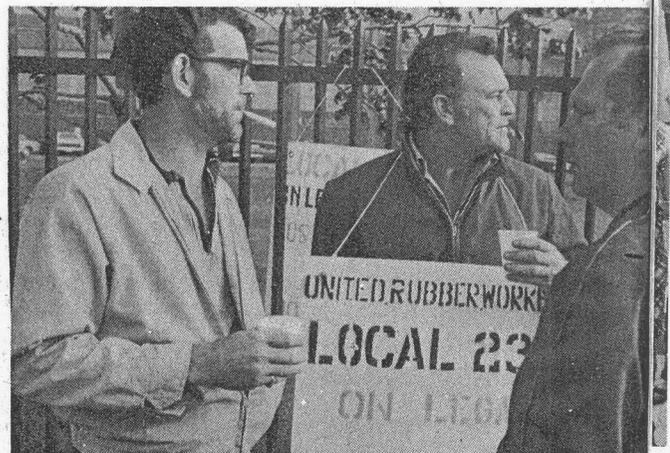
Under these circumstances, how can the vast majority of Canadians who are working people defend themselves from an inflation that is clearly not of their making?

To begin with, they must reject the false argument that they are in any sense responsible for it. The one-third of the labour force which is in unions must refuse the gratuitous advice to "moderate their demands".

Workers have achieved their present standard of living, not from the charity of employers, but because of their willingness to organize into unions and to demand higher wages. Hard-won gains are now being wiped out by inflation. Unions must respond by becoming more militant.

A first line of defence is to demand the re-opening of contracts for immediate gains in higher wages and benefits.

At the same time, as the organized part of the labour force trade unionists must articulate demands on behalf of all working people—those who are unorganized and particularly those who are low income earners—and of pensioners.



A Program to Combat Inflation

The working people of Canada must organize their forces through the trade union movement and new political institutions to demand;

- Immediate Price Controls—on food, clothing and shelter
- This to be achieved without wage controls
- A federally owned public housing industry—to build homes for purchase and rent at reasonable prices (less than 20 percent of take home pay)
- Public ownership of the oil and gas industry to roll back the cost of energy for Canadians.

As additional measures to raise real incomes for working people we must demand:

- \$4.00 minimum wage. This would be of particular benefit to women, immigrants and unorganized workers.
- A 30-hour work week, without extending the 8-hour day
- A minimum \$4000 per month pension, paid twice monthly
- Tax exemptions on all personal incomes under \$5000 for single persons and \$10,000 for a married couple

For a Labour Bill of Rights

Outlaw Strikebreaking, Compulsory Arbitration and Anti-labour Court Injunctions.

During the past year, the number of jobless Canadians continued to increase, while inflation and taxes cut into the wages of working people. The increasing number of strikes reflect the growing rank and file militancy.

But in most cases the rank and file has not received strong militant support from their leadership. Opportunities for the working class to struggle as a united force against the drive of the corporations to gouge them



have so far been missed. This was particularly true in the strike of the railway workers last summer.

But now new opportunities are opening up everyday. Recent action by hospital and postal workers have shown that rank and file Canadians know how to use their initiative to reopen contracts, to strike in defiance of attempts to deny them that right and to win important gains through united action.

To enable labour to fight inflation and lowered living standards, working Canadians should demand:

1. The reopening of all contracts immediately—with a minimum substantial increase of 30 percent to all working people, and limiting new contracts to one year.
2. The abolition of anti-labour injunctions, compulsory arbitration, strike-breaking, and police support of strike-breakers. Struck plants should be shut down.



3. The right of all workers to organize, backed up by the elimination of present legislation which frustrates union organizing, and by a whole-hearted commitment by the labour movement to organize the unorganized.

For Real Equality of Women

In our society women suffer double exploitation—at work and at home.

Growing numbers of women have entered the work force permanently. The greatest increase has been among married women. One quarter of all women working are the sole support of their families. Women are working, not out of boredom, but necessity—to keep up the family's standard of living.

But, women are excluded from certain areas of work and end up concentrated in the service sector. They tend to constitute a separate work force. The type of work they do—service, clerical and sales work—is an extension of the role of women in the home. In addition to maintaining the home for the male work force and raising a new generation of workers, they now tend to perform a service role in the economy. This female part of the work force gets lower pay and fewer benefits than the working class as a whole.

Those women in the predominantly male work force constitute a lower stratum. They are systematically made unequal through lower wages, discriminatory hiring and promotion, 'special' job categories and the use of part-time and temporary status. Women earn under 50 percent of the wages of their male counterparts, except in the professional and technical category where, as teachers or nurses, they form a large part of this category (65 percent of men's wages) and in the clerical category (65 percent of men's wages) where they predominate. In sales, they receive only 38 percent of the wages paid to men.

In addition, women tend to be concentrated in the public sector as teachers, health workers and government workers. As public service workers, they are subject to the most oppressive labour legislation such as prohibitions or limitations on the right to strike. To make

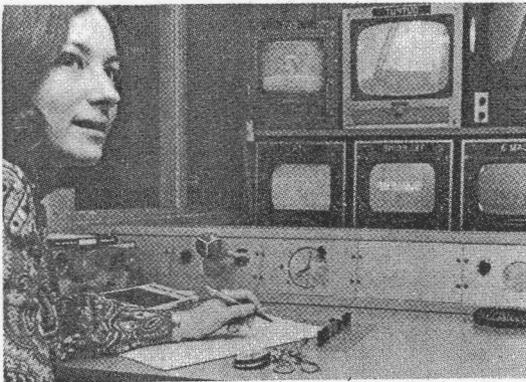
matters worse, the traditional division between workers in the public and private sector is reinforced by the concentration of women in the public sector.

Why Women Need A New Industrial Strategy

This 'separateness' and discrimination against women in the work force has meant the exclusion of women from large sectors of the economy, particularly in heavy and medium industry and transportation. During the second world war women proved that they could do any kind of work in any sector when the need for their labour was there.

While women should never be discouraged from fighting for these jobs now, a shrinking manufacturing sector and a high rate of unemployment makes it an almost impossible task. Many men also see it as a threat to their jobs. What is a division between men and women workers could become a battle from which only the corporations would profit.

What we need is a new industrial strategy for Canada based on an extended manufacturing sector. If, in addition, a 30 hour week were instituted, a larger work force would be needed. This would mean many new opportunities for women in the trades and jobs from which they have been excluded in the past and which traditionally, have paid higher wages. Expanding the manufacturing sector would serve the interests of both male and female workers, providing job security for the one and job openings for the other.



An Immediate Program for Women's Rights

There are immediate and urgent struggles to be waged for:

- universal public day care centres, conceived as an extension to lower ages of the public school system;
- The repeal of present abortion laws;
 - we believe that it is a fundamental right that women should have control over their bodies;
 - abortion should be available on request to all women; all laws relating to abortion should be removed from the Criminal Code; abortion should become a personal matter decided by the woman in consultation with her physician;
 - we support the establishment of special abortion facilities all over Canada so that every woman has abortion facilities available at no cost;

- the increased availability of birth control information and techniques;
- maternity leave with full pay and benefits for a period of up to three months. Such maternity leave to include a guarantee of job security and no jeopardy to promotion;
- equal pay for work of equal value;
- abolition of all discrimination in hiring, firing, promotion or pay-raises;
- equal status for women in marriage and divorce laws; abolition of sex-stereotyping in schools and the media;
- substantial assistance to single parents with children.

This is the essential precondition for change. But the fight against discrimination would still have to be waged until women stand alongside men in large numbers as miners, truck drivers and mechanics, toolmakers, crane operators...

Women and men workers must join forces to demand real equality for women in the work force.

Women are equally exploited on the home front. The age-old exploitation of women by their husbands is only now beginning to be challenged by the movement for women's liberation. The fight for an independent socialist Canada cannot be won without men and women joining forces as equals in the great struggle to build a new society. Women must receive support from their husbands in their efforts to become active as women and as workers in their unions and in political action.

Quebec Workers Set an Example

The working people of Quebec have set an example for all Canadian workers in the forceful demands of their trade unions for the large-scale re-opening of contracts to stop further erosion of their incomes. In this, as in other labour actions, Quebec workers have shown a determination to advance their social and national well-being.

Increasingly the struggle for national survival in Quebec has merged with these working class demands, and has identified the main enemy of the Quebec people as the American corporations.

Just as we demand the right of Canada to be free from U.S. domination, so we recognize the right of the Quebecois to be full master in their own house.

We hope that by furthering the struggle for independence and socialism in English Canada, we will create the possibility of forging a bi-national alliance with the working people of Quebec to build a radically new Canada free from oppression from within and without.



The Rights of Native People

No group in our society has been so exploited and maltreated as the original inhabitants of this country—the Indian, Inuit and Metis peoples.

Rather than moving to correct this situation, the federal government is attempting to destroy their final right—the right to use their land as they see fit. In this the federal government facilitates giant resource developments like the MacKenzie Valley Gas Pipeline and the James Bay Hydro Development, which serve no purposes other than those of the American corporations.

We fully support the native people of the Northwest Territories in their demand that there be no further consideration of the MacKenzie Valley Gas Pipeline until there has been a land settlement acceptable to them. We offer our support in English Canada to those Quebecois, native and non-native, who are demanding a stop to the James Bay Hydro Development until there has been a settlement acceptable to the Cree Indians and the Inuit of northern Quebec.

We call for the ending of all discrimination in employment, education and housing against native people. We believe that effect must be given to the principle that the native people have that amount of autonomy that they need to maintain and determine their way of life.

The Road to an Independent Socialist Canada

How can Canadian working people stop inflation? How can they stop de-industrialization and the sell-out of Canada to the U.S. corporations? By what means are Canadians to take control of their own country?

The politicians—whether Liberal, Conservative or New Democrat—make it sound very easy. "All you have to do is elect us and we'll do the rest", they tell you at election time.

Working people know better. They know from experience that they have never won anything without a struggle. That is how even moderate reforms like the 40-hour week, old age pensions, the minimum wage, public education, unemployment and health insurance, have been won.

Let on one doubt how tough the struggle will be to win a new industrial strategy, to serve Canada and its people, against the fierce opposition of U.S. and Canadian corporations.

In recent actions, working people have shown once again that they have power when it they act together. Teachers in Ontario, hospital and postal workers, and many others have shown that they understand that they must win their own battles.

As socialists, we recognize that, while working people must press for better legislation, they cannot win simply through legislation. To win requires working people's action for working class goals. Election campaigns can

help advance the struggle, but only if they are an integral part of the broader struggle.

In spite of the continentalism of all three major parties, the movement for Canadian independence is underway and growing. A most heartening development is the increasing extent to which Canadian nationalist sentiment is manifesting itself within the Canadian trade union movement. As the United States moves to aggressive policies of economic nationalism, Canadian membership in international unions—which are really American unions operating in Canada—becomes indefensible. As Canadian workers struggle to create independent Canadian unions, they will also facilitate the building of a militant labour movement.

In the largest sense, the movement for an independent socialist Canada unites those who start from Canadian independence as their objective and those whose main goal initially is the building of a new society free from corporate exploitation.

Canadian independence is impossible without socialism, without large scale public ownership and control by working people as the positive alternative to the multinational corporation. Socialism in Canada is likewise impossible without independence, without the right to decide the kind of society Canadians wish to build.

For Canadians, the struggle for independence and the great historic ideal of socialism merge in the movement for an independent and socialist Canada. The Waffle is the largest organized expression of that movement to date.

Waffle Candidates in this Election

The Ontario Waffle is running candidates in this election as a way of presenting an alternative industrial strategy for Canada. We recognize that, at this stage, our contribution is a modest one, because our numbers are limited.

But we are encouraged by the increasing support which our call for independence is receiving from Canadians who desperately want this country to survive. We are heartened by the increasing evidence that rank-and-file workers are militantly resisting their heightened exploitation by the corporations. We are encouraged by the demand for an independent Canadian labour movement, a demand designed to defend their interests as Canadian workers and to be free to co-operate with workers in all other countries.

We ask for your vote in the ridings where we are running, and for your active support everywhere, as part of the building of the movement for an independent socialist Canada.

The Waffle is here to stay as a political party. We believe that we offer the Canadian electorate a real choice. If you too believe in what we stand for, join us in the Ontario Waffle Movement for an Independent Socialist Canada.

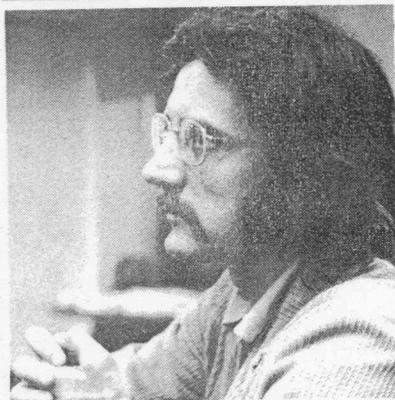
**VOTE
FOR
INDEPENDENCE
AND SOCIALISM**



Middlesex-Huron-Lambton

Mary Campbell

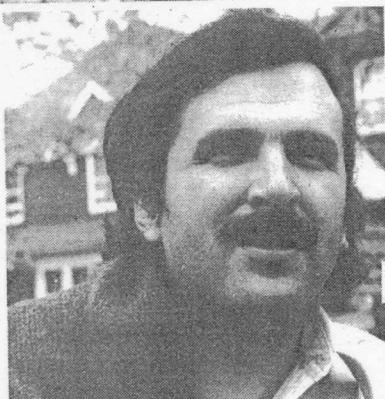
*Campaign Office:
22 Byron Avenue, London*



Ottawa Centre

Bela Egyed

*Campaign Office:
295 Bronson Avenue, Ottawa*



York West

James Laxer

*Campaign Office:
1814 Jane Street, Toronto*

VOTE WAFFLE

