

# our ort ion

zone. "The question then arises of how these products get to Vietnam."

Documents provided to Project Anti-War illustrate the pattern. In a department of industry, trade and commerce letter dated February 27, 1973, Rackow, head of the production and development branch of the U.S. division of the Defence Programs Branch, apologized to Wire Rope Industries of Canada for the inconvenience of Canadian export laws.

The letter said: "For several years this problem has been recognized and the U.S. Defence Department has instructed its procurement officers that Canadian firms must not be asked to make such shipments. Alternative shipping instructions are available from the Defence Administrative Service Office (DCASO) in Ottawa.

"Should your company be asked to respond to such a

"The government has consistently deceived the people and this deception has had a twofold purpose: to support the American government in its pursuit of the domination of Indochina and to facilitate the accumulation of profits by Canadian war-related industries—profits at the expense of human life."

Two thick catalogues crammed with military products formed a central part of an extensive federal government effort to sell material to foreign governments.

The federal government has helped Canadian-based firms sell about \$4.5 billion in military equipment since 1959 and as recently as 1970 Canada was the fifth largest supplier of military equipment in the world.

Most of the sales have been to the U.S. under a series of defence production sharing agreements economically profitable to Canada but which may prove expensive in the future.

graphs.

Eleven Canadian sales representatives located in the U.S. are available for consultation and further information, one section stated. The include consuls, trade commissioners, and "Canadian Liaison Officers" residing at various U.S. military bases. acted as an overseas sales and marketing agency for the military equipment firms.

Officers of the department stationed overseas worked closely with the marketing and purchasing branches of the department and the federal supply and services department.

Supply and services was responsible for the Canadian Commercial Corporation, the contracting agency between foreign governments who want to purchase defence commodities and companies in Canada.

The corporation received requests on price and product availability from foreign govern-

about 11,000 enquiries that year. It was awarded more than 5,200 contracts valued at \$237.6 million by foreign governments, international agencies and the Canadian government.

The U.S. government was the largest single customer with contracts worth more than \$110 million (The U.S. government was also able to do business directly with Canadian-based companies, but no figures have been published.)

Major purchases through the corporation included aircraft engines, spare parts and overhauls (\$30 million), ammunition hardware and material (\$8 million), communications equipment and maintenance (\$41 million), sonar units (\$3 million) and miscellaneous items valued at \$28 million.

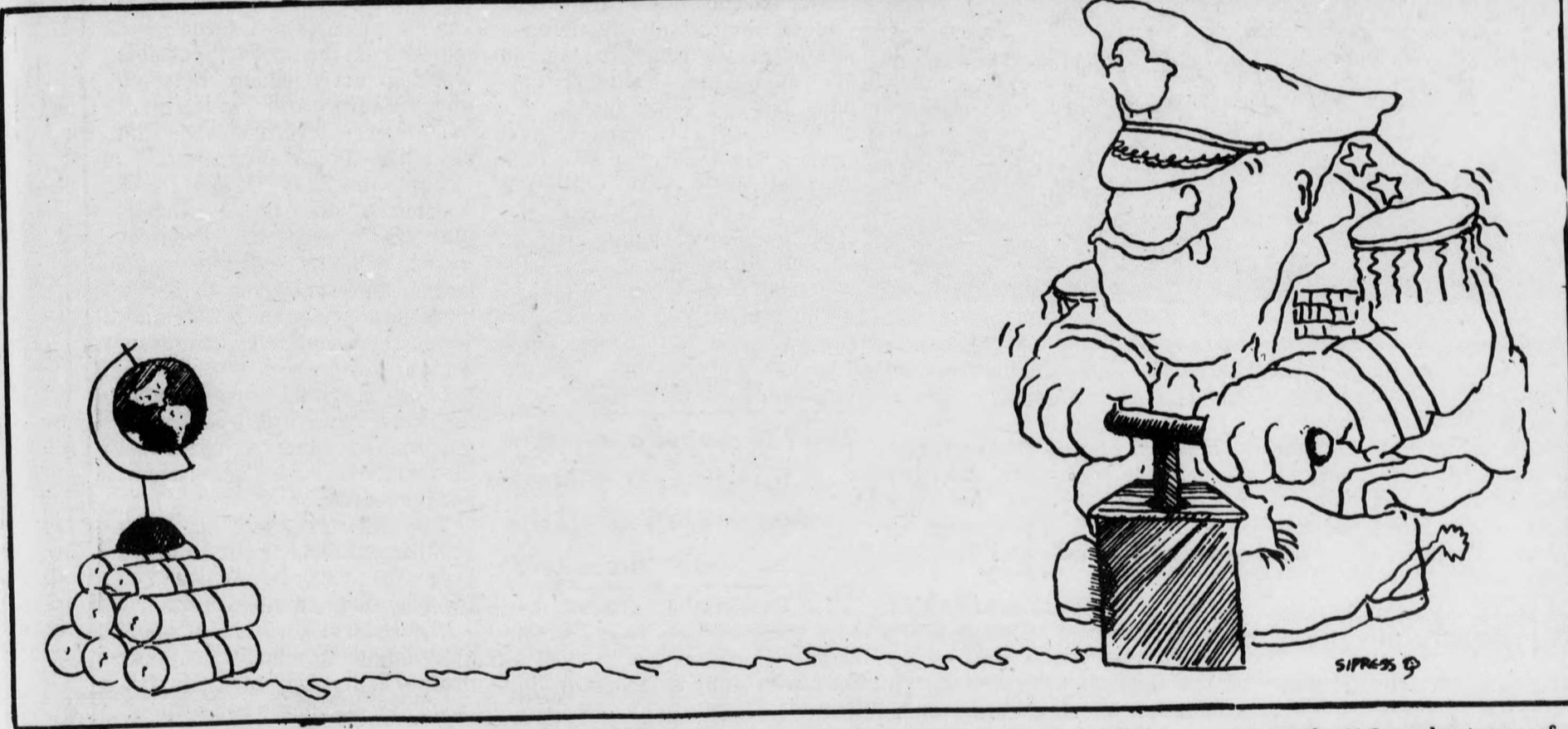
All defence products, except those going to the U.S., required an export licence. More than 80 per cent of Canada's yearly sales

argued that they simply goods to the Pentagon no responsibility for y were used. The government assured s that, as far as it knew, material sold to the was not used in the conflict." une the organization documents that con- the statements of both government and in-

ercules is helping build on's economy by bring- more than \$1 billion in payments.

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said "documents from anadian and American ents and private indus- ticate that the ultimate ion of products manu- d in Canada for the on is clearly known by e Canadian government companies fulfilling the ts. The ultimate destin- as in many cases been /Vietnam." n said the group's h indicated no export had been granted to es in the Indochina war



solicitation please advise this office and we will endeavour to have the consignment point changed."

Project Anti-War obtained documents which revealed Wire Rope Industries had shipped steel chains and wire ropes to various bases in Vietnam via Plattsburg and Delaware.

Galan said "sources in the U.S. Department of Defence have indicated that this is the normal procedure for other companies as well."

He said the implications of the letter to Wire Rope Industries, dated one month after the signing of the Paris Agreements to which Canada was a signatory, clearly violated the spirit of these accords.

"The Canadian government has been an active participant in the Vietnam War, and must share the responsibility of the deaths of hundreds of thousands of Vietnamese people," he said.

This country still remains one of the top producers of war material because a large number of American subsidiaries manufacture defence products here. No country produces more war material per capita than Canada.

The government's sales have also caused some conflict of interest problems for would-be Canadian peacekeepers.

One of the two government catalogues, Canadian Defence Commodities (directed exclusively at the U.S. market), consisted of a section on more than 800 companies complete with addresses and sales contacts.

Other sections included listings of products available under various headings such as "launchers, rocket", with the supplier listed beneath the name; a section of the services a company is capable of performing if requested and a section on products, complete with photo-

ments, screened them through the Export Contracts Branch of supply and services and issued tenders to Canadian corporations. Bids were then submitted to the foreign governments for approval.

While supply and services was responsible for the operation of the corporation, various other departments assisted. These included industry, trade and commerce, defence and the treasury board, which supplied free management and support staff.

In the fiscal year 1972-73, these administrative services cost the Canadian taxpayer more than \$5.5 million.

Canadian firms were perfectly free within Canadian export policy to sell directly to foreign governments with whatever assistance the Corporation can provide.

The corporation's 1972-73 annual report stated it received

went to the U.S. under terms of a series of agreements dating back to the Second World War.

Under these agreements, the defence production of the U.S. and Canada had become so integrated Canada lost its autonomy in defence matters.

In "The War Business," a book published in 1969 about the international armaments trade, George Thayer, an American political journalist, wrote "Canadian arms salesmen, whether governmental or private, are limited by the same structures applicable to U.S. arms salesmen. They operate in effect, as an arm of the (U.S. installations and logistics) office because virtually all the weapons exported from the Dominion are U.S. products manufactured under licence."

The sharing of defence production which existed during the Second World War was strengthened in 1950 when only