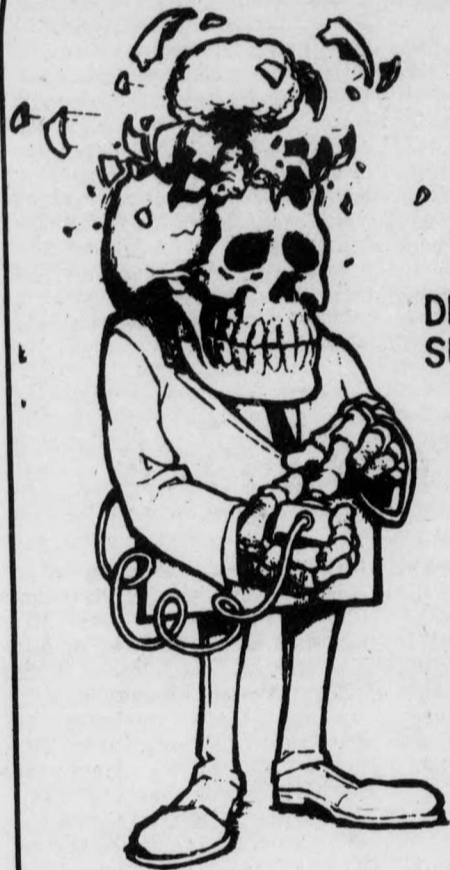


Ploughshares to swords:



MAN
DEMONSTRATING HIS
SUPERIORITY OVER
ANIMALS.

How our exports support arms production

By BOB GAUTHIER
Adapted by
Canadian University Press

The Canadian government handles contracts for war products to be sold abroad worth more than \$250 million each year. The companies involved and the government attempt to avoid controversy by saying they do not know where the products are going ultimately.

The companies have said their products are harmless. However, either a product or related research may be important in the conduct of military activities.

Do goods considered as non-militarist by themselves implicate the manufacturer and the government when they become strategically important?

Is it more important to government policy makers and corporation executives to maintain productivity, the profit margin, and power?

The Canadian government has subsidized the sale of products to the Pentagon—products which may have ended up in Vietnam or another war zone of southeast Asia. Government assistance has been provided through industry, trade and commerce department and the Canadian Commercial Corporation, a Crown corporation.

The corporation was established to develop an arms export industry in Canada. During the most intense period of the Vietnam war it filled

contracts worth almost \$500 million.

Documents to support this were classified restricted and confidential by the government. There were also classifications for defence products labelled "secret" and "top secret." Little is known about these classifications, how much money they involve and who fills the contracts for the Pentagon.

Dofasco-Dominion Foundries and Steel Company—was one of the Canadian firms which sold to the United States military. Public U.S. documents—confidential in Canada—indicated Dofasco had sales from 1971-72 which totalled \$40,000.

Company sales included steel sheet carbon and steel plate carbon, as well as steel sheets and steel bars. Although these products may have been harmless, when coupled with other materials, they could have a significant impact on U.S. military production. No company spokesman, however, revealed the destination of the products or their intended use.

Bob Brechin, foreign exports head at Dofasco's Hamilton plant said the company "supplies to the Canadian Commercial Corporation."

He said Canadian companies didn't compete with U.S. firms for "offshore defence." The Canadian company can send products to the U.S., he said, but there's a 50 per cent penalty for competing offshore, such as in Vietnam.

"Take Vietnam," he said. "I think you'd find very little

involvement there by Canadian companies—if any at all—because of the 50 per cent penalty."

However, Brechin did not rule out the possibility products sold to the U.S. military were transhipped to Vietnam.

Noranda Metal Industries Ltd. is another company which sold products to the Pentagon. The military applications of these products were more direct.

Noranda sold about \$260,000 worth of products to the Pentagon in 1971 and 1972. Noranda collected \$210,729 of that figure for "brass discs 105 millimetre cartridge cases for M14 rifles." The M14 was used extensively in Vietnam.

Dave Stanyon, Noranda's assistant U.S. sales manager, said "the company does a lot of business with the department of supply and services (Canadian Commercial Corp.) We supply condenser tubing for ship applications and brass discs for making shells."

Stanyon said he believed the products were shipped to Utah and Tennessee. He said "as a general rule the company doesn't require knowledge of the final destination of the product. We usually take the attitude that that's their business."

Project Anti-War, a Montreal-based research group, revealed that 237 companies located in Canada received contracts from the Pentagon between 1967 and 1972. The majority were either U.S.-controlled or owned.

Myron Galan, a member of the group, said for years "Canadian

industry argued that they simply sold the goods to the Pentagon and took no responsibility for how they were used. The Canadian government assured Canadians that, as far as it knew, military material sold to the Pentagon was not used in the Indochina conflict."

Last June the organization produced documents that contradicted the statements of both Canadian government and industry.

Hercules is helping build our nation's economy by bringing in more than \$1 billion in foreign payments.

So far, over 1200 Hercules have been sold to the U.S. and other countries. They buy Hercules because it can do a lot of things other planes can't.



Galan said "documents from the Canadian and American governments and private industry indicate that the ultimate destination of products manufactured in Canada for the Pentagon is clearly known by both the Canadian government and the companies fulfilling the contracts. The ultimate destination has in many cases been South Vietnam."

Galan said the group's research indicated no export permits had been granted to countries in the Indochina war