

for CGT membership in the CIA-controlled European Trade Union Confederation and International Metalworkers Federation. "We want to cooperate, participate and act in unity with other unions of Western Europe....We feel free [to make] our orientations and our initiatives."

Additionally, Seguy has been talking once again in a low voice about merging the CGT with the CFDT.

#### CANADIAN DEVELOPMENT PROJECTS ON BRINK OF COLLAPSE

Dec. 29 (IPS)--Canada's economy now stands on the brink of collapse--because the Rockefellers have failed thus far to implement the slave-labor and energy hoax policies which were to push through Canadian energy development projects. The Middle East war, on which Rockefeller counted for his Oil Hoax Round II, has proved too politically risky to activate. North American workers have not swallowed coal strike-related energy "emergencies." And labor relocation efforts are foundering on working-class resistance to "voluntary" slavery.

Now Rockefeller is considering scrapping long-term, high-risk investments in northern Canada resource development projects in favor of quick profits in defense production in areas where current plant capacity is easily converted into war production. While some of southern Ontario's auto plants, like Oshawa General Motors, may re-tool for military equipment, under the defense investment option virtually all of the Canadian economy--which is resource-oriented--will simply shut down.

For example, Canadian steel production has been gearing up to meet the demands of the development projects, but it will be several years before "new cities" in southern Ontario and new billion-dollar steel plants like the planned Stelco Nanticoke complex can produce the quantities of special steel products needed for the overall development plan. If the development projects are cancelled--or even postponed, as is now happening--Canadian steel production will collapse.

#### Why Rocky's Losing Interest

The rising real costs of the Canadian projects are pushing Rockefeller to desert his Canadian fiefdom. Canada's major development projects--the Syncrude Athabasca Tar Sands plant (30 per cent owned by EXXON subsidiary Imperial Oil; 10 per cent by Cities Service; 30 per cent by Gulf; and 30 per cent by Atlantic Richfield before its recent pull-out), the Arctic Gas Pipeline, the extensive development of northern Quebec--require immense investment and tremendous input of labor before they even begin to move toward profitable resource production.

In Athabasca, for instance, new technologies must be developed by about 1980-81 before synthetic crude oil production can justify the billions of dollars needed for the preliminary plants operating on old technology. The Arctic Gas Pipeline requires 2.5 million tons of 48-inch steel pipe--beyond Canada's current steel capacity. A vast army of expensive heavy machinery is needed for all the northern projects: machinery which, under the current collapse of real production throughout the advanced sector, is increasingly difficult and expensive to obtain.

Syncrude president Frank Spragins recently announced that the heavy-walled reactor required in the tar sands plant to extract oil from the rock could not be built anywhere in North America before 1980! Spragins complained that he is meeting stiff competition on the international market from companies trying to get hold of similar equipment for nuclear plants, refineries, and coal gasification complexes. Earlier this fall three major companies involved in Athabasca projects withdrew because of what Atlantic Richfield called the "deteriorating economic situation of the projects caused by increasing capital costs and continued uncertainty of future oil prices." Syncrude (now short a 30 per cent partner since the Arco pull-out) has reevaluated costs over the last six months and more than doubled the original \$1 billion price tag.

#### Canadian Government in Disarray

A final decision to cut off the development projects has not yet been reached, with the result that holding actions are in effect as Rockefeller reassesses his position internationally. Deliberate aggravation of the development crisis, through a phony system of Federal and provincial royalties, income taxes, etc., has been engineered by Federal Finance Minister John Turner, who also heads the International Monetary Fund's committee on recycling petrodollars, and by Alberta Premier Peter Lougheed, the brother of a Vice President of EXXON's Canadian subsidiary Imperial Oil.

This maneuvering has pushed the issue of energy development before the public eye, making a "national decision" on the projects imperative. Both the Federal and provincial governments now have options to pick up on the 30 per cent partnership in Syncrude recently abandoned by Arco. Federal financial backing would be a stimulus to the tar sands development, but given the overall uncertainty of the projects and of the government's ability to shoulder such a financial obligation, the Syncrude decision has been tabled for at least 30 days pending a "cost estimate study" by a parliamentary committee.

This leaves the Canadian government in the untenable position of maintaining a "holding pattern" while the economy collapses around it. Pressing problems of inflation, unemployment, and international balance of payments have been systematically avoided by the Trudeau government, since none can be dealt with until development plans are resolved. For the past two months the government has thus been delaying implementation of energy conservation

and allocation boards, which were set up in anticipation of Rockefeller energy austerity. More importantly, there has been a delay of over eight months in full implementation of a new immigration policy designed to relocate skilled workers to Canadian projects.

### Crippling Labor Shortage

The possibility of supplying the projects with vast infusions of labor is growing remote--in part because politicized workers refuse to pursue "full employment" in the Arctic!

Even five years ago the planners were aware that the huge energy projects could not be carried out simultaneously. Even if the capital were immediately available, the skilled and unskilled labor and material could not be. Most plans for Canadian development projects therefore involved recycling labor and equipment from one project to the next. A spokesman for the Arctic Gas Pipeline "feasibility group" recently described to IPS how "left-over" men and factory capacity from Alaska pipeline construction would be used to begin construction on the Arctic line in about 1977. (That date is now improbable, particularly with the announcement this week that the Alaska branch has been postponed for a minimum of two years.)

Over a year ago, Herman "Megadeath" Kahn of Rocky's Hudson Institute, proposed a "crash development" program for Athabasca which was endorsed last March by Jean Pierre Goyer, one of Rockefeller's men in the Trudeau cabinet and a longtime chum of Kahn's. The Kahn proposal called for immediate investment of \$20 billion in the tar sands and importing thousands of "industrious" Koreans to the northern plants. Not only could the most driven labor not work efficiently in the sub-Arctic hell-holes of Athabasca, but the serious shortages of heavy machinery and advanced technology render the proposal ludicrous. Already Syncrude president Spragins has complained that labor is becoming increasingly "expensive" because of both the extreme shortage of adequately trained skilled workers and the greatly reduced productivity among other layers of Athabasca employees. Even Spragins admits that this is the consequence of near-impossible work conditions. Not only do the Athabasca plants require 24-hour-a-day operation (with seven-day weeks and 18-hour days for many workers) but chemical fogs, temperatures of 50-60 degrees below zero, and frequent hurricane winds make northern operations disastrously inefficient.

During the early days of operation of the existing Great Canadian Oil Sands (GCOS) Athabasca Plant technological problems were overwhelming. To dig out the sands, for instance, GCOS purchased two bucket-wheel excavators, custom made in West Germany at a cost of \$10 million each. The frozen tar sands ate away the 120 teeth on each bucket-wheel on an average of once every four hours! In the summer the tar sands turn to mush, and excavators frequently sink deep into the soft muck.

Such problems are by no means limited to the tar sands project. All the major development projects, with the exception of the "new cities" and steel plants of southern Ontario, are located north of the 60th parallel, in permafrost and Arctic climates. The projects require tremendous inputs of skilled labor, labor not currently available from Canada's nine million work force. Since 1971 a special Northern Training Program, run by pipeline companies and Federal and territorial governments, has been planning for the problems of getting skilled labor to the pipeline projects. So far only about 80 northern residents have been through the program, but Federal manpower programs set up over the last six years at a cost of over \$2 billion are designed to guarantee a maximum "availability" of trainees from elsewhere when needed. Rockefeller's current dilemma in forcing relocation of workers internationally may mean that the \$2 billion has been spent in vain.

#### CANADIAN DEVELOPMENT PROJECTS: A BRIEF RUNDOWN

##### Athabasca:

- \*Land area: over 19,000 square miles.
- \*Total estimated reserves of oil: 250 billion barrels (over 40 per cent of existing worldwide reserves). Less than 80 billion barrels recoverable at current technology.
- \*Early development plans included detonation of a nuclear device beneath the surface. Was most economically efficient means of extraction, but plan cancelled when Canada signed underground test ban.
- \*Only functioning plant, Great Canadian Oil Sands Ltd., only produces 65,000 barrels per day at net loss of \$90 million to date.
- \*Bill of materials includes: 18,000 tons structural steel, 1,050,000 lineal feet of pipe, seven million gallons of fuel not including material for necessary auxiliary projects such as pipeline to Edmonton and utility plants.
- \*Labor estimates include: 10,000 men across Canada directly employed by Syncrude during construction, 12,600 permanent "jobs" in Athabasca at completion, 12.7 million man-hours "in the field" during construction. This is for Syncrude alone, excluding the 40-odd other plants projected for tar sands development. (At present workers live in near-military conditions in trailer camps or barracks.)