



SUN LIFE: THEY SAY THEY ARE LEAVING - BON DEBARRAS !!

by Larry Black
of Canadian University Press

Two weeks before the crucial 1970 Quebec election, a spectacular caravan of heavily-armed Brink's trucks, laden with bonds and securities, "sneaked" across the Ontario-Quebec border under the watchful eye of most of Montreal's mass media.

Now, eight years later, the Sun Life Assurance Company of Canada, the country's largest insurer and seventh largest financial institution, has announced that it too intends to sneak across the Ontario border, with its stocks, bonds and head offices.

The stated reason for the move, which won't take place for two years (until after the national referendum on Quebec independence) is Quebec's language law, Bill 101, which the company says affects its ability to operate its multinational head office.

The threat to move out of Quebec at this time has caused a stir in Canada, particularly among those interested in the outcome of that referendum.

The Quebec government has exposed the corporation as a "poor corporate citizen" and threatened to repatriate the \$200 million the company has extracted from the province. Federalist politicians, from the Toronto Liberal MPs' caucus to Prime Minister Pierre Trudeau and Finance Minister Jean Chretien, have been wailing about the company's responsibility to help preserve the Canadian confederation. And the Financial Post has run front page banner headlines asking "Did the company really have to say it now?"

It's an interesting question **The Post** itself finds the company's "decision to cite Bill 101 as the reason for its proposed departure a little premature, to say the least."

The company has stuck to this claim—"that language is the real reason"—and has delayed a policy-holders meeting on the move for three months. Company president Thomas Galt insists that the lack of rights to English education for the children of staff coming to Quebec was a major element in the company's decision: "The language of education is of vital importance in the acceptability of Montreal as a place to live."

And James Sinclair, Trudeau's father-in-law and a member of Sun Life's glittering board of directors, has said: "All he (Quebec premier Rene Levesque) has to do to stop this hemorrhage is to announce that head offices of multinational companies can operate in English and that head office families can send their children to English or French schools."

This excuse, (besides showing an unusual concern on the part of a company like Sun Life for its employees), raises a lot of questions about the company's real motives.

The most obvious is that Bill 101, as it now stands, does not interfere with the language rights of head office staffs of multinationals. During the hearings on the bill, the government backed down on this point, and has yet to draft the regulations for head offices.

But there is little doubt the government will accept the recommendation of its language office, which suggests that language cannot be legislated for multinational headquarters. French should instead be encouraged through an "effective school system so that companies can hire local people without sacrificing quality," the language commissioners say.

Provisions have already been made for the children of multinational executives who are transferred into the province for three-year, renewable periods.

Not a government "hard-line", and not one that would justify a \$10 million move—a move which would invariably be accompanied by a substantial loss of business in Quebec, and an outcry from politicians and editorialists.

Sun Life has also gone to great lengths to publicize the announcement of a decision that could have been accomplished by continuing to slip its staff slowly westward.

The company, like so many others following the shift of capital in North America, has been moving its operations and money out of Quebec toward Toronto for more than a decade. Only 20 per cent of the company's operations are still in Quebec, and the actual head office operation involves only a portion of the 1,800 jobs cited by Sun Life management.

What makes the move even more suspicious, and even less likely to be an "ill-considered mistake", is the fact of **who** made the decision to announce the proposed move.

Sun Life's board of directors is a classic of the Canadian "old boy network" that dominates the country's corporate management. It includes the heads of the Bank of Montreal, the Royal Bank of Canada, the Canadian Imperial Bank of Commerce, and the Bank Canadian National. It also includes the heads of major financial institutions like Royal Trust, Credit Foncier, Canadian Investment Fund and Canadian Pacific Investments. Major resource industries like CIL, Cominco, Consolidated Bathurst, Domtar, Gulf Oil, Steel Company of Canada, and two others which are more infamous: INCO and Noranda Mines. And names like Ian Sinclair, Alfred Powis, and G. Arnold Hart.

Any decision approved by the Sun Life board affects more than one company. In the words of the Financial Post: "The fact that Sun Life's

board is made up of leading members of Canada's financial and business elite also has many people wondering what that portends for further corporate departures from Quebec."

This is probably the most important implication of Sun Life's announcement. Leading financiers and industrialists seem to have agreed on the best way to deal with what they perceive to be the threat of Quebec independence.

Sun Life's announcement seems to indicate the path at least some large corporations have accepted in their fight against a separate Quebec—pressure on Quebec voters facing the national referendum.

Two events could have a major effect on the way Quebec people choose to exercise their right to determination for their nation. One would be a federal threat to use the Canadian army to intervene after an independence vote. Trudeau in fact indicated in a New Year interview that he would not hesitate to repeat the tactics of October 1970 and use the armed forces to change people's minds about the wisdom of an independent Quebec.

The other event would be a threat of a mass corporate exodus from the province, and destabilization of the economy, in much the same way as ITT and U.S. copper concerns exercised their power to depose Chilean president Salvador Allende in 1973.

This sort of threat is not as far-fetched as it first might seem, as evidenced by the corporate attitude that spawned the Brink's escapade in 1970 and so coerced many Quebec voters into electing the federalist option and Robert Bourassa.

Sun Life, like Royal Trust which engineered the Brink's incident, has for a century milked a comfortable profit out of Quebec. In fact, the

records of most English-Canadian and U.S. corporations in Quebec have betrayed a distinctly colonial attitude toward the province and its people.

In Sun Life's case, two of the company's 21 directors are francophones. In a city which is 70 per cent francophone, Sun Life employs 230 French-Canadians out of a total of 2,600 employees. "When you've taken out maintenance staff and the like, they can't even give a fair quota to French-Canadians even in the typing pools," says the province's Finance Minister Jacques Parizeau.

A better indicator of the colonial set-up between Quebec and English business interests is the \$200 million worth of Quebec policy-holders' premiums that the company has reinvested outside the province.

Large Canadian corporations are apprehensive about any political change that might affect their ability to maintain this situation. Despite the Parti Quebecois' pandering to corporations, especially American ones, English-Canadian business interests are united in their opposition to the Quebec independence movement.

Sun Life's early refusal to elaborate on the details of the proposed move, its decision to delay the policy-holders meeting for three months, and its subsequent explanation that the move wouldn't take place for two years seem to indicate that Sun Life isn't any different from other Canadian corporations.

The company, and likely many others, will dangle their decision as threats in the faces of Quebec voters, who worry about the province's future economic stability, until after the referendum on independence. It is the threat to move, rather than any real move, that will have the greatest effect on the spirit of Quebecois.

Postscript

CIA denies destabilization operation

There is an interesting post-script to the Sun Life threat.

One year ago, on Jan. 4, 1977, two agents of the Central Intelligence Agency attended a meeting at a Toronto hotel, organized by an employee of a major multinational operating in Canada. The meeting of representatives of multinationals was set up to study ways of disparaging the newly-elected Parti Quebecois government.

According to reports in both **Le Devoir** of Montreal and **Le Soleil** of Quebec City, those attending discussed ways of "destabilizing the economy of the province, possible methods of halting the referendum, and the possibility of eliminating Premier Rene Levesque and other members of the cabinet."

Lavon Strong, public relations spokesperson for the CIA, denied any knowledge of the meeting: "We did not participate in the meeting and know nothing of it. The rumours are without foundation."

But the Quebec ministry of justice thought rumours of a planned economic destabilization were serious enough to call an investigation. The minister, Marc-Andre Bedard, reported that the investigation ended March 23 and found the meeting never occurred and the affair was "without serious foundation."

But **Le Soleil** says the investigation was called in mid-December after an earlier meeting of the multinationals in Ottawa. Two officers of the Quebec Provincial Police, Claude Menard and Maurice Dalpe, went to the Toronto meeting, the Quebec newspaper said. Its sources were highly-placed officials in "the government, the police, and elsewhere."

The suspicions about the meeting seem confirmed by the statements of Parti Quebecois ministers. Levesque is quoted as saying "certain people could be interested in an economic destabilization operation," but he would not say if the CIA would be involved.

Claude Charron said such an affair would "only be the tip of an iceberg. There are many people who are ready by any means, including illegal and criminal acts, to overthrow the government."

Jean-Pierre Charbonneau, another pequist deputy, said that many of his colleagues "are aware of the possibility of violent acts to destabilize the regime."

Bedard himself hinted there was more to the case than he was telling.

But the story ended there. Four days after the story broke, **Le Soleil** was closed by labour conflict, and **Le Devoir** did not follow the issue.