

Behind The Political Crisis In Canada: 'Balkanization' And Rockefeller's Common Fund

In the last month the Canadian government has been pounded with scandals, economic sabotage, threats of terrorism, and political splits cutting deep into Prime Minister Pierre Trudeau's own Liberal Party. The common issue around which this attack on Canada revolves is the call to carve up Canada into autonomous province-nations. The common underlying purpose is to force Canadian participation in Wall Street's Common Fund policy of international raw materials control.

This assault, which has threatened to develop into coup-scale proportions, is more than a blackmail operation. In addition to Canadian acceptance of initiatives such as the formation of a U.S. controlled international wheat cartel, the Rockefeller-led financiers who initiated the Common Fund policy seek an eventual political "balkanization" of the Canadian confederacy. The resulting loose collection of politically fractured national regions would be supervised by Wall Street-run "caretaker" governments, such as the present Parti Québécois government of Rene Levesque in Quebec, to oversee the conversion of what was once Canada into a Third and then a Fourth World nation. Such "command economies," in Rockefeller parlance, represent the only possible basis under which the Canadian economy could be subsumed within a global Common Fund policy. It is necessarily incompatible with the continuance of the present Trudeau government, or of any government committed to maintaining the integrity of the Canadian confederacy in its present form.

Why Canada is a Must for Rockefeller's Common Fund

When the Common Fund plan was officially put forward at last month's UNCTAD meeting — a recycled version of Henry Kissinger's discredited International Resources Bank — it was widely recognized that this scheme for worldwide raw materials commodity cartels represented little more than a means for powerful New York-based financial institutions to strengthen their hold over their Third World debtors and gain even greater potential clout worldwide through control of these cartels. Speaking at the New York Economic Club in March, Chase Manhattan Bank chief David Rockefeller announced that the Common Fund commodities plan, combined with a bailout of the International Monetary Fund and the lower Manhattan banks, constitutes the sole political means to prevent the collapse of Chase and its allies. Subsequently, Rockefeller policy spokesmen in Washington-based think tanks identified "command economies," which they defined as "fascism or author-

itarianism," as the necessary prescription for every nation important to the Common Fund policy.

The Common Fund plan is to secure full market and pricing control of all key international commodities and raw materials as the basis for securing the mountains of debt owed the Rockefeller banks. For it to be feasible, Canada must be a willing participant, for Canada has a lending role in world production of numerous mineral and fuel materials. (Table 1 locates Canada's position in the world market for the more important raw materials in question). Moreover, Canada is the most capital-intensive and advanced of the world's raw materials

| COMMODITY | CANADA'S RANK IN WORLD PRODUCTION | % OF WORLD PRODUCTION PRODUCED BY CANADA |
|--------------------|---|---|
| Nickel | 1 | 34 |
| Zinc | 1 | 28 |
| Silver | 1-2 | 15 |
| Copper | 4 | 18 |
| Iron Ore | 6 | 6 |
| Uranium | 2 | 20 |
| Lead | 3 | 12 |
| Molybdenum | 2 | 18 |
| Asbestos | 2 | 33 |
| Columbium | 2 | 18 |
| Petroleum (crude)* | 9 | 2 |
| Natural Gas* | 3 | 5 |

From official government statistics, 1974 and 1975

* Oil and gas statistics from 1968. Note here Canada's position is much more significant in the present political context than the figures on a world scale appear to show, since petroleum statistics here include production from the OPEC nations. Subtracting those nations' output, Canada would rank much higher.

producers, making it a potential El Dorado for Wall Street plundering. Canada also produces, together with the U.S., 75 percent of the world's wheat, showing in yet another way Canada's crucial position on a map of prospective

Wheat is, in fact, the most visible commodity arena around which Canada's participation in the proposed Common Fund is being fought. Following a February 25

meeting with Canadian Wheat Board head Otto Lang, Carter's newly appointed U.S. Agriculture Secretary Robert Bergland issued a call for a joint U.S.-Canadian wheat cartel, as a political wedge against the OPEC alliance. Although Canadian sources initially denied that the proposal represented Canada's policy aims, Lang has since proceeded to systematically collaborate with the U.S. Department of Agriculture in negotiations with both Australian and Argentinian wheat officials on just such a plan.

Officials from Lang's ministry in Ottawa, in interviews last month, advised that a joint Canadian, U.S., and Australian pricing agreement, if achieved through Lang's negotiations, will then be taken to the International Wheat Council, where it will be presented as the basis for forcing wheat-importing nations to "share the burden of stabilizing the international wheat market." What this means is that the wheat agreement will be used as an important bargaining chip to pressure the bulk of the Third World to accept the beginning of an International Resources Bank policy. And of course, such an agreement on Canada's part would serve as a foot in the door for future similar agreements regarding other key Canadian raw materials exports.

The Assault on the Canadian Confederacy

The pressures being directed against the government of Prime Minister Trudeau, centering around the increasingly strident threat of Quebec secession, make it clear that David Rockefeller means business. Over the last three weeks the call for secession has spread from Quebec to emerging parties in two provinces in western Canada, and has been combined with the beginnings of a potentially major "Watergating" initiative against Trudeau in connection with the 1970 La Porte kidnapping. (The kidnapping and murder of federal minister LaPorte, for which several members of the terrorist Front for the Liberation of Quebec were subsequently tried and imprisoned, provoked the imposition of the War Measures emergency decrees.)

At the same time, demands for a "revised" or "decentralized" form of the Canadian confederacy have been raised by spokesmen of diverse parties and provincial governments throughout Canada, voices whose only common note of agreement has been an avowed sympathy with the brazenly provocative behavior of Quebec Premier Levesque over the same period.

To establish a climate of insurrection sufficient to overpower pro-federalist forces in Canada, a wave of terrorism on the scale of Belfast or Entebbe has been projected as likely to erupt no later than May of this year, initially in connection with "radical separatist" layers in Quebec.

Most conspicuously, in the last two weeks a public campaign to build an anti-federalist movement behind former Finance Minister John Turner in Trudeau's own Liberal Party was fielded, timed for a special federal Liberal Party conference in Toronto.

Although Turner's campaign appears to be at least momentarily slowed, and a rumored cabinet reshuffle indicates that Trudeau may be consolidating his own position, the ingredients of the operation remain poised for the next escalator.

The present crisis took recognizable shape in late Jan-

uary, with the now famous appearance of newly elected Quebec premier Rene Levesque before the New York Economic Club. At that time Levesque, who had won the election in November on a platform of "good government" which made no issue of language or separatism, suddenly announced that the main policy of the new Parti Quebeçois (PQ) government was going to be separation from the Canadian confederacy. This pronouncement touched off a tempest speculation about the imminent demise of Canadian sovereignty, and threats of immediate nationalizations of Quebec industry, and coincided with an abrupt cutoff of credit to Canada by the New York and European bond markets, which accelerated the decline of the Canadian dollar valuation to its present low level.

The situation intensified during the first two weeks of March, when forces outside the PQ began to spread the demand for "decentralization" and "a new form of confederation." Press reports began to retail scenarios for terrorism — scenarios formulated within U.S. State Department and Brookings Institution circles at least two months earlier — and Pierres Vallieres, leader of the terrorist FLQ, dramatically reappeared on the public scene with a book announcing that Trudeau was complicit in the LaPorte kidnapping. In this same period a series of scandals broke in connection with the Boeing Corporation and the government Canadian Atomic Energy corporation, the AECL, which claimed to implicate key Trudeau government ministers, including Energy Minister Gillespie and transportation chief Otto Lang.

As of this writing, all of the above aspects are in active play, with new ones appearing at an average rate of one per week. A number of indications suggests that a May-June timetable is planned for an all-out attack on the Canadian government; including terrorism backed by a broad secessionist front.

Levesque and the Parti Quebeçois

Both by his actions and the company he keeps, Rene Levesque is readily identifiable as a Rockefeller ally. The Levesque administration is heavily populated with members of Nelson Rockefeller's Trilateral Commission and of the C.D. Howe Institute, Canada's most important think tank, which is an affiliate of the Rockefeller-linked National Planning Association. One example is Michel Belanger, a member of the former and the director of the latter, whose monetary and economic policy proposals are in full accord with the zero growth policies of the whole spectrum of Rockefeller-dominated institutions.

Although at different times in the last three months Levesque has espoused both "hard" and "soft" lines on separation and other issues, each such shift has only served to signal a news escalation of the secessionist drive throughout Canada. Thus, a temporary "softening" of statements by Levesque and other PQers on the separation issue earlier this month acted to launch the call for a "revised confederation" throughout Canada.

It worked like this. While Levesque and his close PQ ally Gerald Godin asserted that the aims of Quebec "might best be served" through an overall revision of the constitution, anti-federalists within the federal Liberal Party immediately called for the same national policy. Premier Davis of Ontario and Liberal co-factioneer Ian

McDonald of Toronto's York University began a national organizing drive for a "constitutional conference" to be held at York no later than June of this year. Godin then initiated a tour of the provinces to build support for the "decentralization" policy. Then, once the "constitutional reform" movement was well underway — Levesque abruptly shifted his stance once again. In mid-March he declared that separation was a "non-negotiable demand" and insisted that the Ottawa government deal with the PQ on those terms. Now PQ delegates to various international conferences refused to represent themselves as "Canadian" delegates, only as "Quebeçois." Recently the PQ announced a language policy which will call upon "police powers" to enforce the exclusive use of French in Quebec business firms and other institutions, a move with no historical precedent in or out of Canada. Most provocatively of all, agent provocateur Levesque has in effect openly joined forces with FLQ leader Vallieres by announcing the reopening of the investigation into the LaPorte kidnapping and assassination at Vallieres' request, and echoing the Vallieres' book charges that "the events of 1970 took place under the jurisdiction of Prime Minister Trudeau, who has shown no interest in reopening the investigation."

The Terror Option

On January 13 Dr. Alfred Hero, director of the Trilateral-linked World Peace Foundation and a leading member of the U.S. Quebec Committee addressed a confidential meeting convened by the U.S. State Department at Arlie House in Virginia. He described a scenario for chaos that involved terrorism carried out by "extremists" within both francophone and anglophone elements in Quebec, escalating to Northern Ireland proportions. This, he predicted, would lead to either Canadian federal or joint U.S.-Canadian military intervention. This "assessment," he said, was shared widely by State Department officials and also by officials he had spoken to in the top Rockefeller-linked think tank, the Washington-based Brookings Institution. The *Toronto Star's* coverage of Hero's remarks early in March coincided with a flurry of similar "predictions," the reappearance of terrorist Vallieres on the Quebec scene, and an initiative to free FLQ members imprisoned for the LaPorte kidnapping. Numerous press reports foresaw near-term terrorist deployments into Canada involving the Japanese Red Army, the West German Baader-Meinhof gang, and the international gamut of Interpol-run terror operations. A recent report issued by the Currie Coopers and Lybrand consulting firm in Montreal projects a terrorist outbreak along the same lines outlined by Hero. Walter Lacquer of the Georgetown Center for Strategic and International Studies told an audience in Montreal last month that a wave of "super-terror" was to be expected, while H.H.A. Cooper, author of the Law Enforcement Assistance Agency's March "Report of the Task Force on Disorder and Terrorism," forecast in an interview in this journal (March 15) that Canada was one of the most imminent possibilities for near-term outbreaks of terrorism around the separatist issue which could then spread rapidly — including potentially into the U.S.

Such terrorism, which would by necessity be largely run directly through Interpol-connected networks, would serve to force the constitutional issue on a weakened Trudeau. He would be faced with the choice of either re-enacting the 1970 Ware Measures Act response — for which he is about to be watergated — or simply abandon the country to rampant chaos and so demonstrate his utter incapacity to rule.

Money War

All these initiatives against Canadian sovereignty have been reinforced by an ongoing credit squeeze against Canadian borrowings on the Wall Street and Eurodollar bond markets, active most prominently since January of this year. Using the Levesque provocations as their pretext, Wall Street financial circles have played "hard to get" in relation to the marketing of Canadian bonds so far this year, resulting in a speculation-forced 10 percent devaluation of Canada's currency against the U.S. dollar since December 1976. Although the Canadian dollar has recently tended to stabilize at around \$.95 U.S. and bond sales have picked up, spokesmen from Bankers Trust and other New York banks are predicting a further fall of the Canadian currency to as low as \$.80 because of continued "political uncertainties."

This economic warfare takes advantage of Canada's dangerously mounting foreign indebtedness and its rapidly deteriorating balance of payments status. Official 1976 figures for Canada show a fourth quarter balance of payments deficit at an all-time record \$1.36 billion and an equally record-breaking debt service requirement of \$7.9 billion. The credit squeeze consequently acts as a direct destabilizing factor on the Trudeau government by highlighting the purely stop-gap nature of Trudeau's economic policies with respect to the mounting long-term crisis.

Turner Leads Liberal 'Maoist' Wing

The most recently surfaced aspect of the pressures against the Trudeau government has been brought to the fore by the just-concluded federal Liberal Party Conference, chaired by Senator Maurice Lamontagne, a member of the Rockefeller-owned Club of Rome, with Trilateral Commissioner Maurice Strong chairing the foreign policy discussions. The conference served as a rallying point for forces within Trudeau's own party to endorse the same policy of "decentralization," that are being demanded by Trudeau's opponents in the PQ. The main theme of the conference was epitomized by one widely quoted paper that cried, "Get the government back to the people, get the bureaucracy under control." Energy minister Gillespie observed that Lamontagne, who had asserted a "governments can do anything" line at the 1960 conference which launched the anti-growth campaign of (later) Prime Minister Lester Pearson, now "is swinging back to small-is-beautiful." The conference was a boon to the secessionist movements of the opposition parties; one of its proposals called for a new parliamentary house to be created which "would recognize provincial premiers as national statesmen!"

Disproportionate press coverage was given to John Turner's presence at the conference; Turner had

reappeared from over a year's retirement from the political arena for the occasion. Significantly, Turner, a former chairman of the International Monetary Fund Group of Twenty, was mooted by sources within the New York Council on Foreign Relations several weeks ago to be a possible rival to Trudeau, who might even be chosen to replace the Prime Minister by the Liberals even prior to the next election call. Although the conference reports indicate that the Turner bid was rejected by the majority of delegates, the initiative nevertheless is to be taken as a "Statement of Intent" on the part of the Rockefeller forces.

Turner arrived at the conference fresh from a series of appearance in western Canada, where he was widely quoted espousing the Trilateral decentralization formula. Coinciding with the Turner tour of the west was a major upsurge of similar calls from within diverse political layers. Premier Peter Loughheed of Alberta effectively aligned himself with the PQ, and the Wall Street Journal of March 28 reported that the British Columbian "Western Canada Party" and the Albertian "Western National Party" intend to run frank secessionist candidates in the next elections.

— Peter Wyer