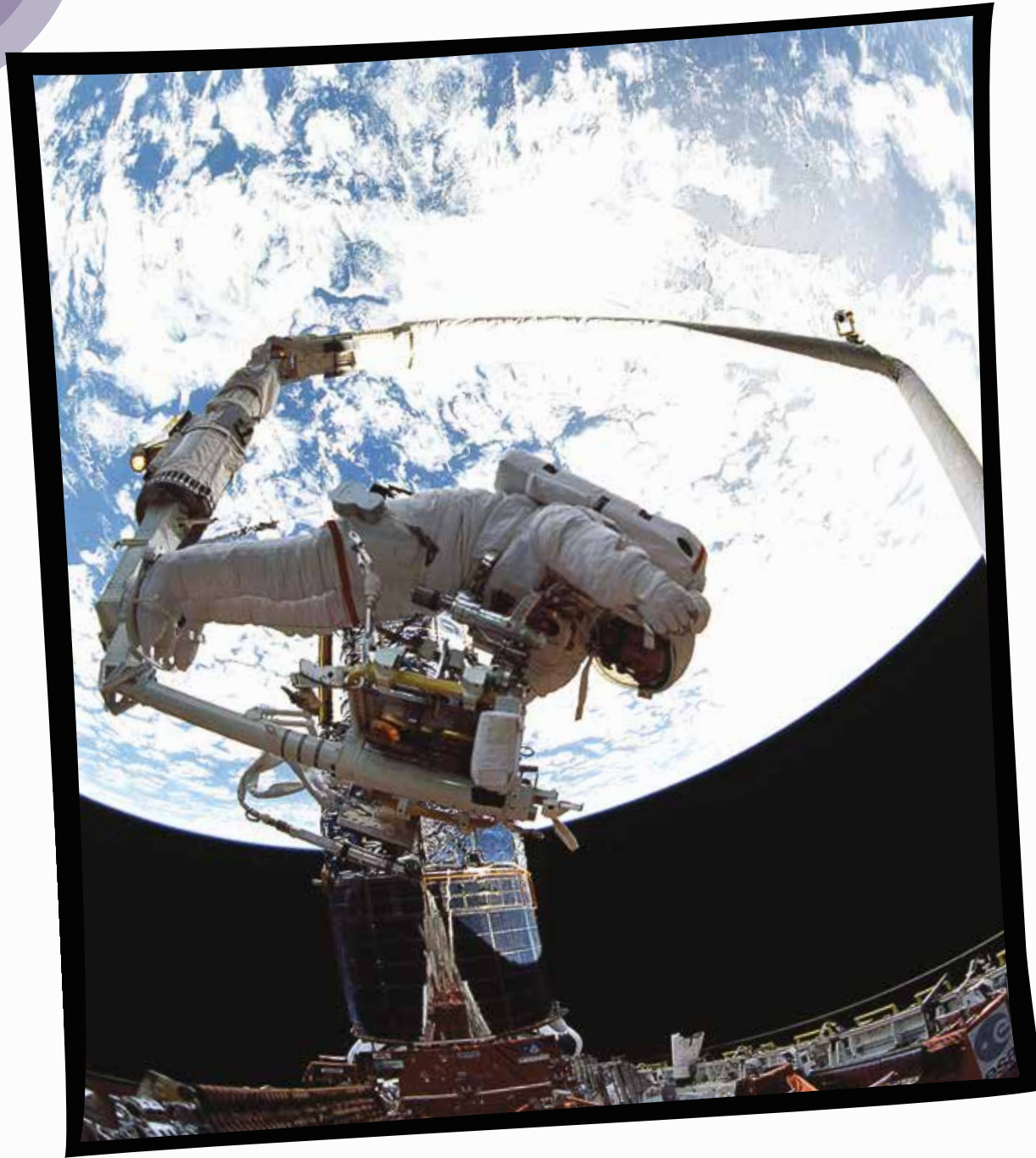


## Chapter Sixteen

## FINDING A CANADIAN WAY



**Figure 16–1** American astronaut Jeffrey A. Hoffman makes repairs to the Hubble Space Telescope in December 1993. He is attached by his space boots to the Canadarm, which is in turn attached to space shuttle *Endeavour*. Although the first Canadarm went into operation in 1981, no Canadian used it until astronaut Chris Hadfield did so in 1995.

## CHAPTER ISSUE

### Was Canada plotting its own course by 1982?

From 1945 to 1982, Canada had to adapt to a world that was changing more rapidly than ever before. Expanding communication and transportation networks were facilitating global trade. Science and technology were changing people's everyday lives and allowing us to make footprints on the moon.

In November 1981, the Canadarm became the newest contribution to the international space program. It would quickly become an essential part of it.

This extending robotic arm was built in Brampton, Ontario, and was designed specifically for use on U.S. space shuttle missions. Though it started out as a simple crane, the shuttle astronauts quickly learned to take advantage of its delicate precision.

Examine the photograph on the previous page, and then answer the following questions:

- How does this photograph show Canada's evolving international role?
- At the Canadarm's launch, politicians and newspapers celebrated a major Canadian technological and scientific feat. The astronaut in the photo is American. Is there a place for national pride in outer space?
- The Canadarm was expensive. Would you consider this project an investment or a waste of money? Why?
- In the background, this 1993 photograph shows Earth as few Canadians had seen it before. How might seeing Earth in this way affect your view of Canada and its role in the world?

#### Key Terms

embargo

stagflation

environmentalism

#### LOOKING AHEAD

The following inquiry questions will help you explore whether or not Canada was in control of its destiny by 1982:

- Did Canada make its own choices on the world stage?
- Did Canada respond effectively to economic pressures?
- Did Canada begin to meet environmental challenges?
- Why patriate the Constitution?

#### LEARNING GOALS

In this chapter you will

- describe some key political developments in the 1960s and 1970s in response to world issues
- identify and analyze key trends in the Canadian economy during the period and explain their impact
- describe examples of social or political co-operation, including the environmental movement

## Did Canada make its own choices on the world stage?

Coming out of World War I, the country showed that it was a middle power with contributions to make on the world stage. By the 1960s, Canada had demonstrated that it valued ideals and characteristics such as compassion, consensus building, and being a good neighbour. Emerging national and global issues would put some of these values and characteristics to the test.

### Voices

Living next to [the United States] is in some ways like sleeping with an elephant. No matter how friendly and even-tempered is the beast, if I can call it that, one is affected by every twitch and grunt.

— Pierre Trudeau,  
prime minister, March 25, 1969

### Sleeping with an Elephant

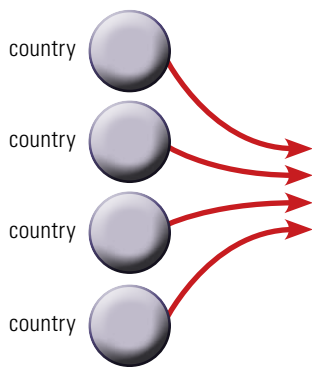
The voyage of the SS *Manhattan* illustrates the nature of Canada's relationship with its more powerful neighbour to the south.

The American government wanted to find out if the Northwest Passage could be used to transport oil from Alaska to the East Coast of the United States. So in 1969, it sent the *Manhattan* — the largest commercial supertanker ever built in the United States — for a trial run. But the United States did not ask Canada's permission for the ship to travel through Canadian waters.

Canada chose not to create an international incident and instead granted permission, even though none had been requested. Canada even sent along a well-tested icebreaker, the *John A. Macdonald*, to observe and, if necessary, aid the American ship. The *Manhattan* made it through, but at one point the *Macdonald* had to free it from the ice. It took months to repair the damage to the *Manhattan*, and in the end, the United States chose to build a pipeline to transport oil.

It was in American interest to assert that the Northwest Passage was not Canadian territorial waters. How does this help explain the U.S. government's choice not to seek permission to travel through it?

Figure 16–2 Picturing Multilateralism



**Multilateralism** = many acting together

**multi-** = many

**lateral** = side or part

**-ism** = a belief system

### Canadian Multilateralism

After the *Manhattan* incident, Prime Minister Pierre Trudeau asked the United Nations to change the International Law of the Sea. He argued that this law should include special protection for Canadian arctic waters. The UN supported Canada's claim and added Article 234, which gives countries jurisdiction over waters covered by sea ice for most of the year.

In this case, Trudeau used a multilateral approach to resolve an international problem. Multilateralism is a preferred strategy for middle powers such as Canada, Australia, and the Netherlands. By working with other countries, Canada can increase its influence in the world. This approach requires consensus building and co-operation, both of which Canada had demonstrated in previous situations that had demanded diplomacy.

**Historical Significance:** What are some of the benefits of multilateralism for a country like Canada? List some issues, such as trade disputes and foreign aid, that multilateral approaches could help resolve. Which issue do you think is the most important? Why?



## Peacekeeping in Cyprus

After the Suez crisis, the next major UN peacekeeping mission was in the Mediterranean island of Cyprus. Cyprus had gained independence from Britain in 1959. Four years later, the Greek Cypriot majority feared that nearby Turkey would invade the island. The minority Turkish Cypriots feared that Greece might invade. Ethnic tensions mounted, so a UN peacekeeping force, which included Canadian troops, was sent in.

Cyprus would turn out to be Canada's longest peacekeeping mission, lasting more than 29 years and involving more than 25 000 members of the Canadian Forces. During those years, 160 UN peacekeepers, including 27 Canadians, lost their lives.

A small contingent of Canadian observers was still in Cyprus as of 2012.



**Figure 16–3** UN peacekeepers patrol the Green Line, a buffer, or neutral zone, that has divided Turkish and Greek areas in Cyprus since 1964. The homes shown have not been inhabited since 1974. What do you think would happen if the peacekeepers left?

## Emergency Relief

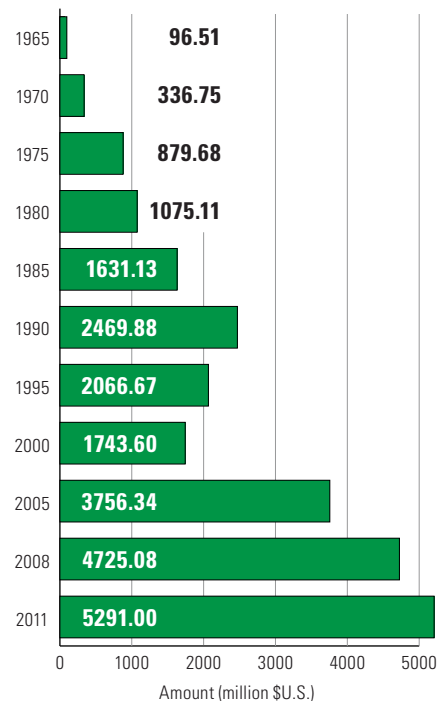
Canada's efforts to assist other nations by means of multilateral action have gone beyond peacekeeping. On many occasions, Canada has joined other UN members in contributing to relief efforts, environmental initiatives, scientific studies, and development projects. In some cases, Canada has taken the lead in co-ordinating international efforts.

In 1970, Canada launched the International Development Research Centre (IDRC) to help developing countries overcome the challenges of achieving self-reliance. The IDRC specializes in providing scientific and technological solutions to local issues related to food, clean water, and employment. That same year Canada adopted a target of 0.7 of its Gross National Product (GNP) to foreign aid.

Although Canada has never reached its foreign aid targets and began reducing its foreign aid under the Stephen Harper government, the IDRC has continued to be a leader in providing lasting local solutions to communities in need around the world. Private foundations that have chosen to partner with it include the Bill & Melinda Gates Foundation, the Ford Foundation, and the Rockefeller Foundation.

**Figure 16–4** Official Development Assistance from Canada, 1960–2011

What does this graph tell you about Canada's spending on international aid from 1965 to 2011?



Source: Organization for Economic Co-operation and Development

**Up for Discussion**

In a globalizing world, does  
Canadian identity — or any national  
identity — matter?

**Long-Term Development**

Canada did not want to step in only when countries were experiencing disasters. The solution to long-term systemic problems around the world was to help countries build their economies. So Canada also increased aid for development. Since 1968, the Canadian International Development Agency (CIDA) worked around the world to reduce poverty, promote human rights, and support sustainable development in many countries and regions, including sub-Saharan Africa, Sri Lanka, Haiti, and the West Bank and Gaza. CIDA also funded programs in which Canadians worked with local partners to aid communities in less-developed countries.

**Cause and Consequence:** In 2013, the Conservative government ended CIDA, giving its responsibilities to the Department of Foreign Affairs, Trade and Development. In future, aid will be used to promote Canada's prosperity and security. In other words, the main goal will still be poverty alleviation, but Canada has to benefit too. What problems might this limitation lead to?

**Youth Making History**

# Canadians Helping Kids in Vietnam



**Figure 16–5** Winnipeg physician Chau Pham heads Canadians Helping Kids in Vietnam.

Chau Pham was five years old when she fled Vietnam, along with thousands of other Vietnamese refugees in the late 1970s. Then she spent more than two years in a refugee camp, where she was diagnosed with tuberculosis. She saw few people except her young aunt and the doctor who was taking care of her.

When Chau finally made it to Winnipeg, she was taken in by Darlene Lindsay. Lindsay, a schoolteacher,

raised Chau and helped many Vietnamese immigrants learn English and settle into new homes.

Lindsay, Chau, and Winnipeg tailor Tam Nguyen went on to found Canadians Helping Kids in Vietnam in 1995. The charity relies on volunteer administrators and keeps its costs low. It has built eight schools in Vietnam and connected more than 200 sponsors in Canada with children in Vietnam — mostly in Quang Ngai.

As a resident at the Winnipeg Health Sciences Centre, Chau recently led a medical mission to a hospital in Quang Ngai, Vietnam's poorest province. She continues to work with Canadians Helping Kids in Vietnam.

**Explorations**

1. Create a list of words or phrases or a set of drawings that reveal the challenges Chau Pham faced when leaving Vietnam and that describe her new life in Canada.
2. Create a cause-and-consequence organizer that shows how the Vietnam War led to the work being done by Canadians Helping Kids in Vietnam. Jot notes on how the Canadian government could have become involved.

## Responding to Changes in Cuba

A international showdown occurred in the late 1950s that seriously harmed the Canada–U.S. relationship. It all began in 1958, when a young Cuban lawyer named Fidel Castro led a small group of revolutionaries in a guerrilla war against the corrupt regime of Cuban president Fulgencio Batista. Uprisings throughout the country eventually forced Batista to flee in 1959. Castro soon named himself president for life.

Castro's new government seized large and foreign-owned land holdings and broke them up to distribute among Cuban farmers and peasants.

Castro also nationalized all foreign-owned businesses, most of which were American. The Americans responded by freezing Cuban assets in the United States. To survive economically, Castro turned to the Soviet Union, which offered aid and a market for Cuban products. Cuba swiftly entered the Soviet sphere of influence.

### The Missile Crisis

The United States attempted to overthrow Castro's communist regime by sponsoring Cuban exiles in an attack on Cuba's Bay of Pigs on April 17, 1961. The invasion failed on all fronts.

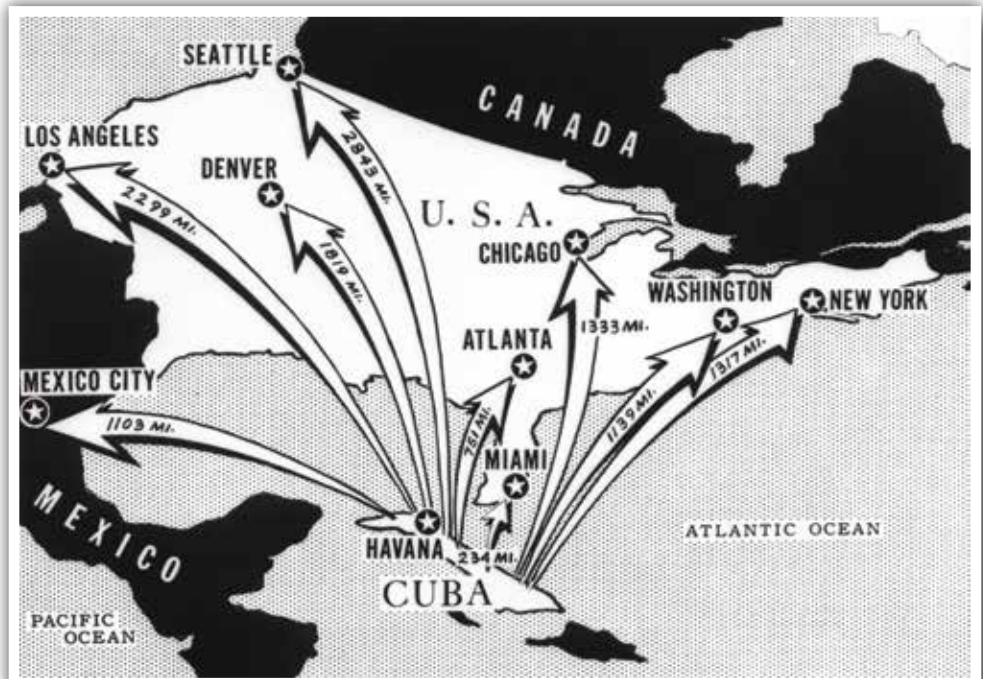
Within a year, the Soviets began secretly transporting nuclear weapons to Cuban bases. But before they were installed, American spy planes discovered what was happening. U.S. president John F. Kennedy acted swiftly and decisively. He demanded that the ships turn around.

Kennedy established a naval blockade around Cuba to intercept the Soviet ships and made it clear to the Soviets — and the world — that the United States would not tolerate nuclear missiles in Cuba. If the Soviets did not remove them, he said, American forces would attack. The Soviets, in turn, promised to retaliate.

Kennedy risked a nuclear attack on the United States. But, as it happened, the Soviet missiles were not yet installed. The Soviets soon backed down, turned the ships around, and removed all nuclear weapons from Cuba. The world has never been closer to a nuclear war.

**Figure 16–6** Distance of Some Major Cities from Cuba

This map appeared in an American newspaper during the Cuban Missile Crisis in 1962. The arrows show how far a nuclear missile would have to travel before it reached several major U.S. cities. If you had been living in the United States at that time, how would this image have affected you?



### CONNECTIONS

To convert the miles shown on the map above to kilometres, multiply the number of miles by 1.6, the number of kilometres in 1 mile. For example, the distance from Havana to Miami is  $234 \text{ (mi)} \times 1.6 \text{ (k)} = 375 \text{ kilometres}$

### Voices

We were eyeball to eyeball, and I think the other fellow just blinked.

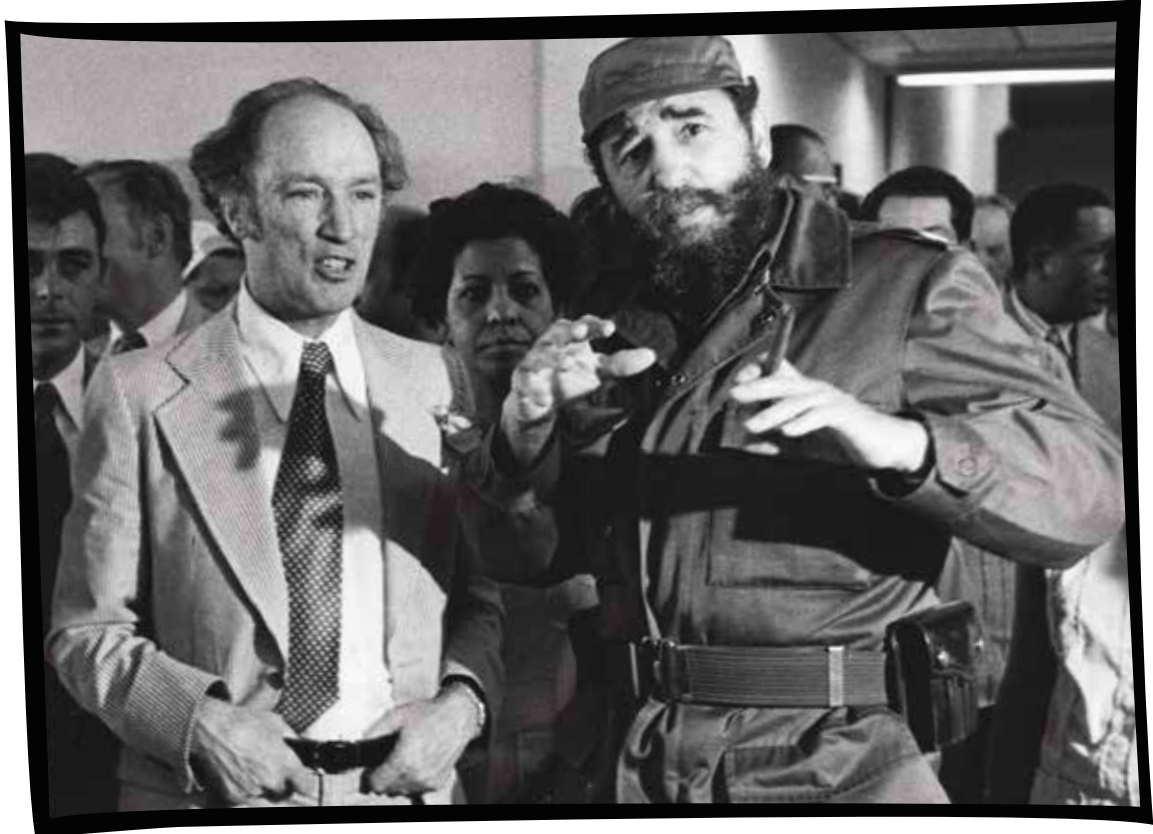
— Dean Rusk,  
U.S. secretary of state, 1962



**Figure 16–7** Fidel Castro shows Pierre Trudeau a new housing project during a 1976 state visit. The two men developed a friendship that would last the rest of their lives. On one of his rare international trips, Castro came to Canada in October 2000 to serve as an honorary pallbearer at Trudeau’s funeral.

## The Canadian Response to the Missile Crisis

Canadian Prime Minister John Diefenbaker was appalled by the American tactics and privately called Kennedy “that young fool.” He was further annoyed that Kennedy had not consulted him before engaging in such a dangerous move. In response, Diefenbaker delayed putting Canadian Armed Forces on alert, despite the North American Aerospace Defence Command (NORAD) and North Atlantic Treaty Organization (NATO) mutual protection agreements. Kennedy and Diefenbaker never reconciled.



## The Canadian Response to Cuba

When Kennedy placed a trade **embargo** (ban on trade) on Cuba, Diefenbaker said, “We are not convinced that isolation is the best method of enabling the Cuban people eventually to free themselves.” Canadian policy toward Cuba has generally followed this approach.

The American government has maintained an economic and diplomatic embargo on Cuba ever since the missile crisis. But Canada would become one of the first non-Soviet countries to trade with Castro’s Cuba, and this sunny island country has become one of the most popular vacation spots for Canadians. Pierre Trudeau believed that good relations were good for Canadian industry and lessened tensions during the Cold War. At the time, some people criticized Trudeau for being too friendly with a country that was supported by the Soviet Union.

**Historical Significance:** Create a T-chart and compare American and Canadian relations with Cuba. Which approach do you think was best for each country at the time? Note your reasons for your responses.

## The War in Vietnam

The Vietnam War was another event where American and Canadian policies did not align. The roots of the conflict in Vietnam lie in its past as a French colony. During World War II, the colony had been occupied by Japanese forces, and after the war, the French tried to resume control. But by then, a Vietnamese independence movement led by Hồ Chí Minh was gaining strength, and the French were forced out in 1954. Peace terms divided Vietnam in two, with Hồ leading North Vietnam as a communist state and South Vietnam ruled by a government backed by the United States.

Hồ was not satisfied. He wanted to reunify the country, and both the Soviet Union and the China saw this as a chance to place another communist state in their sphere. Both supported and supplied the North Vietnamese, making the conflict between North and South a proxy war, much as the Korean War had been in the 1950s.

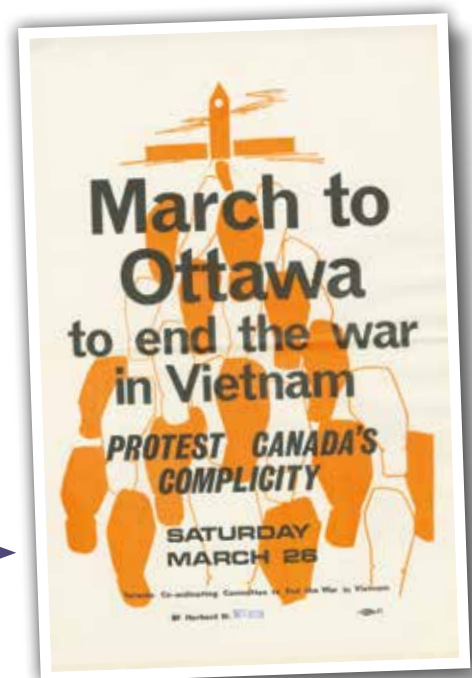
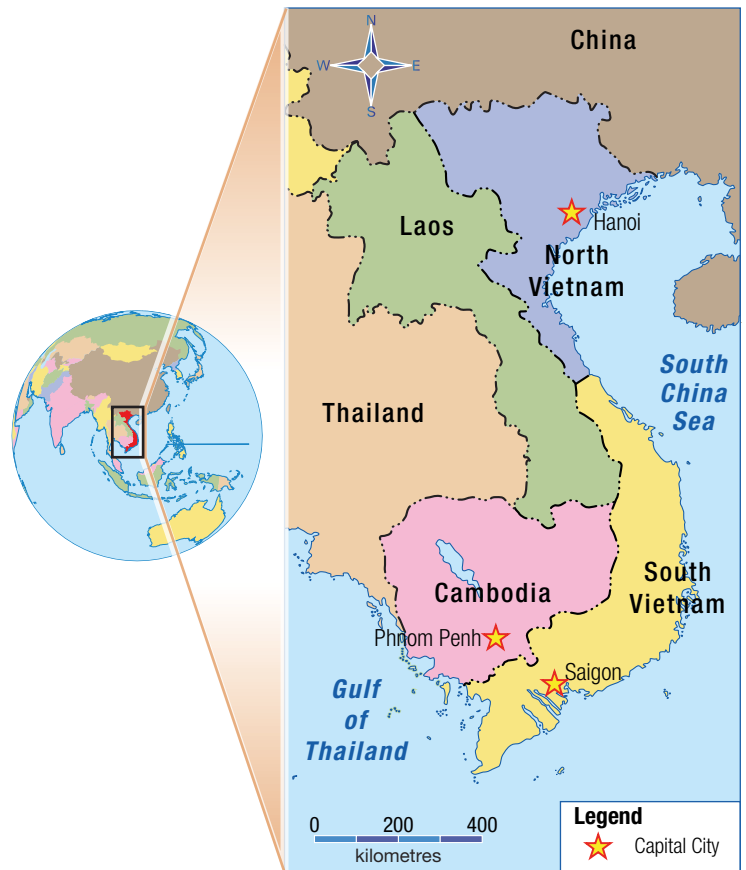
To try to keep the region under its control, the United States sent 600 advisors to South Vietnam in 1960. From there, the conflict grew into a full-scale war. By 1965, some 500 000 American troops were in Vietnam. American forces extensively bombed North Vietnam, but they still could not win the war. By the time fighting ceased on April 30, 1975, more than 58 000 Americans, 250 000 South Vietnamese, and 2 million North Vietnamese had been killed. In the end, the Americans withdrew and North and South Vietnam merged to become the Socialist Republic of Vietnam in 1976.

### Canada's Response to the War

Canada did not join the United States in the Vietnam War, but about 30 000 Canadians chose to fight under the American flag. Canadian industries also contributed by selling \$2.47 billion worth of war materials to the United States. This included munitions, sonar equipment, aircraft engines, and chemicals, such as napalm for firebombing and Agent Orange for destroying vegetation. But the Canadian government chose decisively to keep Canadian troops at home.

**Figure 16–8** North and South Vietnam, 1954

Like Korea after World War II, Vietnam found itself divided, with North and South backed by two different superpowers. Would such an arrangement always carry a risk of war? Why or why not?



**Figure 16–9** Many Canadians objected to supporting the United States in the Vietnam War. This 1966 poster was made by the Toronto Co-ordinating Committee to End the War in Vietnam. In what ways was Canada "complicit"?



**Figure 16–10** Students sing “We Shall Overcome” during an anti–Vietnam War march in Toronto that ended at the American Consulate on March 16, 1965. Do antiwar demonstrations help or hurt their cause? Explain your response.



## Opposition to the War

Lester Pearson, who had been elected prime minister in 1963, did not want to take Canada into the Vietnam War. He worried that nuclear weapons might be used, and opposed American bombing techniques because they destroyed villages and killed civilians. In April 1965, Pearson made a speech in Philadelphia suggesting that the bombing should stop. U.S. president Lyndon Johnson was not pleased.

Canadian antiwar activists criticized the United States for supporting a corrupt regime in South Vietnam. They also criticized the Canadian government for allowing the sale of war materials to the United States. This activism was fuelled, in part, by the 30 000 to 40 000 American war resisters and deserters who fled north across the Canada–United States border.

**Evidence:** During the Vietnam War, an anonymous U.S. marine was quoted as saying, “The worst of ours are going north, and the best of theirs are coming south.” What do you think he meant? Do you agree or disagree? Give reasons for your response.

**Figure 16–11** Ken Taylor, Canadian ambassador to Iran, laughs with journalists after the “Canadian Caper.” Taylor had helped save six American lives in 1980. How would an event such as this change Canada’s profile internationally?



## A Crisis in Iran

In 1979, a revolutionary movement in Iran was attempting to overthrow the ruling monarchy. The Iranian Shah had fled the country, and was being protected by the United States. Islamic revolutionaries demanded that the Shah be returned for trial and execution. The United States refused, so a group of militant students attacked the American Embassy and took more than 60 Americans hostage. In the chaos, six other Americans fled.

Ken Taylor and John Sheardown, the top Canadian officials in Iran, did not hesitate when these Americans asked for help. Staff of the Canadian Embassy hid the six Americans for more than a month in various locations, and a special session of Parliament in Ottawa granted them Canadian passports and driver’s licences. With their new identification papers, the Americans successfully slipped out of the country.

### Up for Discussion

Keeping the Americans safe in Iran endangered Canadian lives. So why did Canadians do it?

## Recall . . . Reflect . . . Respond

1. List three international crises that emerged between 1945 and 1982. For each crisis, identify two ways that Canadian governments, individuals, or organizations responded.
2. Rate the effectiveness of the responses you selected in Question 1 on a scale of 1 to 5 (1 = not effective; 5 = extremely effective) and explain your rating.
3. Choose one international crisis mentioned in this section that you think Canada failed to respond to effectively. Describe a response that you believe would have been more effective. In what ways might your present-day perspective help you develop a better response?

# The “Truth” and the Real Truth

The 2012 film *Argo* told the suspense-filled tale of six American diplomats hiding in and then fleeing Iran during the 1979 Islamic Revolution. Ben Affleck said of the film he directed and starred in, “It’s a complicated CIA movie, it’s a political movie. And it’s all true.”

We generally expect that historical narratives will cling as faithfully as possible to the truth. Surely the film’s scriptwriters investigated the evidence, interviewed the participants, decided what aspects of the story were most relevant, and then wrote a script that told a story that truly happened. Right?

Well, maybe not. *Argo* definitely told a good story. It won multiple Academy Awards. But was it “all true,” as Affleck claimed?

Historians have a way of confirming the accuracy of historical narratives: corroboration. They check the story told against the evidence. So, how does *Argo* stand up? See Figure 16–12.

**Figure 16–12** Comparing *Argo* Against the Evidence

How does *Argo* stand up?

The film says . . .	Those involved say . . .
The American diplomats were nearly attacked while on a fake film shoot in Tehran’s Grand Bazaar.	The diplomats never went to the bazaar and were never threatened.
The CIA cancelled the diplomats’ tickets and then reinstated them at the last minute.	Canadian Ambassador Ken Taylor went to the airport and purchased the tickets himself.
The CIA agent single-handedly forged passports for everyone.	The passports were created in Ottawa. So was a collection of credit cards, business cards, and authentic Canadian receipts.
The diplomats underwent life-and-death interrogation at the airport.	They were never questioned.
Airport security figured out the scheme at the last minute and chased the airplane as it tried to take off at Mehrabad Airport.	No such chase scene ever took place.

Perhaps most galling to Canadians, the film portrayed the whole scheme as a CIA operation from start to finish. Jimmy Carter, U.S. president at the time of the incident, commented on the film:

. . . [I]t’s a great drama. And I hope it gets the Academy Award for best film because I think it deserves it. The other thing that I would say was that 90 per cent of the contributions to the ideas and the consummation of the plan was Canadian. And the movie gives almost full credit to the American CIA.

Ben Affleck’s character in the film was only . . . in Tehran a day and a half. And the main hero, in my opinion, was Ken Taylor, who was the Canadian ambassador who orchestrated the entire process.

**Figure 16–13** After hearing about the film, Ken Taylor said that he was afraid the Canadians had been portrayed as “innkeepers who are waiting to be saved by the CIA.” Is Taylor’s concern valid?



## Explorations

1. If an historian had written the script, how might the film have been different?
2. If a Canadian had written the script, how might the film have been different?
3. When film directors portray real events from history, do they have a responsibility to tell the whole truth? Or is their only responsibility to entertain? Discuss in a small group and prepare a response.

## Did Canada respond effectively to economic pressures?

### Check Back

You read about the Auto Pact in Chapter 4.

Many Canadians continued to benefit from postwar prosperity, which continued into the 1960s. Jobs were available, and wages were improving. New social programs that included the Canada Pension Plan, the Canada Assistance Plan, medicare, and the Guaranteed Income Supplement offered Canadians greater security and protection.

But forces outside and inside the country caused prosperity to decline during the 1970s. By the 1980s, the Canadian economy had slowed down and was in a recession. The government tried to maintain its social programs in the face of inflation and rising unemployment.

### The Auto Pact

According to Lester Pearson, who in 1965 signed the Canada–United States Automotive Agreement — the Auto Pact — with U.S. president Lyndon Johnson, the accord was “one of the most important accords ever signed between our two countries in the trade field.” One-fifth of all U.S. exports were to Canada, and automobiles and parts made up the largest proportion of that trade.

**Figure 16–14** On January 16, 1965, Lester Pearson (left) and Lyndon Johnson signed the Auto Pact between Canada and the United States at Johnson’s ranch in Texas. Why would negotiations for such trade agreements take years, if not decades, to finalize?



American auto manufacturers had been making vehicles in Canada since 1904, when a Ford plant opened in Windsor, Ontario. But even though Chrysler, Ford, and General Motors had branch plants in Canada by the early 1960s, most cars — and parts — were still manufactured in the United States. Before the Auto Pact, Canada had been spending far more on American automotive products than it was earning by selling Canadian-made automotive products in the United States.

The Auto Pact helped fix that imbalance. In 1964, 7 per cent of automobiles made in Canada were sold in the United States. By 1968, that number had risen to 60 per cent.

During the 1970s and 1980s, General Motors, Ford, and Chrysler continued to build large assembly plants in southern Ontario. Some of these plants employed more than 5000 workers. In 1986, the motor vehicle industry was the second-largest manufacturing employer in Canada and provided jobs for almost 152 000 workers. But critics warned that the Auto Pact also increased Canada’s economic dependence on the United States.

### Up for Discussion

What’s wrong with economic dependence on another country if it creates jobs?



## Canadian Auto Workers Unionize

In the early 1940s, Canadian auto workers began to join the United States–based United Auto Workers (UAW) union. They believed that a united front would give them greater bargaining power with automotive manufacturers. By 1945, the UAW was the largest industrial union in Canada. During much of the 1950s and 1960s, UAW members and company owners in Canada and the United States benefited from a large North American market for new, more powerful cars.

But in the 1970s, many North Americans started buying less expensive cars from Japan. As a result, some car plants in the United States were closed. With the North American economy in a recession and both inflation and unemployment on the rise, some Canadian UAW members believed that an independent Canadian union would protect their interests more effectively. Disagreements between the Canadian and American branches of the UAW peaked during the early 1980s.

When both Canadian and American auto workers went on strike against Chrysler in 1982, the American workers made concessions to help the company — and their jobs — survive. But 9000 Canadian UAW members refused to make concessions on benefits such as wage increases, which they had fought hard for over the years.

Bob White, the UAW’s Canadian president, was credited with gaining benefits for Canadians that American leaders had not been able to achieve. White continued to lead bargaining teams during the early 1980s and eventually persuaded Canadian workers to break away from the UAW and form an independent union: the Canadian Auto Workers (CAW).

For the next two decades, the CAW focused on protecting workers’ severance pay and pensions. When the Canadian economy started to go into recession in 2007, it did make concessions. However, the economy went from bad to worse, and auto sales dropped. The Ontario and federal governments didn’t want the auto industry to fail, so in June 2009 they agreed to give General Motors (GM) and Chrysler billions in loans.

### Up for Discussion

Should governments use citizens’ tax money to bail out private companies?

**Figure 16–15** The Canadian auto bailout was announced by Industry Minister Tony Clement (centre) in Ottawa on March 30, 2009. Present were Finance Minister Jim Flaherty (left) and Ontario’s Economic Development Minister Michael Bryant. The federal and Ontario governments agreed to go ahead with up to \$4 billion in interim loans to keep the companies afloat. What might be the consequences when a large company like GM or Chrysler fails?



## Economic Nationalism

**Figure 16–16** Consumer and Corporate Affairs Minister Herb Gray (right) shares a laugh with Pierre Trudeau outside the House of Commons in 1972. A report by Gray about foreign investment in Canada highlighted the need to lessen Canada's economic dependence on the United States and led to the creation of FIRA.



A close relationship between Canada and the United States was important for mutual defence. But at the same time, some Canadians became concerned about U.S. control of the Canadian economy. Although American companies in Canada created jobs, most of the profits made by those companies went to the United States. Many of Canada's resources were also controlled by non-Canadians, and many decisions affecting Canadian workers were made outside Canada.

### The Foreign Investment Review Agency (FIRA)

In 1972, Pierre Trudeau's Liberals had a minority government and the New Democrats held the balance of power. Some New Democratic Party members were concerned that Americans were taking over the Canadian economy, so they put pressure on the government. Trudeau asked Herb Gray, the consumer and corporate affairs minister, to report on foreign investment in Canada and on how foreign control was affecting the Canadian economy.

According to Gray's report, about 50 per cent of Canadian industries were foreign owned and the United States controlled about 90 per cent of Canada's oil and automotive manufacturing industries.

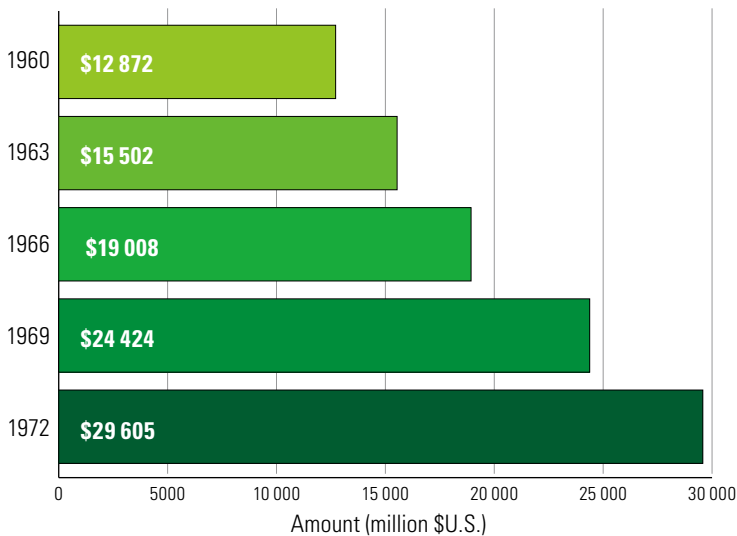
The Foreign Investment Review Agency (FIRA) was created in 1974 to help control foreign investment in Canada and to increase Canadian control of its own economic development. FIRA advised the government on whether it should allow each potential foreign investment or branch plant to be set up in Canada. Decisions were to be based on whether the investment would improve employment and business opportunities for Canadians and, at the same time, be compatible with national policies.

Some Canadians criticized FIRA for approving too many applications from non-Canadian investors. Others said FIRA was slowing down investment by non-Canadians and hampering the growth of Canadian businesses. Many American investors agreed and were afraid that economic nationalism was tightening its grip on the Canadian economy.

FIRA was eventually replaced with Investment Canada, which was intended to promote investment in Canada by both Canadians and non-Canadians, to offer advice, and to ensure that foreign investments were good for Canadian businesses and workers.

**Figure 16–17** Direct Foreign Investment in Canada, 1960–1972

What trend do you see in the graph? What might that trend have meant for Canada's economy?



Source: Statistics Canada

# Owning the Canadian Economy

Excessive foreign ownership of Canadian industries and natural resources came to public attention in the 1970s. Read four points of view from four different time periods. How have things changed?



In 1972, **HERB GRAY**, minister of consumer and corporate affairs, pressed for greater control of foreign investment.

The extent of foreign control of a number of industries in Canada is large enough to make the acquisitions of more Canadian businesses a matter of concern to the government and to Canadians generally.



In December 1984, two months after taking office as prime minister, **BRIAN MULRONEY** spoke to the Economic Club of New York about the economic relationship between Canada and the United States.

Today the most noteworthy measure of our relationship is in our economic ties — in investment, in trade, in technology flows. . . . The message to prospective foreign investors in Canada is the same message we send to our trading partners: a world economy more open and interdependent is in Canada's interest and every nation's interest.



1999, Canadian writer **PETER C. NEWMAN** commented on the influence of U.S. investment in the Canadian economy in *Maclean's* magazine.

The Americanization of our economy is a disturbing new reality. . . . [W]e now control a smaller portion of our productive wealth than the citizens of any other country on earth. Instead of the proudly independent nation our founding fathers intended us to be, we are well on our way to becoming an economic colony of the Americans.



In 2012, Prime Minister **STEPHEN HARPER** explains his government's strategy in regard to foreign investment.

Investment is critical to our government's focus on jobs and growth. And Canadians expect that we shall approve foreign investments that are of net benefit to Canada. . . . [But] we will continue to push firmly in trade and investment agreements for reciprocal treatment abroad for Canadian investors.

## Explorations

1. How are the positions of the four speakers the same? How are they different?
2. These quotations are from four different decades. Select one economic issue or significant event in each of those decades and explain how each issue or event might have influenced the speaker's point of view.
3. What are some of the consequences of decisions the government made about foreign investment in the 1970s and 1980s? Write one rule you would introduce to ensure a balance between Canadian and non-Canadian investment in Canada's economy today.



## Economic Challenges

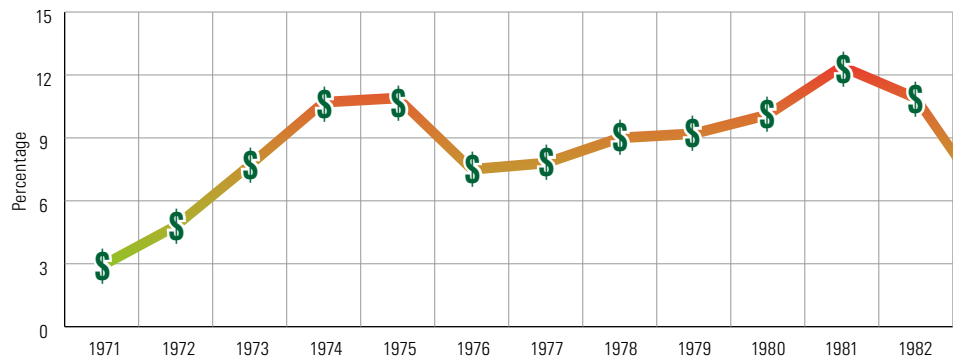
During the 1970s, many countries, including Canada and the United States, faced the challenge of rising inflation. By the 1980s, they were also facing rising unemployment.

### The Effects of Inflation

During the 1970s and early 1980s, the cost of living rose at a steady rate in Canada.

**Figure 16–18** Inflation in Canada, 1971–1982

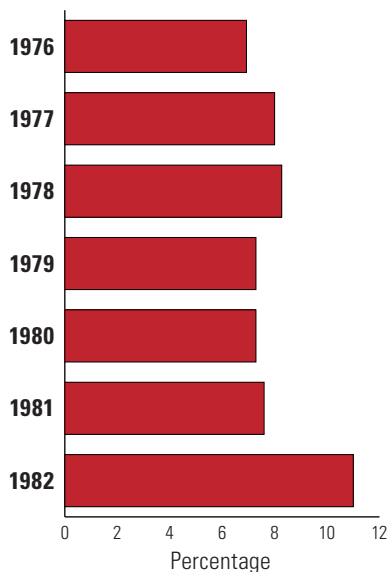
How much would a bag of groceries that cost \$25 in 1971 cost in 1981?



Source: Statistics Canada

**Figure 16–19** Unemployment in Canada, 1976–1982

Compare the unemployment rate for 1982 with the inflation rate for the same year in Figure 16–18. Use these figures to develop an explanation of stagflation and its effects.



Source: Statistics Canada

Workers demanded raises to keep up with inflation, and negotiations between employers and workers became more difficult. Failure to reach an agreement often led to strikes. In 1972, for example, more than 210 000 public service workers in Québec went on strike against the government, schools, and hospitals. In 1975, more than 1100 strikes took place in Canada. And, as some workers won improved working conditions and benefits, their success had a snowball effect. Other workers began to demand the same improvements.

### Stagflation

During times of inflation, unemployment rates are usually low. Even though costs continue to rise, businesses are making money and need workers. Workers often succeed in obtaining pay increases to meet the rising costs of living.

During times of recession, the economy slows down and businesses have trouble selling their goods and services. As businesses cut back, unemployment numbers rise and prices fall.

But, in the early 1980s, Canadians faced a more troublesome economic trend called **stagflation** — high inflation combined with stagnation in economic growth. With little or no economic growth, businesses cut back and laid off workers. Canadians had less money, but prices continued to rise. Between 1973 and the end of 1975, for example, consumer prices increased by more than 34 per cent.

## Wage and Price Controls

To try to limit inflation, Trudeau's government established the Anti-Inflation Board (AIB) in 1975. The AIB introduced wage and price controls, which Canadians had not seen since World War II. Wage increases for public-sector employees, and in private-sector companies with 500 or more employees, could be no more than 10 per cent in the first year of the program, 8 per cent in the second year, and 6 per cent in the third.

Many Canadians disagreed with wage and price controls. Union members were especially outraged when the AIB rolled back some wage agreements. The effectiveness of wage and price controls remains a subject of debate. Inflation decreased slightly in 1976 and 1977, then started to increase again in 1978 when wage and price controls were lifted. By 1981–1982, Canada was in a major recession.

## The National Energy Program (NEP)

By the early 1970s, Canada and other industrialized countries had become thoroughly dependent on imported oil. In 1973, the Organization of Petroleum Exporting Countries (OPEC) decided to raise the price of oil, and in that year, the price rose to \$11.50 U.S. a barrel. By 1980, it had reached about \$38 U.S.

Canada was particularly hard hit by these prices. The country needed oil for industry and for heating and cooling homes, but also for transporting goods and people over vast distances.

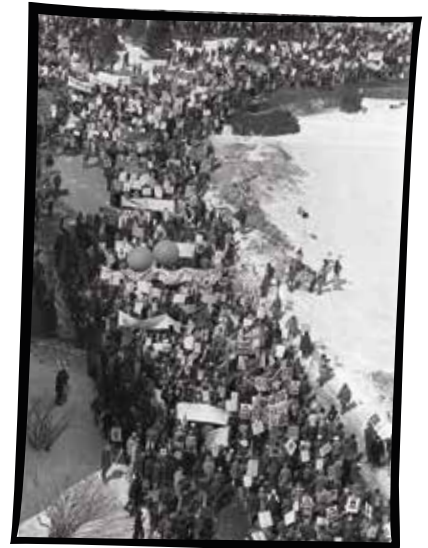
In response, Trudeau's government introduced the National Energy Program (NEP) in 1980. The NEP was designed to do three things:

- make Canada self-sufficient in energy
- reduce foreign ownership of oil and gas companies operating in Canada
- protect Canadians from high energy costs by setting a Canadian oil price that was lower than the world price

This meant imposing price controls on Canadian gas and oil and a federal tax on production.

In Alberta, where about 86 per cent of Canada's oil was produced, many people were outraged. Premier Peter Lougheed protested the federal government's interference in an area of provincial responsibility. He warned that the NEP would prevent Alberta from benefiting from high world prices and seriously harm the Canadian oil and gas industry. Both predictions proved accurate.

**Figure 16–20** On March 22, 1976, thousands of Canadian union members marched on Parliament Hill in Ottawa to protest wage and price controls.



**Figure 16–21** On July 29, 1980, the *Calgary Herald* carried this cartoon, titled "Poles Apart," by Tom Innes. The cartoon features Alberta premier Peter Lougheed and Prime Minister Pierre Trudeau. How does the cartoonist view the chances that these two leaders will agree on the National Energy Program?

## Up for Discussion

Other countries have nationalized their oil and gas industries. Why doesn't Canada do that?

## Voices

The real job of the computer in the future is not going to have anything to do with retrieval. It's going to have to do with pure discovery.

— Marshall McLuhan, *Canadian writer and philosopher, quoted in The Essential McLuhan, 1966*

## Canadian Science and Technology

In the early 21st century, Canadians routinely use computers to conduct business and research, shop, and communicate with people around the world. The Canadian economy is so dependent on computers that it would grind to a halt without them. It was computer technologies invented during the 1970s and 1980s that made all this possible.

Between 1972 and 1974, former Queen's University mathematics professor Mers Kutt and his Canadian company, Micro Computer Machines, used microprocessor technology to produce a micro, or personal, computer. It would be another five years before Apple or IBM would create and market their desktop models.



## Space Technology

Canadians also played a part in advancing communication technologies in space. In 1969, the Canadian government created Telesat Canada to focus on satellite programs for domestic telecommunications. Because Canada is so large, providing domestic communication systems by satellite was a priority.

Canada's first communications satellite, *Anik A1*, was launched in 1972. The CBC began satellite television service to Northern Canada in 1973. This service allowed for instantaneous reception of programming across the country.

**Figure 16–22** In July 2009, more than 30 years after Canada launched its domestic communications satellite *Anik B*, Canadian astronaut Julie Payette boarded a space shuttle on its way to the International Space Station. As mission specialist, Payette had the responsibility to operate the Canadarm. How would building expertise in space technologies benefit Canada?

During the 1970s, the Canadian government also funded the development of the remote manipulator system — the Canadarm — which has been used in the American space shuttle program for many years (see pp. 434–435). The remote-controlled system was developed by Spar Aerospace and the National Research Council of Canada.

In November 1981, the Canadarm was aboard the second *Columbia* space shuttle flight. Since then, the device has been used to repair satellites, to support astronauts' spacewalks, and to help build and maintain the International Space Station. The expertise that went into developing these technologies has grown along with Canada's emerging economic strength in high-tech manufacturing.

## Recall ... Reflect ... Respond

1. Create a three-column chart and record the challenges Canadians faced as a result of economic changes during the 1960s and 1970s. In the first column, record the decade. In the second column, describe the challenges. In the third column, note the major Canadian responses and rate their effectiveness.
2. Imagine that you were a teen during the 1960s or 1970s. Select the event or issue that you think would have most affected your life. Give reasons for your choice.



# Did Canada begin to meet environmental challenges?

**Environmentalism** is a social movement that aims to protect the natural environment from the effects of human activity. Many date its beginnings to around 1962, when Rachel Carson, an American marine biologist, published *Silent Spring*. In her book, Carson maintained that an agricultural pesticide — dichlorodiphenyltrichloroethane, or DDT — was responsible for a dramatic drop in the populations of many species of birds. Although Carson struggled to be heard and believed, her book alerted people to the fact that industrial chemicals had the potential to damage or even destroy animal and plant life on the planet.

## Greenpeace

Greenpeace is perhaps the best-known environmental action group in the world today, and it started in Canada.

In 1971, a group of Vancouver activists wanted to bring the world's attention to a nuclear bomb test under Amchitka, an island near Alaska. Alaska is in one of the world's most earthquake-prone regions, and Amchitka was the last refuge for 3000 endangered sea otters, as well as the home of bald eagles, peregrine falcons, and other wildlife. The group feared the effects of a nuclear explosion anywhere, but particularly in this environment. So they decided to go to Amchitka and try to stop the test themselves.

A mixed crew of academics, journalists, and photographers battled bad weather and stormy seas in an old fishing boat for more than a month. One onboard journalist kept the public aware of the mission, which soon gained extraordinary attention across Canada. Large crowds marched in Toronto, Vancouver, Winnipeg, and Calgary in demonstrations against the test. Prime Minister Pierre Trudeau added his voice to the protest. Supporters delivered a telegram of protest with 188 000 signatures to the White House.

Although Greenpeace did not stop the test, the 1971 explosion was the last one at Amchitka. Further tests were cancelled, and the island eventually became a bird sanctuary. But people took note: if you took action, you could make a difference. The environmental movement went on to gain strength and become a political force for change.

**Historical Significance:** The Greenpeace Foundation was founded in 1972 and included several of the Amchitka activists. In what ways was this an historically significant event? Explain the criteria you used to make your judgment.

**Figure 16–23** The Greenpeace strategy has been the same from the start: get in the way, and get people's attention. In this photograph, Greenpeace activists try to stop a Japanese factory ship from hauling in a whale in 2006. In what ways is this strategy similar to the actions Greenpeace first took in 1971? How is this strategy different?

## Voices

It was never our intention to go to Amchitka and park there through Zero Hour to protest against war. We are eco-freaks, arguing that the world itself was being destroyed. . . . [A nuclear test] is as much a monster of pollution as of war machinery, and it is the spectre of a dead world that haunts us, that drove us out against the Cold Warriors in this funky old boat.

— Robert Hunter, one of the founders of Greenpeace, 1971

## Up for Discussion

Greenpeace activists favour high-risk, sometimes illegal, direct action. Why would they choose these strategies when they often come at great personal risk?



**Figure 16–24** *The Lorax*, by Dr. Seuss, was first published in 1971 and later made into a 3-D animated film by Universal Studios. Both book and film have successfully publicized environmental issues, including deforestation and the pollution of rivers and lakes such as Lake Erie in the 1960s. The number of books and films with an environmental theme are on the increase. What might explain that change?



## The Great Lakes Water Quality Agreement

In the 1950s and 1960s, excess phosphorus from fertilizers and household products was damaging life forms in the Great Lakes. So, in 1972, Canada and the United States created the first Great Lakes Water Quality Agreement in an attempt to clean up and protect the Great Lakes Basin. The International Joint Commission was established to make sure the countries fulfilled their obligations. This independent organization manages water systems along the shared Canada–United States border. The agreement was expanded in 1978 and again in 1987 to deal with other water issues, such as toxic waste and invasive species.

## Acid Rain Awareness

In the 1950s, lakes around the Sudbury, Ontario, region were discovered to have become more acid. At the time, many believed it was a local problem caused by the smelting of nickel in the mines. Since then, acid rain has been described as a phenomenon that occurs wherever sulphuric acid is spewed from industrial smokestacks. The acid drifts into the atmosphere and falls to the earth as acidified rain, snow, and sleet. It turns lake water into an environment that fish cannot live in and damages or kills trees.

By the mid-1970s, the loss of fish population in Ontario and Nova Scotia was pressing enough that Canada was moved to act. In 1978, it established a Joint United States–Canada Research Consultation Group to study how pollutants were travelling through the air. On August 5, 1980, the two countries took the first step toward creating an agreement on air quality that would be formally signed a decade later.



**Figure 16–25** A scientist collects soil samples near a lake in Haliburton, Ontario, in 1982. The samples would provide evidence of the effects of acid rain. Why is scientific evidence sometimes not enough to spur governments to take action?

## Recall ... Reflect ... Respond

1. When *The Lorax* was published, Dr. Seuss specifically mentioned pollution in Lake Erie. But by the 1980s, the water quality in this lake had improved, and Dr. Seuss agreed to remove the line about Lake Erie from later editions. This was the only time he ever changed a line in a published book.
2. Recall what you learned about current environmental challenges and opportunities in Chapter 4 (pp. 126–128).

What arguments might support removing this line?  
 What arguments might support keeping the line?  
 Which arguments do you believe are strongest? Why?

With a partner or small group, brainstorm to create a list of environmental issues that concerned people between 1960 and 1982 and those that concern Canadians today. Discuss similarities and differences. On the basis of this comparison, what conclusions can you draw?

# The Cycles of History

You may have come across the idea that history is an endless series of repeating cycles. Does history repeat itself? At a fundamental level, perhaps it does. Civilizations rise and fall. Great leaders come and go. People suffer setbacks, which they sometimes overcome.

Consider the seemingly ever-repeating cycles of environmental activism: (1) businesses sell products leading to environmental damage, (2) scientists discover the damage, (3) concerned citizens raise the alarm, and (4) lawmakers make changes to lessen the damage. In nearly every case, the scientific and public alarmists are doubted and even ridiculed.

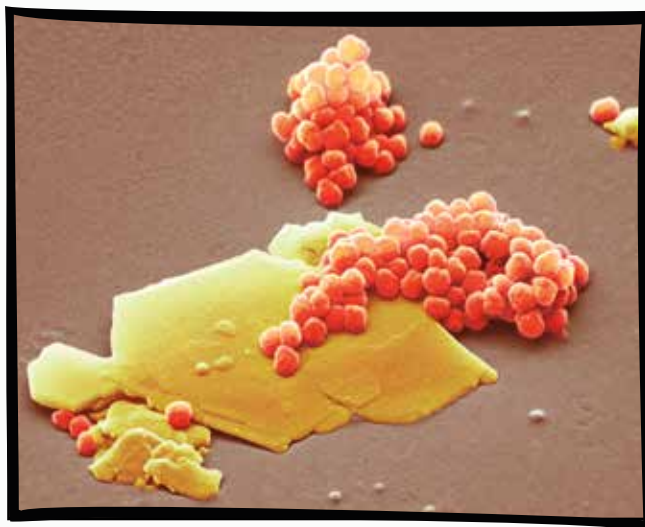
This was particularly so in the case of dichlorodiphenyltrichloroethane (DDT). When marine biologist Rachel Carson raised the alarm about this so-called wonder chemical, her credibility was attacked. She was called “hysterical” even though she presented her evidence-based findings with the calm, logical approach of the scientist that she was. Concerned citizens applied further pressure, and eventually lawmakers banned DDT.

A similar cycle has been repeating, over and over, since the 1960s. Businesses sold oil that led to oil spills. They sold refrigerators that created an ozone hole over the Antarctic. They sold cars that spewed pollutants. In every case, scientists identified the damage, concerned citizens raised the alarm, and eventually the lawmakers took action.

Although this looks like an endlessly repeating cycle, it is worth stepping back to see the bigger picture. The surge in the environmental movement in the 1960s has not dwindled. Ontario passed laws to protect endangered species in 1971. Canada created Environment Canada in 1985. Concerned citizens began to take a more active role through nongovernmental

organizations such as World Wildlife Canada. Today, threats to the environment are possibly more dire, but dedicated Canadians continue the struggle with hope in their hearts.

**Figure 16–26** This microscopic image shows polyethylene microplastic beads contained in facial scrub, body wash, and even toothpaste. Professor of Chemistry Sherri Mason conducted a 2012 study that found microbeads floating in the Great Lakes. They absorb toxins, fish eat them, and then the toxins move up the food chain. Mason says that there’s no way to get the plastic out of the water once it’s gone down the drain. Why would we use plastic when there are natural alternatives like nut shells, wax beads, and strawberry seeds?



## Explorations

1. According to the cycle of environmental activism, what has to happen to end the damage being caused by microplastic beads?
2. Are we helpless to change our destiny? What does the cycle of environmental activism suggest? What does the bigger picture suggest?
3. The cycle of environmental activism sometimes takes much longer than it should. Scientist David Suzuki has been raising the alarm about plastic water bottles for years. They waste resources and don’t degrade. A floating plastic island off the West Coast of North America has grown to the size of Québec. Why is it taking so long to end this type of environmental damage?



## Why patriate the Constitution?

### ← Check Back

You read about the patriation of the Constitution in Chapter 3.

Talk of patriating the Constitution began in the 1960s, when Canada was about a century old. When the British North America (BNA) Act was passed in Britain in 1867 it was a great accomplishment for the founders of Confederation. They had come to an historical agreement to walk into the future together, as a single nation.

Over time, more provinces and territories became part of the great Canada project. In the two world wars, Canada earned the right to be regarded as an independent, sovereign country. And the prosperity of the postwar period allowed Canadians to find ways to become a more caring society, with social programs such as universal health care and the Canada Pension Plan.

### Why Patriate?

A self-respecting sovereign nation should control its “official plan”: its constitution. There were two good reasons for patriating the Constitution from Britain. First, Canada would gain control of its foundational document. Second, Canada would be able to change it into a truly Canadian document guaranteeing the Canadian values of democracy, individual and collective rights, the bilingual nature of the country, and the co-operative spirit of the Canadian federation.

It was Prime Minister Pierre Trudeau who had the vision of what the Constitution could do for Canada. Politicians of all stripes eventually embraced the idea. It took two decades of consultations, though, and many late nights of negotiation and long hours sweating over the fine points. It took Québec’s threat of separation. It took a lot of compromise.

But finally it was done.



**Figure 16–27** Prime Minister Pierre Trudeau gets a rousing cheer in the House of Commons after Members of Parliament vote in favour of the new Constitution on December 2, 1981. Who is included in this photograph? Who is left out? How would the makeup of a similar photograph taken today be the same or different? How did the vote shown in the photograph lead to that change?

## Doing the Right Thing

Canadian politicians of 1980–1982 were mostly men. White men. Unlike the many politicians of Canada's past, though, these politicians agreed to a Constitution that would change the power structure in Canada.

That agreement did not come easily. At first, many of them objected to the idea that the Supreme Court — not politicians — would have the responsibility to ensure that all laws aligned with the Constitution. But they finally agreed that it was essential to protect Canadians from bad laws.

Politicians were also reluctant to include a charter of rights and freedoms. What would it cost? Where would it lead? Didn't provinces have their own bills of rights? In the end, the politicians were convinced because provincial bills of rights can be changed by passing a law. A constitution cannot. It's a better guarantee.

So they agreed, finally, to include the Charter of Rights and Freedoms, which would protect Canadians from discrimination on the basis of race, national or ethnic origin, colour, religion, sex, age, or mental or physical disability.

The Constitution would also guarantee gender equality. It would recognize that Aboriginal peoples are one of Canada's three founding peoples. It would enshrine Aboriginal and treaty rights so that they could never be taken away. It would enshrine the bilingual nature of the country so that French and English Canada would both survive and flourish.

Not all of this was in the first draft in 1980, which did not protect the rights of women, Aboriginal peoples, or people with disabilities. But Canadians stood up and made their voices heard to ensure that they were recognized in the Canada that the Constitution would protect.

And it worked. The crafters of the Constitution revised and revised again until they finally had a Constitution for all Canadians.

## Voices

In November 1980, I chose to protest rather than attend my sister's wedding — a hard choice indeed — but our public display of dissatisfaction was a turning point in our campaign. In January 1981, the equality clause was amended to include physical and mental disability. Canada was one of the first countries to give disability rights constitutional protection and I am very proud to be a part of that history.

— Yvonne Peters, Chair of the  
Manitoba Human Rights  
Board of Commissioners, 2014



**Figure 16–28** Yvonne Peters, president of the Saskatchewan Voice of the Handicapped, protests the first draft of the Constitution on Parliament Hill, November 3, 1980. She and other people with disabilities wondered why they were not specifically protected from discrimination by the proposed charter. Their efforts were worth it — the final draft includes such protection.

## Recall ... Reflect ... Respond

1. In this unit and chapter, you have read about many changes in Canadian society. What movements, developments, or underlying conditions may have set the stage for constitutional change?
2. Was it a good idea to patriate the Constitution? Justify your answer.
3. Conduct research to find a recent Supreme Court ruling that relates to the Constitution. Explain the case and the ruling. Is the Constitution doing what it is supposed to do — protect Canadian values? Use your case to support your opinion.

## Chapter 16 Review

### Knowledge, Understanding, and Thinking

1. If you were to write a story called “Canada: A Country Plotting Its Own Course,” what five actions or developments would you include from this chapter? Justify your selections.
2. **Continuity and Change:** The Doomsday Clock was created in 1947 by a group of atomic scientists at the University of Chicago. The minute hand shows how close humanity is to nuclear annihilation — shown as midnight on the clock face. From time to time, the scientists take into account world developments and move the minute hand as they see fit.

Figure 16–29 The Doomsday Clock



Examine Figure 16–29 and respond to the following questions:

- a) Why would atomic scientists take this monitoring task upon themselves?
- b) What function does the clock serve?
- c) What global situations might move the minute hand closer to or farther from midnight? What global developments might make the clock unnecessary?
- d) Is this an effective way to represent this global issue? Explain your response.

3. **Evidence:** In May 1969, at the height of the Vietnam War, former Beatle John Lennon and his wife, Yoko Ono, staged a week-long Bed-In for Peace in Montréal’s Queen Elizabeth Hotel. They stayed in bed all day, sang and played music, talked to the press, and appealed for peace. The couple wrote and recorded the song “Give Peace a Chance” during their stay. In December 1969, Pierre Trudeau was the first world leader to meet with them on their “tour for world peace.” Afterward, Lennon said, “If all politicians were like Mr. Trudeau, there would be world peace.”

Examine Figure 16–30 and respond to the following questions:

- a) What evidence does this historical photograph provide? What makes it an effective photograph?
- b) Compare the bed-in strategy with the strategies of Greenpeace. Write a paragraph that discusses the goals and effectiveness of each strategy.
- c) Did Trudeau demonstrate leadership in this instance? Did Lennon and Ono? Explain your response.
- d) Develop three or four criteria you would use to decide whether or not raising issues through a public display is an appropriate strategy.

Figure 16–30 John Lennon and Yoko Ono speak to the press during their Montréal Bed-In for Peace. Their slogan was “War is over, if you want it.”





## Communicating and Applying

4. **Cause and Consequence:** Prepare and present a two-minute television news commentary in response to the following question: In your opinion, which of the economic changes that happened in the decades leading up to 1982 has had the most lasting effect on Canadian identity?
  - a) Work with a small group to identify the criteria you will use to make your judgment in response to this question. As you consider possible criteria, make sure that they reflect the most important considerations related to this question. Transform the criteria into questions that will help you make your choice.
  - b) As you select your economic change and plan your presentation, look for evidence of significant consequences related to Canadian identity. The change should have had serious, long-lasting consequences for many people and should relate to issues that are still important to Canadians today.
5. **Historical Significance:** In Unit Four, you read about Canada's participation in the international community following the end of World War II and leading up to 1982. Some examples include Canada's role as a middle power during the Cold War; its co-operation with the United States to build the St. Lawrence Seaway and sign the Auto Pact; its promotion of world peace and human rights; and its decision not to follow in the footsteps of the U.S. trade embargo on Cuba.
  - a) From the above list or elsewhere in Unit Four, select an example that you think is most typical of the Canadian approach to international relations.
  - b) Describe what happened and what Canada did.
  - c) Did anyone disagree? If so, why was it significant?
  - d) Explain how the event has lasting historical significance.
6. **Historical Significance:** Identify five people or organizations in Unit Four who you believe have made an important contribution to Canadian society or politics. Each individual should represent a different form of contribution (that is, they should not all be political figures). Justify your choices.

7. **Evidence:** In July 2006, the board of the Hudson's Bay Company approved the sale of the company to U.S. billionaire Jerry Zucker. Founded in 1670, HBC was Canada's oldest company and employed 70 000 people at the time of its sale. In February 2006, the federal ministries of industry and Canadian heritage approved the sale.

On July 17, 2008, the Bay was sold again, this time to NRDC Equity Partners, the parent company of U.S. department store chain Lord & Taylor. On July 18, Canadian cartoonist Graeme MacKay published the cartoon in Figure 16–31 in *The Hamilton Spectator*.

Examine Figure 16–31 and respond to the following questions:

- a) What is MacKay suggesting about this Canadian company's historical significance?
- b) What is MacKay suggesting about foreign investment in Canada?
- c) In what ways does MacKay's cartoon reflect competing national and global forces?

Figure 16–31

