

Jan 29th 67

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Dear Don:

Congratulations on your assignment and your acceptance of it. It is a challenging job but terrifically important for our party and for Canada. If by popular action Canadian capital could be directed to the all-round development of the West, even with the same intensity that the U.S. monopolies are pressing their seizure of its resources now, Western development would be the key to economic expansion of Canada as a whole for a long period. What the "opening of the West" did for Canada during the 20 years before the First World War, would be completely overshadowed by the work involved in its industrialization and even more by its results.

The clique of tycoons who directed the operations of finance capital in Canada ~~didn't~~^{don't} want to commit Canadian finance-capital, as such, to development of the West, because that would bring them into conflict with the established aims of the U.S. monopolies that are bent upon reducing the prairies to a vast ~~resource~~^{reservoir} of raw materials for U.S. industry. The Canadian tycoons ~~didn't~~^{don't} want to compete with the U.S. monopolies, they want to join them. Their cardinal ambition is to make themselves junior partners of the U.S. monopolies. The sell-out of Canada's resources is part of the process by which they, individuals as well as corporate interests, gain for themselves junior partnership in U.S. monopoly capitalism. The fact that they are accomplishing this at the cost of Canada

and her people is the crucial fact ^{that} ~~with~~ the majority of Canadians don't recognize, *or accept too easily.*

Because the idea indicated above is basic and decisive, I think you should open your report with an exposé of the contradictions between the needs of the West and the anti-Canadian role of the finance-capitalist~~x~~ interests and their political henchmen; in the provinces and in Ottawa. I think that if you proceed direct from such an exposé to practical alternative proposals, you have the best chance of making an impact on broad circles of people and thereby provoking public discussion. You have such proposals in your outline and in your "questions of policy." I think though that you could sharpen up the form in which you present them. While it is important that we analyze relationships in the West~~x~~ a great deal more deeply than we have done so far, and that we educate ourselves and our party members more deeply on a whole number of questions the answers to which may be vital, I think that the conference must aim to attract a public audience for its concrete proposals.

What are the crucial needs of the people on the prairie provinces today? It seems to me that they can be indicated much as follows:

1. Double the present population during the next 12 years by planned development. (a) expand remunerative employment by industrialization of the West. Industrialization must include more and more production of the finished products of the rich and varied resources of the prairie provinces.

- (b) The dishonest use of the terms "economic growth" and "economic expansion" must be exposed and refuted and along

the same line, I would suggest that rather than describing Roblin, Thatcher and Manning as "desperate" I would describe them as reckless. And while I am on this point, you should make it quite clear that what Alvin Hamilton pretends is

"economic nationalism" is in fact the political expression ^(the cosmopolitanism) of international corporate capital. All these people mouth phrases about "growth." The only growth that they are really aiming at is the growth of foreign control in Canada. ~~and~~ The terms on which they make themselves Canadian agents of foreign monopolies gain for the Canadian people not growth of employment or of the home market so much as growth of taxes and other burdens involved in the provision of ~~taxes~~ ^(tax free) for services, etc, to the foreign monopolies. Against their pretenses we should counterpose the fact that what is needed on the prairies, and immediately, is remunerative employment for workers and expanded markets, home and foreign, for farmers.

Hamilton pretends himself that
an economic nationalist, that
he does not raise his voice
in opposition to the actual sell-out.

(c) In the most striking way possible you should propose that the 3 prairie governments join in a demand upon the Federal Government for a 50-50 partnership to start right now on the great public works programs that must be carried through to provide the services ~~of~~ ^{and} the basis for industries and a doubling of the population by 1980. Water, the one absolutely indispensable natural resource for the growth of permanent communities and the development of industries, can be brought from the great rivers of the North in abundance. Furthermore, it should be emphasized that in relation to the growth that it will make possible and the diversity, the cost of bringing water everywhere on the prairies is not exorbitant. The prairies have all the resources for the development of ~~the~~ electrical energy on

any scale that is decided upon, and at costs which ~~are comparable~~
very favorably with
~~xxx/xxxx comparable with~~ those prevalent anywhere in North
America. Even such developments as these will transform the
labor situation on the prairies along with the need for housing
and, thereby, will help tremendously to abolish the present *gap between*
wages levels on the prairies and those of central Canada.

(d) I think it is worthwhile to emphasize that even
development work such as indicated above will expand the local
market for agricultural projects in a way that will make a
substantial measure of diversification profitable for farmers
in several areas. Along with that, however, you must naturally
emphasize the demand upon the governments provincial and
federal for action to expand export markets for wheat, etc,
and for even more difficult but more necessary action to stop
the gouging of farmers by the machinery and financial interests.

2. I think you must draw together all the material that
you have to expose the lying pretense that the natural resources
of the West cannot be developed excepting by *handing them over to*
~~xxx/xxxx~~
foreign interests, which in practice means U.S. monopolies.

(a) During the Second World War, Canadians proved that
whatever is physically possible in Canada can be financed by *and within*
Canada. This was one of the most important of all the lessons
of that war to Canada, ~~and~~ it is no accident that the powers-that-
be try so hard to conceal its meaning *from* the people. Today, the
finance-capitalist interests in central Canada control pools
of capital that are big enough to finance development on a much
larger scale and much more diversified than is now being under-
taken by all the foreign investors combined. For example, you
point out that Roblin loaned \$20,000,000 to a company which

promises to employ 200 workers. That is equal to \$10,000 per worker. At that rate of investment the Provincial Government could have established a publicly owned fertilizer plant with guaranteed markets for all its products. There are many similar examples.

An example which is almost conclusive is that of 5 of the Canadian chartered banks which engage in the business of lending money in New York City to finance marginal buying on the New York Stock Exchange. These 5 Canadian banks, or to be exact, the New York branches of these banks, ^{lent?} loaned money to New York stock brokers to the extent of ten billion dollars, ~~(\$10,000,000,000)~~ ^{per year} per year. In fact, the 5 Canadian banks lend almost half of all the money that finances marginal buying on the New York Stock Exchange. Even if there were no other example, this one alone proves that the financial resources of Canada are adequate for that confronts her people. The real problem is for the Canadian people to be aroused sufficiently to compel the governments to direct the funds to the development of Canada ~~xxxxxxxxxxxx~~ instead of to finance speculation.

3. Canada Versus Continentalism.] [(a) Development of this country by Canadians and under Canadian control is now a vital public need. It is the only effective alternative to the complete control of this country by the U.S. - which is the real meaning of Continentalism. Industrialization of the prairie provinces is necessary to Canada as a whole equally as it is to those who live on the prairies. ^{This} ~~the~~ need is every bit as pressing today as was the need for railways at an earlier stage. Without railways the West would have remained relatively unpopulated. Now, without industrialization most of the tremendous sacrifice and achievement that was devoted to opening them up will have been wasted. There may even be a trend to depopulation.

At an earlier stage successive governments accepted the responsibility to build railways to open up the West. The governments of today must be compelled to accept responsibility for industrialization to save the West - or they must be replaced by governments that will.

(b) The West will not, indeed it cannot, be industrialized with the policy of Continentalism. Free trade between Canada and the U.S. would mean fewer skilled jobs in Canada whereas the need is for more. It would mean even more dependence on the production of raw materials, whereas the need is for rapid expansion of the finished goods manufacturing industries. It would mean even deeper involvement in the worldwide deprivations of U.S. ^{imperialism} ~~capitalism~~, whereas what Canada needs is to regain her independence.

Continentalism would not help Canadian agriculture. There is already free trade between Canada and the U.S. in

farm machinery and implements and automobiles and trucks, but it has not solved the problem of the farmers, or even helped them, because their problem is in fact the exploitation by monopoly-capital. The monopoly prices that farmers have to pay remain exorbitant. To the extent that free trade reduces the number of workers employed in manufacturing industries in Canada, the home market for farm products is reduced also. Free trade in general would decimate the home market and it might not reduce by a red cent the prices that the farmers have to pay for manufactured products.

(c) Government involvement in industrialization and in fact in general development is ^{is} well established tradition in Canada. From the building of the C.F.R. and ^{all the other} ~~for~~ railways to the establishment of the Bank of Canada, Air Canada, The Polymer Corporation, etc., etc., governments, Federal and Provincial, have always been involved in the establishment and operation of industries and for enterprises that the powers-that-be are in favor of.

4. Political Trends in Western Canada. I propose that you combine groups 2 and 3 of your outline under this one heading and thereby present the organized labor movement as a definite factor in the struggle for political realignment.

(a) I suggest that you don't deal with the question of Western Radicalism in terms of "fact or fiction." I would deal with this as the victim of repeated betrayals. Through the past 50 years one betrayal after another has sapped the confidence of Western radicals. Today, the West is on the threshold of important changes in political alignments. The question is, will the realignment reflect mass disillusionment

and nothing else, or can it ^{be made to} include the rallying of substantial political forces around a program of planned development of the West. This is a challenge to all forward looking men and women. Unless a genuine program of development can be made an effective element in prairie politics, disillusionment will enable the political agents of monopoly-capital to strengthen their positions still further, perhaps even to the point of an overt *extreme* right wing coalition or party.

5. The Communist Party in the Struggle to Save the West. I think that your group #5 provides a good basis for the treatment of the role of our party. It needs to include our party's reply to the challenges that I have mentioned above. I think also that it should include references at least to some of the points which are in group 3 of your outline.

I know Don that the way this letter is written appears somewhat presumptuous, almost as though I were saying, "Here is the way you should write your report." Honestly, I have no such thought. I have written it this way because it is the most direct method by which to offer my comments and suggestions in the sequence and setting in which I think of them. I am sure that you will understand this and use such of the suggestions as you think worthwhile, discarding the others. Good luck, Don. I hope the conference marks a new stage of growth for our party in the West.

With comradely greetings to

all three of you.

Tim

*Yours if
Jim*