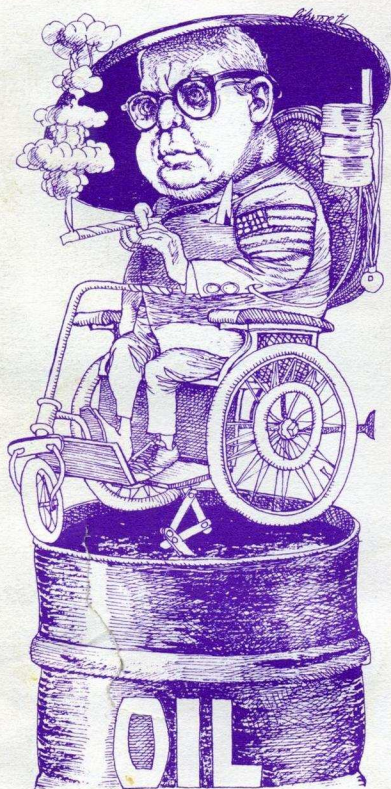


**LAST
POST**

THE LAST POST
Vol. 3, No. 8

March 1974
Price 75 cents

**LAST
POST**



**Herman Kahn's
scenario for
the oil sands**

YOUR PHONE BILL...

**how it pays
for Canada's
newest
multinational**

I CAN'T BELIEVE I ...
ATE THE WHOLE THING!



ASLW 77.

LAST POST

THE LAST POST Vol. 3 No. 8

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p. 22



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p. 32



Bill Davis
p. 36



Grenada
p. 40

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of the Toronto
Typographical Union

To Our Readers

For four years, *Last Post* readers have been helping the magazine with contributions—small or large donations, lifetime subscriptions, postdated cheques for our sustaining fund.

This help has played a vital part in the success that the *Last Post* has had. Our subscription, newsstand and advertising revenue covers only the bare essentials of magazine publishing—printing bills, shipping charges, small salaries for an office staff of two. Many other things that help to make the *Last Post* a better magazine must come from contributions.

Support from our readers has helped us to research articles that would otherwise have been ignored; has helped pay travel costs to cover stories that would have been unreported and to improve distribution of the magazine in areas that had been badly serviced; enabled us to pay someone a salary for several months to work on improving the magazine's circulation; has allowed us, occasionally, to pay for cartoons or stories; has permitted us to maintain more frequent telephone contact with writers and supporters across the country.

Although the economic realities of publishing in Canada are harsh for a magazine such as *Last Post*, they are not impossible. A low-budget magazine need not be a bad magazine. Indeed, for a magazine such as *Last Post*, fancy budgets are just not in the cards.

Nevertheless, there are important projects that we should be able to carry through. Investigative reporting can't always be done cheaply; nor can measures to improve the magazine's distribution across the country.

It is for help in these areas that we look to our readers for steady support, so that we can, when necessary, afford the bills that will make *Last Post* the better alternative voice that we and our readers want it to be.

Help us extend the *Last Post's* coverage, frequency, and distribution by joining those who have supported the magazine over the last four years.

The *Last Post* counts on a sustaining level of regular readers' contributions to function. If you can contribute this month, send a cheque, no matter in what amount. It will all be put to publishing a better magazine, and distributing it farther across the country.

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ABC'S \$40-MILLION SHAFT IN THE NECK

Did the sale of the 1976 Olympic television rights to the ABC network in the United States include a five-million-dollar kickback to the Quebec Liberal Party?

That's the allegation made on January 11 of this year by Otto Jelinek, a federal Tory MP from Toronto, and John Robertson, a Montreal sports writer.

When the charges of patronage were levelled, the finance director of the Quebec Liberals, Paul Desrochers, was able to coolly deny the story by producing an affidavit signed by Roon Arledge, president of ABC Sports Inc. of New York, saying that no under-the-table money had changed hands between them.

But the curious thing is that the signed affidavit is dated January 3, 1973, more than a full year before anyone even suggested there were bribes at all. And, not coincidentally, January 3 is the date on which ABC signed the official contract with Le Comité Organisateur des Jeux Olympiques (COJO), giving the Olympic organizing committee \$25 million for the North American television rights to the 1976 Summer Olympics.

The head of the three-member negotiating committee which made the deal with ABC was none other than Mr. Desrochers, who is also the official Quebec government representative on COJO and Premier Bourassa's top aide.

The story of the bribe didn't get too far, not because of Mr. Desrochers' foresight in obtaining a signed, retroactive denial, but because there were too many "unnamed sources" among ABC's network competitors in New York who have suddenly clammed up about the whole affair.

But the flurry of charge and counter-charge over the bribery allegation did focus attention on another grim side of the Montreal Olympics. This is the \$40-million kicking the Canadian public is going to take just so Mr. Average America can watch the 1976 spectacle on the ABC network.

It's a fact that ABC paid \$25 million for the TV rights. But COJO gets only half that sum, and it has to divvy that up with the International Olympic Committee and all the various sports federations which sanction events at the games, with special assistance going to underdeveloped nations.

ABC has reserved the other half for production costs, which includes some money to pay the host broadcaster for use of on-site facilities, but also has to cover the extra costs ABC expects to incur in picking up those Olympic events on which it wants separate coverage.

Now, the role of host broadcaster for the Olympics has been given to a group called ORTO, the Olympic Radio and Television Organization, a subsidiary of the CBC. ORTO will be the one with all the cameras, studios, etc. from which all the other broadcast organizations will pick up their feeds. And ORTO director Marcel Deschamps says it's going to cost them at least \$56 million to provide this service.

The federal government has already granted ORTO \$25 million. So where does the other \$31 million in ORTO's budget come from?

Some will come from the money ABC paid for the North American rights, but certainly not the full \$25 million as the press relations effort by COJO implies. By the time all the in-



DESROCHERS
Man in the middle

terested parties get their share, ORTO will be lucky to get \$5 or \$6 million.

Other money will come from the various other broadcast organizations at Montreal — the 33-member European consortium, the Japanese, the Soviets and others. These deals haven't been signed yet. Although COJO talks bravely of picking up another \$30 million or so from the sale of world TV rights, the final total will be much, much smaller.

For instance, COJO seems to be trying to raise some \$30 million from the big European consortium alone. However, the latest offer the Europeans have made is \$1.7 million.

By the time you fill in all the gaps in the story of how COJO peddled off the television rights to the games, you don't necessarily come to the conclusion that ABC got them for a \$5-million bribe.

What is certain, though, is that ABC and COJO are dipping into the Canadian taxpayers' purse for the benefit of ABC and COJO.

For its \$25 million, ABC obtained a contract described by reporter Guy Pinard in Montreal's *La Presse* (which got hold of the document and released it in its January 25 edition) as being one which "is unilateral and substantially favours ABC to the detriment of broadcast organizations from other countries as well as of COJO itself."

The contract promises ABC personnel unlimited field access and priority in getting hotel rooms and stadium tickets, assures the network that all the major events will take place in American prime time, and even gives it a say in what music will be played during the games. Another interesting clause says that COJO will help ABC in its tax and customs negotiations with Ottawa.

The information coming out of COJO since its inception has been a series of lies and false impressions. COJO says the deal with ABC is the largest in Olympic history. On the surface that's true because ABC, which brought you the Munich spectacle, paid only \$13.5 million for those rights.

But the money ABC will make on the sale of commercial and subsidiary rights arising from the telecast is also the largest in history. The lowest figure mentioned is \$40 million; Marvin Josephson Inc., the New York agency which engineered the sale, figures ABC could stand to make upwards of \$100 million.

In 1972, when the three big networks in the U.S. were hustling for the television rights to the Montreal games, it was no big secret that NBC was willing to pay more than \$30 million for the privilege. And CBS, which last televised an Olympics in 1964, told its negotiators to "get the games at any cost", and reportedly would have paid nearly \$40 million for the North American rights.

But they never got a chance to put in their bids. A week before they were to appear in front of COJO in Montreal,

the networks were phoned by the Marvin Josephson outfit and told not to bother because ABC had already won the rights as far back as November 1972.

The contract finally signed by ABC and COJO allowed for the possibility that the International Olympic Committee might object to this sort of arrangement (in the end it did not) and insist that the TV rights be opened up to genuine bidding by the three U.S. networks. In that event, COJO agreed to inform ABC immediately of any bid that might be received and give it up to 30 days to come up with a similar bid.

It was December 20, 1972, the day before the sham bidding was to take

place in Montreal, that an NBC executive disclosed that he had been approached for a political kickback for the Quebec Liberals in order to get in the running for the games.

The NBC exec, and a CBS exec faced with the same alternatives, told the COJO agent that they didn't do business that way.

So ABC walked away with the North American television rights. Was there a bribe? We may never know. But there was certainly mismanagement by COJO in selling the rights, something that cries out for a public inquiry before the taxpayer gets a \$40-million shaft in the neck.

Richard Bruin

ARMS SALES: 'BICYCLES' FOR THAILAND

When a group of Thai Army officers landed at Montreal International Airport in December there were no brass bands or elaborate ceremonies to welcome them to Canada. In fact, the visit of the four Colonels would have gone unnoticed had it not been for a chance meeting with some Thai expatriates living in Montreal who passed on the news to us.

The visit of Colonels Prasong and Prasert, and special Colonels Pachon and Pravieng, wasn't exactly a secret, but it wasn't highly publicized either. None of the liaison people at National Defence or External Affairs, who for protocol reasons are usually in touch with such groups of official visitors, professed to know that the Thai officers were here.

After some checking in Ottawa, the path of the four Thais was traced to the Asia Division of the International Programs Branch of the Industry, Trade and Commerce Department — Canada's arms salesmen and the people who had laid on a tour of some of Canada's finest munitions manufacturers for the visiting colonels.

That the Thai Army should be shop-

ping around at this time for equipment and expertise to establish their own munitions factory is significant. In the aftermath of the overthrow last October of Thailand's military dictatorship, which had ruled the strategically important Southeast Asian nation of 40 million people like a medieval fiefdom for the past 15 years, the country finds itself in a state of flux. Observers both inside and outside the country are unsure who the winners shall be in the coming struggle to fill the power vacuum created by the October revolution: Will democratically-inclined forces ultimately triumph and install representative government and a more equitable society in the country or will the military stage its much feared counter-coup and restore the country to strong arm rule?

Whatever the outcome, Canadian industry may soon be doing its part to strengthen the capability of the Thai armed forces. The Royal Thai Army and its para-military police have over the years been well supplied by the Americans with all sorts of sophisticated military equipment, such as Patton tanks and helicopter gunships. These it used, up until October, to maintain its rule in spite of growing popular dissatisfaction. Now, with the expected phasing out of the U.S. military presence and the possible loosening of ties between Bangkok and the Pentagon, the Thai Army is striving for more self-sufficiency in its arms and munitions supply.

As Canadian trade officials explained it, the Thais' visit here was connected

MAD DOGS AND ENGLISHMEN BARBECUED IN THE MID-DAY SUN

* * *

Briton held over blaze

—Vancouver Sun, December 19, 1973

Govt. Buys Oil

CONTINUED

The supply and services depart-
ment is the first purchase since it was
the operational matter.

Community Clinic By Spring

CONTINUED

Also early next year, said
the co-ordinator, the communi-
ty clinic will have 200-600

Investment Screen Wanted

CONTINUED

The Conservatives and New
Democrats want changes to Queen's
Bench but have said they will
not do it as a step in the right

Paper's Bid Fails

CONTINUED

Mr. Justice James F. Wilson
of the Manitoba Court of
Queen's Bench dismissed an
application Friday by the Win-
nipeg Free Press to quash
union certification of employ-
ees in its advertising and edito-
rial departments.

Israel Voices Doubts

CONTINUED

The Tel Aviv government was
disatisfied with some aspects
of the proposal announced in
Washington.

Nixon Seeks Support

CONTINUED

"I shall do everything that I
can to remove these
doubts where they exist"
Nixon promised.

A Last Post citation for originality in layout goes to the Winnipeg Free Press, which was faced with the perennial newspaper dilemma of having to run a story embarrassing to itself. In this case, the story concerned the failure of a Free Press legal manoeuvre against its employees' attempt to unionize.

Instead of simply placing the story on an inside page, the paper took the further precaution of surrounding it with a group of continuations from page one. Crude as the device might seem, it was sufficiently successful that even some of the reporters involved in the organizing attempt were unable to find the story after combing the paper thoroughly.

with the establishment in Thailand of a small arms munitions plant. The Thai Army wants Canadian arms manufacturers, or those of another Western country, to sell their expertise and machinery, build the plant and turn over the key to Thai authorities. Accordingly, the Thais were taken to a Canadian Industries Ltd. (CIL) explosives plant in Valleyfield, to Metal Industries Ltd. in Noranda, which has a brass rolling mill for sale, and to Valcartier Industries Ltd. near Quebec City, which specializes in small arms and ammunition.

If the sale goes through, it will further extend Canada's trade imbalance with Thailand in our (manufacturers') favour. In the last 10 months of 1973, we sold the Thais \$12 million worth of goods and imported only \$2.7 million (more than offsetting the cost of our small social and technical assistance programs). For Canada's arms industry, it will mark the first such deal with Thailand and it could have a spin-off effect in terms of future sales to the armed forces of other Southeast Asian nations which are also busy coping with internal insurgencies.

Canadian trade officials, as they will eagerly tell you, are not concerned with the use of that's being made of arms and munitions they sell. "We're really not in the arms business per se," explained an Asia desk salesman, "and we don't want this 'merchant of death' thing hung on us." This is a self-reliance program to prepare the Thai Army for the day when the U.S. would no longer be its arms supplier. As he saw it, the munitions plant could eventually be diversified and even used to build such mass consumer items as bicycles, which he said they are now doing in a similar Nigerian munitions plant.

The chances of the Royal Thai Army ever manufacturing bicycles are, of course, extremely remote. For about 10 years the Thais have been fighting localized insurgencies in the southern and northern regions of the country. And the military continues to be concerned with restoring its own partially lost power and keeping a lid on the forces of change which last October deposed the dictatorship of the Prime Minister, Marshal Thanom Kittikachorn, and Army strongman, Gen. Prapat Charusatien.

Despite the subsequent appointment of a civilian government and the promise of free elections, Thai student radicals are not limiting themselves to their original demand for the return to constitutional rule and representative government. They have since demonstrated their opposition to the continued U.S. military presence in the country (six airbases and 38,000 soldiers), Japanese economic exploitation, and gross economic inequity inside the country.

Knowing the attitudes of Thai Army officers, it is hard to imagine that they will allow the present flirtation with the trappings of democracy to continue for very long. Some of their views emerged during private conversations between the visiting colonels and Thai expat-

riates here. Feeling relaxed in the presence of his countrymen, one colonel spoke of a deterioration in law and order, of increased crime in Bangkok and a growing threat from Communists. (This is the usual canard for justifying army intervention and strong-arm rule in Thailand. When the Generals are in power, crime and insurgency are always reported to be decreasing and under control.)

"This situation can't go on for too much longer," the colonel was reported to have said, "and there may be a coup d'état soon." He was later chastised by his group leader for having spoken so openly.

According to one highly respected observer, such sentiments are widely shared in the middle ranks of the army. Robert Shaplen put it this way in a recent magazine article: "If a newly elected government does not rule effectively and strongly, another army takeover, led this time, perhaps, by colonels and majors, is likely to occur."

Should a counter-coup occur, it will almost certainly result in another bloody confrontation between the students and their supporters, and the Thai Army. In October, when the students took to the streets to dramatize their basic demand for the restoration of a constitution, the army felt directly threatened and responded with bullets. Firing on unarmed demonstrators from their helicopters and tanks, the Army cut down hundreds of bewildered students and supporters. More than 200 were reported killed before King Bhumipol Adulyadej "suggested" that General Prapat, Marshal Thanom and his son, Colonel Narong, should leave the country.

The Thai students scored a remarkable and wholly unexpected victory. But it was only a beginning. Once a new

FETISH OF THE MONTH

At the NCC, those sources which first had blown the whistle about the plans being scrapped to make the 24th floor a public show-place, said the reaction was "clear evidence that the protest and *The Journal* report compelled some quick second thinking. . . ."

—Ottawa Journal, December 19, 1973

constitution is promulgated there will be a revival of party politics, nationwide elections, and a new government. Both the students and the Army will be involved, directly or indirectly, in the government's formation. Student activist Saeksan Prasartkul has recently said, "It is wrong to think that the eviction of the trio was enough. The existing social and political systems will continue to produce evil persons at a high rate."

"People want the constitution, want real democracy," he continued, "So much so that if they are not patient and politicians do not aim our new democratic system at solving the nation's problems, the most dangerous things will happen..."

One such possibility is that the radical elements of the student movement in

Bangkok might link up with the Thai People's Liberation Army which is well organized in more than 200 villages in Northeast Thailand, the poorest part of the country. But even if such an alliance does not occur, the likelihood of another confrontation between the students and democratic forces in Bangkok and the Army is very strong.

The Canadian armaments industry, by offering to strengthen the Thai Army's munitions capability, will be profiting from any such resumption of Thai Army violence and assisting the country's anti-popular forces. Once more, Canada will be open to the charge of complicity.

Irwin Block

(Irwin Block is a former reporter for the Bangkok Post now working for the Montreal Gazette.)

tion courses for themselves, brought their wives and families into the conflict, organized joint actions and solidarity committees with other strikers in Joliette and the rest of the province, organized a boycott of Firestone products, and won.

Firestone resisted all demands for almost ten months and cancelled a \$23 million expansion project in the town. Some outside union observers suspected collusion between the parent union and the company; at any rate, both the company and the union mistrusted the Joliette local's "syndicalisme de combat", which featured clashes with the police and scabs at neighbouring plants that were also on strike along with talk of worker self-management or participation in management.

The strike was settled shortly after a local delegation visited URW officials in Akron. The company acceded to 95 per cent of the workers' demands — which, incidentally, did not include parity with Hamilton workers.

"If we don't win this one, we'll never win anything," QFL President Louis Laberge had said before the settlement. He was alluding specifically to the QFL leadership's drive to wrest autonomy both from international unions and from the Canadian Labour Congress.

The QFL convention was marked by fierce attacks against the timidity of the CLC along with demands for increased QFL autonomy under threat of a complete rupture. The 1,000 delegates also passed a resolution allowing unions to break away from their international parents and affiliate directly with the QFL.

Laberge and QFL construction boss André Desjardins both indicated that the 85,000 members of the construction craft unions may soon take advantage of that resolution. The "American" face of the QFL construction unions has long been a sore point with the CNTU.

While this may lead to peace with the

QUEBEC:

THE COMMON FRONT SPIRIT

The Quebec labour movement is increasingly showing signs that it has regained the combativity and self-confidence which seemed to have ebbed following the debilitating Common Front strike almost two years ago.

Even the landslide parliamentary victory of the Liberals last October has failed to dampen the process of recovery from the demoralization that had set in after that strike. The demoralization was caused partly by the relative failure of the Common Front and the jailing of its leaders and partly by the bitter jurisdictional battle between the Quebec Federation of Labour (QFL) and the Confederation of National Trade Unions (CNTU) in the construction field.

The spectacular strike victory in January of a small group of workers in Joliette, northeast of Montreal, provided a much-needed boost for the whole movement and concrete evidence that the militant sentiments of December's QFL convention could be translated into something more than words.

The workers, 312 employees of the multinational Firestone Tire and Rubber Co., are the current heroes of the labour movement because of the tenacity and ultimate success of their ten-month strike. The Firestone strike took on important symbolism not only because the workers took on a powerful multinational, but also because the rank-and-file

completely took over the strike, fought the bureaucracy of their own union, mobilized strike support all over the province and rekindled the Common Front spirit.

"Les Gars de Firestone" are a young, skilled, CEGEP-educated group, winners of company productivity contests over plants in Ontario and the U.S. Yet their "benevolent" employer, who gave them free beer when they won the productivity contests, also forced them to work in English and paid them less than fellow workers in a Hamilton plant.

When they struck, they rejected the business unionism of their union, the Ohio-based United Rubber Workers (URW), and set up a "Comité de 40" to run their strike. They launched an intensive series of political and union educa-

EAT YOUR HEART OUT,
RICHARD NIXON

* * *

Schenley Award winners

**George McGovern named
outstanding CFL player**

—St. John's Daily News, November 23, 1973

LE COMBAT INEVITABLE



CNTU in the construction field, it may also antagonize some of the international unions, notably the United Steelworkers who fought hard against the resolution. Nevertheless, the trend in the QFL is clearly toward a loosening of American ties.

The delegates also passed resolutions calling for civil disobedience in the case of "unjust laws and injunctions" and a general strike if the Quebec government makes another attempt to pass its bill that would deprive the public service of the right to strike.

The theme of the convention was "le combat inévitable," and the inevitable battle, as it emerged in the discussions, was to be waged against "les vrais boss" of Quebec, the multinational corporations "served by the political, economic and judicial systems of Quebec and the local bourgeoisie."

Left-wingers pushing for the establishment of an authentic workers' party in the province put forward a proposal to hold a "political orientation congress" with all Quebec progressive groups. The proposal was rejected by the convention, but narrowly, with 56 per cent voting against it.

On the whole, delegates seemed to agree with Labege's assessment that the Parti Québécois was the "party the least far from us" (a convention poll showed that 83 per cent of those attending had voted PQ). Meanwhile, the PQ took a step toward warming up its generally rather cool relations with the labour movement by naming Théo Gagné, a highly respected Steelworkers represen-

tative, to the party executive to succeed Jacques Parizeau. Gagné, who was one of the leaders of the epochal Murdochville strike of 1957, also replaces Parizeau as the PQ's economist.

The QFL convention appeared to reflect a trend in the province toward increasing union independence, increased political education and action and greater rank-and-file participation. "The QFL," said Labege, "will go as far as the workers are willing to go." And the cadres of the QFL, the CNTU and the Quebec Teachers' Corporation seemed determined to make that considerably farther than seemed possible a short time ago.

Nick Auf der Maur

NEWFOUNDLAND: JOHN C.'S MERRY PRANKS

"The provincial government will stop at nothing short of bloodshed and murder to get the mill," declared Joey Smallwood in 1968, four years before he and his pack of scamps became the powers-that-had-been in Newfoundland.

As usual, Joey was using his favourite figure of speech, hyperbole, as he galvanized his resolve to place a liner-

board manufacturing plant in Stephenville to buoy up a local economy left flabby when the Americans abandoned an air force base there in the mid-1960s.

The government — as might be hoped, even in Newfoundland — did stop short of bloodshed and murder. Just how far short, however, has yet to be established.

So far there's nothing to go on except a few court charges, but one thing, at least, is clear: the government of Joey Smallwood, in tandem with its corporate ally, Canadian Javelin Ltd., did not stop short of certain questionable activities to get the mill, activities rather naughty if not altogether criminal.

The Smallwood government may still come out of it all smelling wholesome, if for no other reason than the fact that a government, particularly one out of office, is a rather amorphous thing and difficult to attack.

So the brunt of the attack has been borne by John C. Doyle, the mischievous Canadian Javelin boss who promoted the linerboard mill project, and against whom four charges of fraud and breach of public trust were placed December 8 in a Newfoundland magistrate's court. Nothing has been proved as Doyle has yet to come to trial on the charges.

While awaiting trial Doyle was bearing an auxiliary cross, one perhaps more weighty than the charges themselves. Freed on \$75,000 bail after a relaxing weekend in H.M. Penitentiary at lakeside Quidi Vidi, St. John's, Doyle was ordered to remain in Newfoundland. His heart, of course, is with his business and social affairs in far-off Montreal.

And as Doyle stewed in St. John's the search went on for Oliver L. (Big Al) Vardy, former deputy minister of economic development under Smallwood, who faces similar charges. Tipped off in time when the warrant was issued for his arrest, Vardy checked out of his Panama City hotel with dispatch and wasn't heard of for more than six weeks.

Hot on his trail were, among others, the RCMP and Bill Mitchell, the CBC's Newfoundland correspondent who took a week-long junket in January to Florida and points south in search of Al, a delightful, if fruitless, piece of journalistic bravado. Vardy finally turned up at Tocumey International Airport in the custody of the Panamanian police and was being held in Florida for extradition.

The charges against the pair came

BUDDY CAN YOU DEAL ME A DIME

Besides being enamoured of Joey Smallwood and foul of the Newfoundland courts, John Doyle and Al Vardy have one more thing in common, a muddy past.

The skeletons in Big Al's closet are really midgets compared with those in Doyle's, but Al does his best and the linerboard mill charges mark the second time in as many years that he has appeared centre-stage in a scandal involving the government he served for 20 years.

In 1972 he surfaced, along with pal Joey and Art Lundrigan (the high priest of the cost-plus construction contractors who rode Smallwood's coat-tails to riches), as one-third owner of Investment Developers, a company which rented seven buildings to the government-owned Newfoundland Liquor Commission for twice their rental values (Last Post, Vol. 2, No. 7).

The Tories unearthed the Liquor Store scandal shortly after taking office and commissioned Toronto legal ace J.J. Robinette to advise them on what to do. Robinette found some grounds for criminal charges and plenty of grounds for civil charges. But for reasons best known to themselves, the once bloodthirsty Tories have yet to lay a charge.

For the ubiquitous Doyle, the latest charges are merely a fitting climax — assuming there are no more to come — to a career of financial finagling that spans two decades.

"Whoever became a millionaire in this world by teaching Sunday school?" was Joey's famous dismissal of suggestions that Doyle's business practices were something less than pristine.

Doyle the dealer double-crossed

Doyle has been personally involved in more mischief than most people ever read about. Even if he could leave Newfoundland today he could not travel to the U.S.; he's been on the outs with that nation since 1963 when the Securities and Exchange Commission finally checked on his tiresome and illegal habit of misrepresenting the value of Javelin stock.

The SEC brought an indictment against Doyle but the trial, held in Hartford, Conn., in February 1965, took an odd turn. Doyle pleaded guilty to a minor charge of using the U.S. Mail to sell and deliver unregistered stock. Major charges against Doyle, including fraud, were dismissed. Doyle said there had been a deal with the SEC: he would plead guilty to the minor charge if there were no criminal prosecution.

But if there was a deal, Doyle was double-crossed. Instead of no prosecution, Doyle got a three-year prison sentence and a \$5,000 fine. He was not pleased. Out on \$10,000 bail while awaiting an appeal hearing, he high-tailed it to Canada and has been wanted in the States ever since.

(Friend-in-need Smallwood stuck with Doyle all the while; at one point in the case he even went so far as to travel to Washington to meet with Robert Kennedy,

then serving as U.S. attorney-general. He met with Kennedy, but his plea on Doyle's behalf apparently got short shrift.)

Income-tax delinquency is another Doyle specialty. It started in the early fifties and on July 3, 1963, the Canadian department of internal revenue filed a claim of back assessment in the amount of \$3,410,110.80. The claim remains unsettled to this day.

Toilet etiquette according to Doyle

When not busy breaking laws, Doyle found time to tip-toe around the sordid periphery of federal politics.

One tense moment came following the 1963 federal election when Guy Marcoux, then a Social Credit MP, charged in a pamphlet that Doyle's personal DC-6 had been used on April 11 of that year to ferry an affidavit from Montreal to Quebec City confirming a deal by which six Quebec Cr ditiste MPs agreed to support the Liberals, enabling them to form a minority government. Along for the ride that night, Marcoux also charged, were Liberal cabinet minister Jack Pickersgill and, of course, Pickersgill's friend Joey Smallwood.

A similar charge was made by John Diefenbaker in 1968. He claimed that Doyle had helped make a deal, similar to the 1963 arrangement, with Cr ditiste leader R al Caouette to help the short-handed Liberals survive a confidence vote the previous day. "Where Doyle is," Dief growled, "there's political fixing."

As the Doyle legend grows, pieces of it begin to find their way between hard covers. Two years ago a book called *Rogues to Riches: The Trouble with Wall Street* by one Murray Teigh Bloom was published by Putnam.

The book purports to be the inside story of a couple of stock-market hucksters, the guys who promote stock sales and sell forecasts of stock market behaviour. Phil and Jerry are the fictitious names used by Bloom for a couple of real-life hucksters. The book devotes an entire chapter to Doyle, who enters the picture as one of the people "who influenced Phil and Jerry most in their curious careers."

Phil and Jerry may have told the entire story of John C. Doyle in a couple of memorable paragraphs.

Jerry tells about Doyle the man: "What made him bearable is that he could kid himself. He'd joke about his stupidity and his big, fat ass. He used to love sitting on the crapper, opening the door and giving orders to his batch of girl secretaries. He was a disgruntled Catholic and dreamed of becoming Canada's Andrew Carnegie."

And Phil tells about Doyle the entrepreneur: "He loused up the company [Javelin] for a couple of million when he could have earned many, many millions legitimately. Javelin's still a great company, but its reputation has taken a beating."

Old Phil, it seems, is as good at understatement as Joey is at hyperbole.

R.C.



DOYLE

A few mysteries

after an investigation that lasted a year and a half. The Mounties evidently spent most of that time perusing several tons of documents logged to the cop-shop last year after raids on the homes of Smallwood and Vardy and on the offices of Montreal lawyer (and Quebec Liberal MNA) Harry Blank, who was acting at the time for a mysterious Panama-based company called Pioneer Investments Ltd.

Since no trial has been held, particu-

lars of the charges have not emerged, and broad gaps of information about the unfortunate mill in Stephenville have yet to be bridged.

As far as can be divined, the Tory government in Newfoundland requested the RCMP investigation in the spring of 1972 around the same time as the liner-board mill project, already known to be an elephant of a fairly pale shade, was being provincialized and Canadian Javelin excused from further involvement.

Apparently to show the financial world that this was no cod-tongue republic, the government even offered to compensate Javelin for the takeover, inviting the company to submit claims for its legitimate expenses in promotion of the project. These claims would be considered by the government in establishing a takeover price.

With the claims came the mysteries that led to the investigation. Mystery number one was worth \$2 million, the amount Javelin said it had paid to a company called Société Transshipping for concession rights to 10,300 square miles of timber in Labrador. Société Transshipping is registered in Liechtenstein, the tiny European tax haven which has no laws requiring the listing of the true directors of companies.

The only visible title which Société Transshipping had to the 10,300 square miles of woods was a letter of grant from Joey Smallwood, dated March 3, 1965, and issued without the authority of either the cabinet or the legislature. The sale price for the timber rights was actually \$4 million but Javelin claimed \$2 million explaining that only half the bill had been paid. The government turned down the claim and wondered out loud, within earshot of the RCMP, about the ownership of S.T.

Javelin further explained in its compensation claim that the \$2 million had been paid not to S.T. but to another company to which the documents of title, real or bogus, had been transferred by S.T. Javelin named the company, Pioneer Investments Ltd., and thereby partially demystified it. Nevertheless, the important questions remained: Who owns S.T. and who owns Pioneer?

Mystery number two involved another bizarre claim in which Javelin asked the government to pay a fearsome price for property once owned by the province but sold for a song.

When the Yanks pulled out of Stephenville all base properties were handed over to the province and two of the large base buildings were subse-

quently sold to Javelin for \$250,000. But when Javelin made its claim it listed the cost of the buildings at \$750,000. Was the extra \$500,000 paid? To whom?

At least one local politician was baffled: Ed Roberts, who succeeded Smallwood as leader of the Liberal party, declared the transaction to be shady, and, squirming to avoid being too decisive, allowed that "it may or may not have verged on the quasi-criminal."

And at least one local politician wasn't: The money must have been used as a bribe, said John Crosbie, the Tory finance minister.

When Doyle and Big Al come to trial there may also be news of another \$4,152,000 which Javelin said it spent on the project but which the government refused to refund.

This money went in what Javelin called "inter-company advances"... payments by Javelin to affiliated companies such as Javelin Bulk Carriers and Javelin Export Ltd., the latter registered in the Bahamas. The contribution of either of these companies to the promotion of the linerboard mill has yet to be established; it is known, however, that Javelin Export existed on paper only.

It is also known that its paper existence alone was sufficient to guarantee Javelin Export five per cent of any profits of the sale of linerboard, if Canadian Javelin had been permitted to keep the mill.

Ron Crocker

BRITISH COLUMBIA: LABOUR BETRAYED?

As a former social worker, British Columbia Premier Dave Barrett is inclined to look at labour relations in marital terms. His consistent vision of the best of all industrial worlds is a marriage of management and workers, with Smilin' Dave as counsellor.

This vision has now been translated into the province's new Labour Code, easily the most important bill passed in the recent session of the B.C. legislature. The stated aim of the legislation is simply to "secure industrial peace" in the province, and key clauses indicate that this is to be done through the suppression of strikes, wildcats and militant worker action.

Homosexuality faced head-on

—Toronto Globe and Mail, January 7, 1974

This is not to say that the new code is not better than the legislation it replaces, inherited from the Sacred regime of W.A.C. Bennett — it is no exaggeration to suggest that for B.C.'s labour force anything would be better. But such comparison is beside the point. Certainly Bennett's anti-labour laws had promoted industrial strife, but Barrett's celebrated Swedish dream appears no less patronizing a system.

From much of organized labour, which had expected that a socialist government would encourage the fortunes of trade unionism, a distinct murmur of displeasure and suspicion is being heard. Describing the new legislation as "detrimental to the working people of this province," the B.C. Federation of Labour announced its concern with the labour bill, Bill 11, on October 1, the day it was introduced in the legislature.

Spokesman Ray Haynes accused the government of "departing drastically" from the policies contained in the 1972 NDP election platform, and announced the formation of a lobby in Victoria with the express purpose of having the legislation substantially changed.

At a post-legislative press conference, Labour Minister Bill King, who professes a distaste for public rancour, called on labour to be "calm" in its approach to Bill 11, and then promptly undercut his exhortation by remarking that since Bennett's arbitration procedures had often caused slowdowns and wildcat strikes, the procedures of the new, improved Labour Relations Board "could now come in at an early stage and avoid such guerrilla action."

The response of certain older, more conservative union leaders to this revolutionary casting involved a dropping of the lower jaw and a lifting of the eyebrows; it was exactly the sort of jibe they had learned to expect from ex-Premier Bennett. Apparently the Labour Minister feels that before Barrett's match-making intentions can reach fruition, the shrew must first be tamed.

The eclectic Mr. King has announced that the Labour Code is an amalgam of legislation already in use by the federal government and the provinces of On-

tario, Manitoba and Saskatchewan; but even this testimony to dedicated research is scarcely enlightening unless seen against the peculiar backdrop of repressive labour laws in B.C.

Although the advent of union-busting legislation predates Bennett's Sacred government, during his administration it became, in the words of one B.C. Fed official, "vicious class legislation. . . [whose purpose was] to destroy trade unionism." Upon Bennett's ascendancy, a divided but historically militant labour force was made subject to a series of anti-labour laws rather eloquently summed up by former Sacred party whip Bert Price (Bert is the pleasant little fellow who responded to a question from a gay activist in the 1972 election campaign by expressing his hope that homosexuals would be castrated so that they couldn't propagate any more of their species).

"By and large most of our members are not labour men," Price deadpanned on one occasion. "They tend to gravitate towards the employers' viewpoint more than the employees' viewpoint. . . . There has never been too much disagreement over labour legislation."

Armed with this comradely spirit of understanding, the Sacreds brought in Bill 42, an amendment to the Labour Relations Act prohibiting union dues being used for political purposes. In 1959 it was Bill 43, the Trade Union Act, which restricted picketing to places where unions were on strike or locked out, and made unions subject to damage suits and liable for the actions of their members. Later, Bill 123 prohibited the picketing of government offices.

Finally there came Bill 33, the labour strait-jacket called the Mediation Commission Act. It allowed the cabinet to prohibit strikes where it saw fit, created a three-man mediation commission to hand down binding decisions in labour disputes, and denied civil servants the right to strike. In the face of these and other Sacred actions, organized labour began to develop considerable unity; the concerted action of trade unions culminated in the important role they played in Bennett's 1972 defeat.

Premier Bennett regarded labour-management relations as a hockey game, perhaps a more accurate reflection of the class nature of the struggle than Barrett's marital metaphor.

But the new Barrett marriage contract does, of course, contain some improvements over the old hockey rules:

- "Ex parte" injunctions, which enabled one of the parties in a strike to apply to the courts without the other side's having the right of representation, are ended. These invariably operated in favour of the employer, being granted regularly upon management application.

- Application for union certification is now considered by the Labour Relations Board if the union has 35 per cent "of the employees in that unit" (down from 50 per cent).

- Picketing restrictions are made somewhat less stringent, although not entirely lifted.

- Trade unionists will no longer be so vulnerable to employer charges of "trespassing" in labour disputes.

- Political contributions by unions are allowed.

- Freedom to organize one-man unions and dependent contractors is granted.

- The use of "professional strike-breakers" is made explicitly illegal.

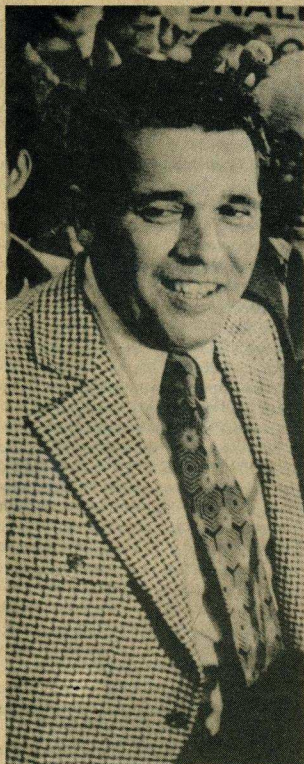
- No association of employees "dominated or influenced by an employer. . . or that discriminates. . . . contrary to the Human Rights Act, shall be certified."

IRON CURTAIN ISN'T PUCK-PROOF

"Everything is the state. The people are so regimented," Salive said [he's a member of the Peterborough Petes hockey team, just returned from the Soviet Union].

"One of the funniest things happened when a puck went in the crowd. The place would just buzz for three minutes and everyone would look to see who had the puck. I guess it was because they had so little chance to see what was going on in the world."

—Peterborough Examiner, January 10, 1974



BARRETT

Visions and revisions

But of substantially greater consequence are those provisions which clearly restrict labour; in fact, King's handling of the entire bill suggests an attempt to foster disunity in the labour movement.

In the formation of his all-powerful Labour Relations Board, King failed to appoint any of the people recommended by the B.C. Fed as possible labour representatives. Only one of the top four members of the Board, International Woodworkers of America Regional President Jack Moore, is a labour representative (and some IWA rank-and-filers have expressed doubt about that).

Jack Munro, interim replacement for Moore in the IWA, consequently disassociated his powerful union from the B.C. Fed attack on the legislation. Noting that Munro was in Bermuda at the time, Federation secretary-treasurer Haynes remarked that he was certain

Munro had been "misinterpreted." Said Haynes, "he is in Bermuda where I'm sure there aren't any copies of the bill."

At last report, however, Munro had not yet returned to the fold. In similar fashion, some of B.C.'s breakaway Canadian unions refused to endorse the Federation's criticisms, apparently suspicious of the "international" B.C. Fed's motivations.

The fact is that the Federation's criticisms are well justified. Although the Fed has not yet termed Barrett's government "anti-labour" at least one leader, Lorne Robson of the Carpenters' Union, has stated that had the code been introduced by the Socreds, "we'd be talking about general strike."

What has drawn much of the fire is the immense discretionary power of the new Labour Relations Board. It will act as a "labour court", with virtually no appeal; it can impose first contracts where difficulties arise with collective bargaining; it has "exclusive jurisdiction to determine the extent of its jurisdiction"; and it can decide whether strike and picketing activities are damaging any individual or group or should be stopped by order. The new powers include what amounts to compulsory arbitration. In an official statement, the Federation charged that "the powers granted to the defunct mediation commission pale in comparison."

Further, labour spokesmen have pointed out that agricultural workers and fishermen are not included for certification; a milk-sop "technological change" clause is meaningless since the right to strike during the term of a contract is denied; no right is granted to picket for organizational purposes; punitive fines will be levied against people

or unions violating the regulations of the code, with no distinction for ability to pay; and, in its most blatant challenge to the union shop, the legislation allows exemption from union membership on religious grounds.

The Barrett government hopes that differences between workers and employers will disappear in the stylishly socialist B.C. its pudgy leader has opted for, but marital bliss is never guaranteed. Newly elected Federation secretary-treasurer Len Guy warned on January 14 that a big contract year has arrived in B.C. and long strikes in major industries may well be necessary. Earlier, the Fed produced a sombre and timely analysis of the prospects for "industrial peace" under Bill 11. "The strikes will still occur," it said, "as they have in the past, legal or not, and at the same time the appointment of mediators will continue to be viewed with suspicion."

At its most recent convention, Barrett's own NDP censured his government for failing to carry out party policy in, among other things, the area of labour legislation. Barrett felt strong enough to consign his party delegates to the Devil — never, of course, allowing his round face to lose that jolly smile.

How long he can continue to ignore the grass roots of his party and substantial portions of the labour movement remains to be seen, but in the meantime militant unionists are becoming increasingly bitter. "Labour legislation is never socialist legislation," one long-time trade unionist recently blurted, as if in discovery. And what of Mr. Barrett's marriage contract if this should become labour's rallying slogan?

Evert Hoogers

BUSINESS: CNR'S SILENT PARTNERS

At first glance it seemed like a fairly innocuous bill: Bill C-164, authorizing the government to advance three hundred million dollars or so to the Canadian National Railways for capital expenditures.

But it ended up raising enough hackles that the government was forced to allow it to die with the first session of the 29th parliament in January. Most of the questions that arose about the bill were routine matters, but some of them

touched at the very nature of Canada's government-owned railway system.

There have often been complaints that, despite its publicly-owned status, the CNR is indistinguishable from its privately-owned rival, the Canadian Pacific. "Before we talk about nationalizing the Canadian Pacific," says one trade-union representative, "we should talk about really nationalizing the Canadian National."

The recent questions about the status

OVERREACHER OF THE MONTH

↑ VICTORIA — Social Crediters in British Columbia must become freedom fighters to oust the "extreme foreign philosophy" represented by the New Democratic Party government of Premier Dave Barrett, former premier W.A.C. Bennett said Thursday night.

The comparison with the freedom fighters of Budapest who fought Russian tanks in the Hungarian uprising of 1956 was prompted by a chance meeting Bennett had with Cardinal Mindszenty of Hungary, who was imprisoned for a number of years for his religious beliefs.

Dan Campbell, administrative assistant to the Social Credit caucus, said he and Bennett spotted the prelate at Vancouver Airport Thursday morning.

He said Bennett introduced himself and said:

"I'm a freedom fighter, too."

— *Canadian Press, September 28, 1973*

of the CNR suggest that it has to be "nationalized" in more than just a figurative sense. For embedded in the railway's capital structure is a hefty chunk of debt held by private bondholders, amounting, at last count, to \$811 million. And making sure that these bondholders get their money's worth has always appeared to be one of the railway's top priorities.

For although the CNR is generally able to boast a healthy operating surplus — \$48 million in 1972 — it has not declared an overall profit since 1956. This is because its operating surplus never quite matches the interest payments it has to make on its debt.

Furthermore, the railway gives priority to its *private* debt: the \$1-billion-plus CNR debt to the government is unfunded, and the railway makes payments on it only if it has a little extra money lying around. The size of the interest payments, and the consequent red ink on the bottom line of the CNR's earnings statement, also prevent the government from making any money on its \$2-billion-plus equity investment in the railway.

Thus the only people who get full value for their investment in the CNR are those private bondholders. The CNR's employees are affected as well; whenever the railway is faced with demand for higher wages, such as occurred last summer, it pleads the penalty into which it is thrown by the necessity to make its interest payments.

Just who the private bondholders are is a matter of conjecture. But a New Democratic member of parliament, Mark Rose (Fraser Valley West), and a trade-union researcher, Ralph Starr of the Canadian Brotherhood of Railway, Transport and General Workers, took advantage of Bill C-164's presence before parliament to try to get some hard

information and to put the issue of the CNR before the public.

"It is time CNR came clean and relieved MPs and their constituents of their darkest suspicions," says Starr. "For just as shareholders have a right to question the financial behaviour of their corporate managers, so too do the citizens of Canada have a legal right under the Government Companies Operation Act to make CNR accountable for the conduct of its financial affairs."

In an effort to make the CNR come clean, Rose submitted a formal request to the office of Finance Minister John Turner that the railway release a list of its bondholders. Turner's office passed the request on to the CNR, which refused it, although the Financial Administration Act obligates the railway to divulge to the Minister "such reports of its financial affairs as he requires." Rose and Starr are continuing to press Turner for the information.

In the meantime, informed speculation is that a substantial part of the debt is held by the Canadian Imperial Bank of Commerce and companies associated

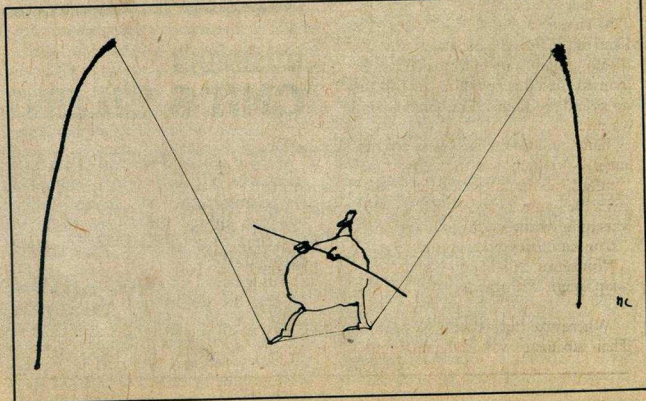
with it. Back in 1917, when the CNR was being fashioned out of two bankrupt railways, there were mutterings in the House of Commons and elsewhere that the chief beneficiaries of railway nationalization would be the Canadian Bank of Commerce, predecessor of the CIBC, and its close associate the National Trust Company. The Commerce was the largest shareholder and one of the major creditors of one of the floundering railways, the Canadian Northern, and assumption of the Canadian Northern's debt by the government would relieve it of a heavy and worrisome burden.

In his classic study *The Vertical Mosaic*, John Porter described the scene: "The stability of the Bank of Commerce was threatened because of its large holdings in the Canadian Northern, which, if allowed to go into liquidation, would cause the bank to fail. The government could either extend further subsidies to the promoters of the Canadian Northern, or nationalize it with compensation to save the Bank of Commerce. The Minister of Finance was a former vice-president of the National Trust...."

The Canadian Northern was nationalized with compensation, and merged with the Grand Trunk system, taken over at the same time, to form the Canadian National. The debts of the bankrupt railways were assumed by the government and transferred to the CNR. Thus the new railway started life with a debt of \$810 million; in the interim, that figure has at times gone as high as \$1.6 billion, and has never been below \$500 million.

Since the Conservative and Liberal governments that set up the CNR were

Mike Constable



philosophically opposed to public ownership, they did everything possible to make sure the railway resembled a private corporation. The CNR's board of directors became indistinguishable from the boards of most large private companies, complete with the usual ties to banks and other financial institutions. Significantly, one of these ties has traditionally been with the Commerce group.

André Monast, one of the current CNR directors, is a director and vice-president of the Canadian Imperial Bank of Commerce. He was appointed to the board in 1972, succeeding his law partner Renault St-Laurent (son of the late prime minister), a director of National Trust. The Royal Bank of Canada and Royal Trust are also represented on the CNR board.

The basic concern of most boards of directors is financial; interlocking directorships serve as a means of communication between institutions with similar interests. But most corporate interlocks are between one private company and another; what makes the CNR situation extraordinary is that the links are between private companies and a public corporation. Starr suspects that the main function of the CNR's board is to look after the interests of the railway's private bondholders.

HANGOVERS WE WOULD RATHER FORGET DEPT.

LUSAKA—President Kenneth Kaunda has threatened to resign in five years "if Zambians do not control their excessive drinking habits."

"I refuse to lead a nation of drunkards," he told political officials during the weekend. "I don't want to be part and parcel of a nation of drunkards..."

Kaunda, who broke down several times during his speech, warned: "If in five years you don't change, then you are voting me out of the country's leadership."

—Associated Press, November 7, 1973

Starr is also suspicious of where the CNR's money to pay off its bondholders comes from. And that's where the question of the CNR debt fits in directly with Bill C-164. For while the \$300 million of public moneys that parliament would advance to the railway under the bill is earmarked for new construction and rolling stock, the measure is being presented at the same time as \$200 million in CNR bonds come to maturity and have to be paid. A coincidence, perhaps. The CNR says it is paying off the bonds through internal funding. But which money is used for the new construction and which to pay the bondholders is an accountant's argument.

The unwillingness of the CNR to behave like a publicly-owned corporation has been attributed to a number of factors. The historic dominance of the

railway field by the determinedly capitalist Canadian Pacific is one, and Ottawa's at best grudging acceptance of the idea of public ownership is another.

But the private debt has undoubtedly had its effect as well. Starr notes that "a federal finance department official said that if the interest payments of CNR were reduced, then the railway could stop pinching pennies and concentrate on improving and expanding services instead of downgrading them."

With the CNR financing bill due for another go-round in the new session of parliament, perhaps some of the questions about whose benefit the CNR is being run for will begin to be answered before more money is poured out to those anonymous but omnipresent bondholders.

Robert Chodos

OTTAWA NOTEBOOK/PATRICK MacFADDEN THE TROUBLE IS YOU COULD GET SHOT

"The premiers are returning! Yes, I can see them now! They're slowly filing in... hard to say from their expressions what they're thinking... some very solemn expressions... but, yes! there are some smiles... they just may have come to an agreement... we'll know any moment now..."

What, you may well ask, was this momentous occasion? The Treaty of Versailles? Yalta? Even Munich? Perhaps the Diet of Worms? Not so. It was Terry Hargreaves of CBC Radio gallantly inventing cliffhangers for a plot so devoid of interest that Energy Minister Macdonald even took time off to attend a Benny Goodman concert at the National Arts Centre.

Time and time again we were told that the Energy Conference — which was not about energy at all — had been "billed" as the most crucial, most important, etc. The verb gives the game away. Which is why Senator Carl Goldenberg was quite wrong to object to the conference being on the box. "You can't negotiate in a fishbowl," he said winningly.

Nonsense. Such non-events are right for television. Not soap opera. Oil opera.

* * *

Where was the federal New Democratic Party in all this? Their absence was understandable. Traditionally the great

centralizers, how could they be seen on the one hand to support the Liberal Party, on the other to support Mr. Blakeney and Mr. Barrett? And so they kept silent.

One week after the conference, Mr. Lewis would tell the students of Laval University that the "giveaway" to the oil companies would take place only "over my dead body". He further reflected on the "great future" his party was about to have in Quebec. The newspapers said Mr. Lewis was on a "swing" through Quebec.

* * *

Does the NDP wish to be a party? There are certain kinds of party it could become, indeed already has. For example, there is the Radical Liberal Party of Denmark, which represents in the *Folketing* middle-class intellectuals and professionals as well as small landholders. Basically a private enterprise party with some statist elements. It is not very exciting.

Then there is the True Whig Party of former President Tubman of Liberia. Like the NDP, it is strongly in favour of the people.

The Radical Liberal Party of Paraguay also comes to mind. It continues to poll some 20 or 30 per cent in elections and holds a strong minority position in the legislature.

DETENTION WITHOUT TRIAL, LE DAIN STYLE

The following dubious passage occurs on page 135 of the otherwise reasonable LeDain Commission Report on the Non-Medical Use of Drugs.

“... We recommend that provincial legislation confer power on police officers to bring any person whom they have *reasonable and probable grounds* for believing to be dependent on opiate narcotics before a magistrate, in order that it may be determined, upon *prima facie* evidence, whether the person should be committed to custody for medical examination for a period of up to seventy two hours. If the person is found to be drug-dependent, the examining physician who confirms the diagnosis should have the power to commit the person to a residential treatment facility for a

period of not less than one month and not more than three months.

“The purpose of such confinement would be to permit further examination and observation of the drug-dependent person, to permit him to confront his situation and to consider the various treatment or management options open to him... If at the end of the stipulated period, the patient refuses to follow a course of treatment, he should be discharged.”

The emphasis is ours.

Rumour has it that Health Minister Marc Lalonde is not inclined to accept this recommendation, but no official word yet.

What these parties have in common is that they either hold power or assist at the holding of power. Their aim is, quite simply, to be.

In the case of the NDP it is possible to write two scenarios. (Everyone writes scenarios in Ottawa.) The first is the coalition government scenario. Its main purpose is to underline the basic sense of responsibility of the party. Being responsible, it has a right to share in the governing of the country. Good legislation will ensue.

The second scenario is what we will call the gun-fighter scenario. The theory here is that to be taken seriously as the fastest gun in the West, you must kill a man — or at least draw on Billy the Kid or Jesse James. The townspeople will then go ooh-ah. “That David,” they will say, “he’s a *mean son-of-a-bitch.*”

Inside the NDP caucus, the members backing a shoot-out might include Arnold Peters, Frank Howard, John Rod-

riguez, Cyril Symes of Sault Ste. Marie; to a lesser degree David Orlikow and Alf Gleave would share this view; and to an even lesser degree, Mark Rose, who, like Gabby Hayes, might be prepared to view the shoot-out from behind a rain barrel.

The trouble with this scenario, apart from the obvious one that it is preferred by a minority of caucus, is that David Lewis’s leadership style leans heavily on caucus opinion. In this, he is very different from T.C. Douglas.

The other difficulty is that you could get shot.

* * *

The extension of the Ottawa Parkway system through the scenic riding of John Napier Turner comes as a welcome bonus to that jaded member. Rumours persist that the NDP and the PCs will make an arrangement in Ottawa-Carleton that might unseat Mr. Turner. Col. Strome Galloway will not run for the Tories; an acceptable candidate — the name of Bill Lee is bandied about — would allow the NDP to stand down.

* * *

The spate of books promising improved sexual performance continues to take precedence on bookstands in the capital. Why should this be so? I do not know.

But it forces the mind to consideration of erogenous zones. In the case of Mitchell Sharp, it now seems clear that, for him, they are located in the shoulder. The Minister for External Affairs is a shoulder rubber *par excellence*. Never have so many shoulders been rubbed for the sake of God and country. To what effect it is hard to say.

But his visits to Washington to rub shoulders there can surely be explained only in sexual terms. Mr. Sharp goes there to talk about the common problems of Canada and the United States as *oil-consuming countries*. This is clearly absurd. This is an oil-producing country.

How long can we put up with this man’s erotic obsessions?

* * *

The speech from the Throne will be unnaturally specific this time. It will include references to housing. There will be a declaration of a cultural policy in order to bring Mr. Hugh Faulkner to the public’s attention.

There will be nothing in it that the NDP will not be able to vote for. On the other hand, if they vote for it and the Liberals then call an election, the NDP will not have a platform.

On the other hand, there will not be an election before June 25.



‘That David. He’s a mean son-of-a-bitch.’

International Report

compiled by the staff of the Last Post

Triumvirate rule: Kissinger, Schlesinger, Nixon

When one of Henry Kissinger's closest friends says that the United States is being ruled by a triumvirate, with Nixon as the weak middle man and the other two men in a state of open civil war, it is perhaps time to pay attention.

Especially when woven into the tapestry are the Washington-Moscow detente, the Middle East, and the Pentagon spying on the Secretary of State.

In 1971 Washington columnist Jack Anderson was the recipient of a leak that contained highly classified summaries of meetings on Washington's stance in the India-Pakistan war. David Young, of the infamous plumbers' team, did a study to trace that leak, and recently the details of that study were themselves leaked to the *New York Times*.

Jack Anderson's source, it emerged, was the Pentagon — more precisely the Joint Chiefs of Staff.

A year later Henry Kissinger told Tom Braden, also a Washington columnist and a close friend, "someday the facts will come out and you'll learn that I have been the subject of bugging and surveillance."

The facts came out last month — Kissinger was being bugged by the Joint Chiefs of Staff. Quickly another rumour was put out — that Kissinger had been bugging Melvin Laird when the latter was Defense Secretary. The source of that rumour seems to be the Joint Chiefs as well.

When Kissinger first became Nixon's special assistant on foreign affairs the Defense Department and the Secretary of State's office virtually lost their traditional key role in the formulation of foreign policy. Rogers as Secretary of State found out more about foreign policy decisions from the *New York Times* than from the White House.

It became most apparent when Washington set its course on the India-Pakistan war completely without the consultation of the Joint Chiefs of Staff — leading to the retaliatory leak to Jack Anderson.

In fact, the *Times* reported, Ad-

miral Thomas Moorer, Chairman of the Joint Chiefs, had erected an entire spy system geared to procuring foreign policy documents from Kissinger's office.

Underlying all this is what seems to be a virtual civil war within the government. And as Kissinger returned from the Middle East holding a successful pull-back agreement in hand, he faced the biggest crisis in his career — depending on who wins, the results could extend far beyond Watergate.

Eisenhower, who is emerging in some recent books (e.g.: *The Devil and John Foster Dulles* by Townsend Hoopes) as a much underestimated man, had constantly fought the power of the Joint Chiefs of Staff, culminating in his famous "military-industrial complex" speech.

During the Kennedy and Johnson eras the Defense Department enjoyed, under McNamara, its greatest period of power since the War. But with the entrance of Henry Kissinger, the department and the Chiefs of Staff have been at their least powerful.

Two recent statements by Defense Secretary James Schlesinger suggest more cause for alarm than any bugging and spying stories.

Schlesinger stated at one point that it might be necessary to redirect the American nuclear missile system from pointing at Soviet cities to pointing at Soviet missile bases. This in effect would pull the rug out from the central safety catch of the Cold War, something Eisenhower carefully erected.

To gear one's missile system

Oil crisis saves U.S. dollar

When even *Time* magazine raises doubts about the validity of the U.S. oil crisis, something is indeed afoot.

But paranoia has been doing the rounds of the leading European papers and diplomatic circles for some time. The story goes like this: Japan and Europe, which are vastly more dependent on Arab oil than the U.S., have taken a crippling blow from the Arab oil embargo. The U.S., on the contrary, has been getting Arab oil despite the embargo, and from the most radical Arab countries as well, such as Iraq and Libya. An investigation by the *Philadelphia Inquirer* into shipping patterns from the Arab states suggests exports from these oil producers have not significantly decreased, and are reaching the United States through roundabout routes via other countries.

Two Paris newspapers given to reflecting the French government's line have suggested the U.S. has engineered the oil embargo to cripple the burgeoning European and Japanese economies, and save the American dollar.

The prestigious Paris daily *Le Monde* suggested a more moderate analysis when Defence Secretary Schlesinger came out with his threat to use military action if the embargo continued: The paper suggested that the U.S. has achieved its aim of forcing an energy shortage to save the dollar against Japanese and European competition, but the price of oil was reaching a level that might backfire against the U.S., so the brakes are being put on. Significantly, the paper argues, Washington's problem is the price, not the supply of oil.

Eric Rouleau, *Le Monde*'s Middle East specialist, was commenting on the extent to which European governments believed the energy embargo was engineered by Washington, or at least something Washington took great advantage of: "I think paranoia is an improper term in this case. The word paranoia implies the thing that's feared is unreal."

The American dollar has made a remarkable recovery.

against cities, as they are now, suggests that in case of Soviet attack, the U.S. will retaliate against its cities. But the capacity is for *retaliation*. To gear missiles to strike missile bases suggests *first-strike*. Kissinger has fought the Defense Department on this for the obvious reason that it is a heating up of nuclear tension, and would negate the baby steps toward detente between Washington and Moscow. Schlesinger, it seems, is taking direct aim at Kissinger's detente and throwing the weight of the Defense Department against a policy of accommodation with Moscow.

Equally alarming was the statement Schlesinger delivered while Kissinger was in the final stages of negotiating the last Middle East agreement. Schlesinger announced that unless the Arab oil embargo ended "military action" might have to be taken. For the American Defense Secretary to come out with a statement like that while the American Secretary of State is negotiating a peace with the Arabs and Israelis is incredible, and suggests an open rift in policy.

Washington columnist Tom Braden frequently floats balloons for Kissinger, and it's taken that when Braden is pushing a point, he is doing it on behalf of Kissinger. Braden was saying during the peace negotiations that Schlesinger's statement "is a di-

rect gauntlet hurled at Kissinger and a declaration of war by the Defense Department and the Pentagon."

He said Kissinger now faced "the trickiest battle of his career when he returned from the Middle East."

Braden's analysis of what is happening in the administration is also extremely interesting when interpreted as being Kissinger's analysis:

"The United States is being ruled by a triumvirate — Nixon, Kissinger, and Schlesinger. Schlesinger and the Chiefs of Staff will do anything to destroy Kissinger and regain primacy in the field of foreign affairs. Nixon is the weak man in the triumvirate, leaning more to Kissinger. Kissinger is now Nixon's main pillar. If he loses Kissinger he's finished. Kissinger is now the most powerful man in the United States."

The analysis is supported by the apparent contradictions in policy and the war between the Departments of State and Defense. The revelations in the *New York Times* recently might be viewed as the opening salvo of Kissinger's response.

The picture of a government in open war internally is chilling enough, especially as the consequences are likely to land with the rest of the world.

The possibility of the Defense Department and the Joint Chiefs winning is downright frightening.

Antenna grid to bolster U.S. first-strike capacity

The nuclear submarine has quietly become the front line of the Soviet-U.S. nuclear stand-off, although ICBMs and ABMs still steal most of the superficial attention.

When a nuclear submarine is launched by either country it is tracked from birth by the other, for the simple reason that once a track is lost it is probably lost forever. Literally millions are spent in this global criss-cross stalking, particularly now that Moscow and Washington have virtually equal nuclear submarine fleets.

Probably the most dramatic symbol of the importance the nuclear submarine has assumed in the global power balance emerged out of an ecology controversy in Wisconsin. Residents were worried about dam-

age to the environment by the Navy's "Project Sanguine."

Though ecology may be somewhat beside the point, the project commands a little attention indeed. "Sanguine", which will initially cost \$16.7 million just to get off the drawing board, is an antenna grid to be sunk into the ground to permit radiocommunication with nuclear submarines too deep to receive standard communication. The system would cover 1,300 square miles in the shape of an ellipse of 35 to 40 miles. Wisconsin citizens managed to lobby this obvious prime target in case of war out of their state and now the project is scheduled for Texas, where five entire counties will be dug up to accommodate it.

Congressional opposition to the

project, tiny as it is, has focussed on the more acute fear that this system is only necessary if the U.S. is regearing its nuclear systems away from the retaliation formula erected by Eisenhower to a first-strike capacity, which seems to be emerging as the new policy of James Schlesinger's Defense Department and the Joint Chiefs of Staff.

The second Bay of Pigs

Sometime between the spring of 1964 and the spring of 1965 Rolando Cubella, a former major in Castro's revolutionary army, returned from Madrid on UNESCO business with a dismantled high-powered rifle provided to him by American officials working in a group code-named Operation Second Naval Guerilla.

Cubella, who had become disillusioned with Castro, was to use the rifle in the Spring of 1965 to assassinate the Cuban leader. In the days following the inevitable confusion, Operation Second Naval Guerilla, planned by the CIA under instructions from President Lyndon Johnson, was to land 750 men on the Cuban shore and overthrow the Communist government in Havana. The 750 men had been training in Central America since the failure of the Bay of Pigs invasion under Kennedy.

Several things went wrong with Operation Second Naval Guerilla. Recent investigations by former *New York Times* correspondent Tad Szulc show the plan was cancelled by three factors: Cubella was captured, American involvement in Vietnam in 1965 took an upward turn; and in April of that year the Dominican crisis erupted, necessitating a different kind of invasion.

During the 1962 Cuban missile crisis, the Moscow-Washington trade off was that Khrushchev would withdraw the missiles in exchange for a promise from Kennedy that Washington would leave Castro in peace, and not attempt another Bay of Pigs. Now it's apparent that had not Vietnam heated up, Johnson was planning to break the agreement, and Vietnam might have taken place in the Caribbean instead.

Park's regime may be on way out

The pace of events have picked up in the last few weeks in South Korea, and indications emerge that the regime of Chung Hee Park may be sent packing the way Syngman Rhee went in 1960, in the wake of student revolts.

In November and December the student movement coalesced again into a major political force and marches, boycotts, fasts and sit-ins have spread from Seoul National University to virtually every major campus in the country. Hundreds of journalists have joined in this time, their common target being the censorship system operated by the Korean Central Intelligence Agency (KCIA).

Colleges and high schools were shut down by the government in early December, and Chung Hee Park took to the television screen to warn against criticism of the government. Reporters of the major Seoul papers went on strike, and a strongly-worded resolution by the Korean Journalists' Association demanding a free press followed. Opposition parties, splintered since the introduction of martial law, spoke for the first time in the National Assembly demanding Park's resignation, and uneasy crowds have been gathering in the streets of the city during encounters between students and police.

The government backed off, pardoned some imprisoned students, and fired the head of the KCIA. Park warned, however, that "political repression will continue to be necessary." It may however, be a matter of *when, not if*, Park's regime crumbles.

most blatant is Argentina, where every institution is gearing up for the situation when the 78-year-old president's heart can no longer cope with the strains of office. The Argentinian armed forces, as a ruling group, are the most discredited in Latin America. They made such a hopeless mess of running the country that in their final year in power no soldier dared appear in the streets in uniform. Faced with civil war, General Lanusse had no alternative but to hand the country over to the Peronists.

But the armed forces have remained intact, and it seems unlikely that they will be willing to leave the stage of history without more of a fight. In the months before Christmas, Peron had to get rid of the heads of the army and the navy, both of whom had been too obviously reinforcing their positions for the struggles to come by a judicious promotion policy within their respective institutions.

As long as Peron remains alive a coup is improbable, but if Senora Peron, who is his constitutional successor, should actually stake her claim to the presidency, others as well as the military will seek to restrain her.

In Vietnam the war continues

by Jean-Claude Pomonti
of *Le Monde*

SAIGON—The Vietnam war is over. It has been wiped out, relegated by a perfidious but powerful force into the past tense. Already it is history. What's left is nothing but the inevitable aftermath of rearguard actions by those who refuse to say die, a few murderous skirmishes. In fact, more than 50,000 Vietnamese have been slain since the peace was signed.

So the war goes on, and people in South Vietnam seem to have lost all sense of direction. "The average South Vietnamese," an intellectual told me, "is in the grip of a sort of panic. Maybe he doesn't show it, but he is tightly wound up. The fact is,

Military takeovers threaten Venezuela, Colombia, Argentina

Richard Gott, Latin American specialist for the Manchester Guardian tallies potential additions to the military take-over club in South America, following the coup in Chile:

Venezuela and Colombia are both countries with a powerful tradition of military intervention, sustained by a middle class whose commitment to democracy is considerably shallower than its rhetoric would have one believe. They have both survived for 15 years without overt military participation in politics, but the shadow of their former military caudillos is still present.

Venezuela, by giving the Democratic Action candidate, Carlos Andres Perez, an overwhelming majority in the presidential elections held in December, should have staved off any military intervention for the time being. Had the result been closer, or if the Christian Democrat candidate had refused to concede defeat, the military might well have let their voice be heard.

Colombia, with presidential elections scheduled for March, is clearly moving towards the end of an era. As

in Venezuela, a rigged electoral system has in the past ensured a result that favours the established order. Now with the presence in the electoral list of Maria Eugenia Rojas, the daughter of the former Caudillo Rojas Pinilla, the result is uncertain, but there is little doubt that the military are now looking to their economic text book as well as their rifle drill.

Another possible candidate for a military takeover is Mexico, whose President, Luis Echeverria, has made few friends and many enemies. Disliked by both Left and Right, his pragmatic policies of cautious reform have served only to polarize the country. Rural and urban guerrillas operate with considerable military effectiveness and have a corresponding political impact. Wealthy industrialists, faced with a government that seems unprepared to protect either their persons or their profits, have begun knocking at the gate of the barracks. Echeverria, conscious of this, has given the military a pay rise, but armies, like Danes or oil sheikhs, cannot be bought off indefinitely.

The country where the plotting is

he is obsessed by problems he feels powerless to solve. He'd have to change his way of life, but refuses to consider it. Whatever happens, things will get worse anyway. He does not react. He is not dissatisfied but desperate. Instead of accepting things as they are, he continues on his course. And that's paralysis."

A senior official in charge of the South Vietnamese economy had this to say: "People refuse to accept the evidence that the sunny days are over and that the moment has come to shake out the umbrella. Intellectuals, military men, politicians, and newspapers all adopt a negative attitude. In a situation like this, reforms cannot be implemented. Greater stress would be placed on economic questions which require the highest priority. It's the reverse that is happening. Economists are spoil-sports. No decisions are taken. People don't like to leave the war behind, for they unconsciously prefer to remain in a situation with which they are quite familiar. So they have opted to defer its end."

Per capita income, according to one survey, has dropped from \$180 to \$110, or more than a third, in the course of a year. Inflation was hovering over the 50 per cent mark last year, and the piastre was devalued ten times. Even if the United States pumps \$500 million in aid into the economy this year, inflation in South Vietnam will probably continue at

around the same rate. "America isn't giving us anything more than a subsistence allowance," wailed one Vietnamese.

Some are confident that the economy has gone downhill as far as it is going to while others fear that 1974, especially the first half, will be grim. "In an economic sense," said a foreign expert, "the American disengagement took place in 1972. Things happened much faster after that. The recession was sudden. People sell their gold and jewellery, but since 1965 they have got used to living above their means. There is no desire to retrain for other occupations, individuals put little or nothing aside for a rainy day. They lead a day-to-day existence."

Saigon is still a busy city, but there are more bicycles and fewer cars. The restaurants are deserted. And in the suburbs people go out to work every morning on an empty stomach. "Some families prepare only one meal a day," a priest from the outskirts of Saigon told me. "Unskilled workers cannot find jobs in the Saigon area." Crime is rising, so is the suicide rate. There is no longer any night life. The centre of the city has been rid of its crooks and more of its green spaces are free. But few people are still doing business.

The South Vietnamese economy continues to be a war economy. In order to demobilize it, the Communists would have to abandon their

fifth-column operations and call off their needling attacks. What is required, in short, is a map that the peace negotiators carefully refrained from drawing up. Without this, foreign capital won't come anywhere near the place. "There was no substantial foreign investment in 1973," a leading government economic official told me. "International banks and donor countries expect concrete acts, not promises, from us, beginning with a more decisive reduction of our military budget. But we can't afford that."

A foreign expert saw things in a slightly different light. "There can't be any automatic readjustment," he told me. "The distribution network, for example, is still in the hands of a thousand-odd people who control the outlets, and have the finance and transport facilities. Even with slumping sales, these people continue to cream off the same profits as before. They have got the system neatly tied up and are trying to organize scarcities. It is a monopolistic situation. As such, lowered demand doesn't brake price increases. All this must be sorted out."

One of the things that needs doing is to put an end to army privileges. Provincial heads have been ousted, and administrators are already in prison. Far more than this, however, must be done to restore what a senior official rather priggishly referred to as "credibility".

Saigon has welcomed French aid as a good augury, perhaps even as a breath of fresh air. Paris has allocated \$25 millions and Tokyo will no doubt give twice as much — or at least that is what South Vietnam expects. Two qualified comments, however, show the extent of pessimism in some official circles. Vu Quoc Thuc, a South Vietnamese economist, could not help comparing French aid to a cup of salt poured into the ocean. The Saigon Daily *But Thep* (*Steel Pen*) noted: "Even if France gives this sum as an outright gift, it will lose nothing. The French are really practising the supreme art of advertising. American ad-men should take a tip from them."

The world has put Vietnam behind it. Vietnam, or what used to be called Vietnam, was only a "problem." And that has been settled. But the war continues after all, in a land laid waste.

China stakes out Pacific oil

It appears that the Chinese have dealt themselves a hand in the oil stakes now being played in the southeast Pacific. In moving to occupy the three uninhabited Paracel Islands which lie almost equidistant from the Chinese island of Hainan and the South Vietnamese coast, the Chinese are stating they have simply asserted claim to land that has been part of China for centuries. The problem is that General Thieu also claims the islands on behalf of the Saigon regime and Exxon. (The islands are in the area of vast oil reserves which have already been parceled out to several giant oil companies by the Thieu government.)

The Chinese move, aside from its obvious intention of getting in on the oil exploration, has also sparked considerable speculation concerning action to recover other disputed territory — it is known that the negotiations with the Soviets over disputed borders have not (to say the least) gone well, and the recent expulsion of some Soviet diplomats may just cap the whole thing. There are also some other off-shore Chinese islands that China may be getting tough on — they also just kicked out an American diplomat.

There is another government in South Vietnam which may feel it has some rights to the Paracel Islands. The National Liberation Front of South Vietnam has not been heard from yet.

In any case, three uninhabited islands in the South Pacific are not uninhabited anymore.



by Claude Balloune

LADA
PSSD

Pepsi-Cola and Coca-Cola are locked in a titanic bidding battle to see which one will be named "Official Olympic Soft Drink". When I heard this news, it tended to confirm my feelings that the *Drapeau '76* Games will be the most commercial and smelly display the Olympics have ever seen. According to my usual unimpeachable sources, *Xerox* will be the "Official Olympic Copier", *Pitney-Bowes* will be something else and *Uniroyal* is still trying to figure an angle.

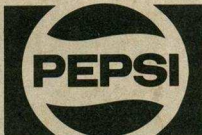
Now it will be interesting to note any correlation between "official Olympic" suppliers and the handing out of government subsidies to foreign companies in Quebec. At any rate, I have posted several informers to watch for surreptitious deliveries of cola drinks through the back door of the *Quebec National Assembly*, especially if they come in Brinks trucks.

An informant tells me that the old *Bell Telephone* company building at the corner of Albert and O'Connor streets in Ottawa has been filled with sophisticated *Northern Electric* equipment and is used by the *RCMP* to monitor foreign embassies.

B.C. Premier *Dave Barrett's* visit with Parti Québécois leader *René Lévesque* seems to have had beneficial results in Quebec at least. After an initial period of puzzlement, the French press has now become extremely laudatory towards Barrett, giving his pronouncements the play that no other western premier has ever gotten. Lévesque himself now regularly speaks favourably of the NDP generally, and of Barrett in particular. Barrett's gesture also diminished the disdain many separatists felt towards the NDP, a party felt to be too centralist.

The scene of the following little tale is Montreal's Playboy Club, and it unfolds on the night they were picking Miss Playboy Bunny of 1973. Quebec Superior Court Judge *Jacques Ducros* was sitting in the Club having drinks with a flack crime reporter named *André Dubois*. In walked former Montreal cabaret operator *Robert Théoret*, whose bar had been shut down by the police, and joined them. Then in walked *Joe DiMaulo*, who runs the Harlow Club downstairs from the Playboy Club and has been identified as the successor to *Frank Cotroni* as Montreal's Godfather, and he too joined the happy little group.

Meanwhile, a few paces away, two undercover cops from Montreal's *organized crime squad* were intrigued to see a judge in the company of some of the most dubious devotees of the city's night life. They summoned two more cops, and the four of them all tried to listen to the conversation at the table, except that since the bar was crowded and noisy it was difficult to do so



Which will get the Olympic seal?

without being conspicuous. The judge realized what was happening and, having had a bit to drink, began screaming at the cops. An altercation ensued. . . .

Back at the organized crime inquiry, *Willie Obront*, the friend of *Meyer Lansky*, *Gerda Munsinger* and others who let slip last year that he had made a political contribution of \$5,000 to *Robert Bourassa*, has been curiously untouchable. Policemen working on the inquiry sought and obtained warrants from the *Quebec justice department* to search Obront's premises and examine his financial statements, but the department then postponed implementation of the warrant. The delay lasted a year. Now police report that the department tells them the warrants have been lost. . . .

On a recent visit to Cuba, I found encouraging evidence that the Chilean underground is alive and operating efficiently. *Carlos Altamirano*, Secretary-General of the late *Salvador Allende's* Socialist Party, and the number-one wanted man on the junta's list, succeeded in getting out of Chile and turned up in Havana on January 1 for the celebration of the fifteenth anniversary of the Cuban revolution. At the end of January Altamirano was still in Cuba but was planning to return to Chile soon. . . .

On the other side of the Chilean fence, the junta's *General Leigh* confidently predicted in a private conversation with a journalist that within five years all of Latin America would be under military rule, and within ten years the United States would be too. The journalist expressed surprise at this, and Leigh said he had good contacts with the American military and knew their thinking. . . .

My report of last month that a new Parti-Québécois-sponsored daily newspaper would start coming out in Montreal at the end of February has since been publicly confirmed. The newspaper ran a contest to settle on a name, and all French-language newspapers in the province accepted ads for the contest — except for *Le Devoir*, with which the new paper will compete directly. †

Ma Bell, and your phone bill and Canada's newest multinational corporation

by Robert Chodos and Drummond Burgess

The grey, nondescript, vaguely modern head office of Northern Electric on Montreal's Dorchester Boulevard is a strange venue for American wheeler-dealer John Cunningham Lobb. Pushed off to the periphery of the city's downtown business core, the building seems to symbolize a company that is staid, old-fashioned and far removed from the centre of action in the skyscrapers a few blocks down the street. And the symbolism was apt for the old paternalistic Bell Canada subsidiary in the summer of 1971.

So when John Lobb was moved in to administer the company as president in June of that year, everyone knew that Bell Canada wanted something to happen. Northern's executives began to worry about their jobs and nervously assured themselves they had done all they could; financial analysts began to speculate about a company whose existence had scarcely seemed worthy of their time; the business pages of the newspapers suddenly found space for interviews and thinkpieces.

For the new American boss had quite a record. As executive vice-president of the multinational conglomerate International Telephone and Telegraph, he had worked closely with ITT chief Harold Geneen, a man not given to letting anyone, even governments foreign or domestic, stand in the way of his takeovers (*Last Post*, Vol. 3, No. 4). Lobb had also plied his trade with Chicago financier J. Patrick Lannan, with California's Norton Simon, who owns Hunt's Foods and

Canada Dry, with the Crucible Steel division of Colt Industries, and with the arcane world of Wall Street investment banking.

Northern's nervous managers did not have long to wait. Within days of moving in, Lobb ordered all Northern divisions to switch to the standing orders he had used at ITT and elsewhere. In booklet form, and titled "Increase Profits by Cutting Sales", the orders were simple — but bad news for executives trained to think in terms of service, tradition and job protection down the line.

As Lobb explained in his covering letter, "at Crucible Steel we reduced the grades of tool steel from 108 to 34 over a two-year period. Sales in that division dropped 18 per cent. But because we were so much more efficient, profits increased 15 per cent. . . . After two years we were able to cut prices and get 20 per cent *more* of the total market at a larger profit — because of efficiency. Obviously Northern can do the same as ITT's telecommunications division — increase profits by eliminating unprofitable sales."

The idea, Lobb explained, had worked for ITT in 32 nations and 183 divisions.

Much of this was to be accomplished by cutting out products, closing assembly lines, selling factories and getting rid of inventory. But the booklet pointedly noted that this also meant getting rid of people: "Overhead is caused by people, who tend to multiply faster as profits drop. Production cut-backs must be accompanied by lay-offs at every level." It emphasized that "until management makes it emphatically clear that we are in business only to make a profit, no action will result." And it goes on to say that "under the threat of



At the new Northern, profit is stressed before people and products

photo: Northern Electric

closing plants down, or at least substantial layoffs, we get the drive needed for the future. And usually from within the division itself we can find people who can carry out the program. I believe adversity is healthy because it forces action not taken in good times."

The booklet is as near to being a bible of pure capitalism as one is likely to find these days, and Lobb expresses amazement that over the past 20 years he has found so much fuzzy thinking on this subject in his travels through the industrialized world. But there had been no fuzzy thinking at ITT, there had been no fuzzy thinking at Crucible Steel, and there was going to be no more fuzzy thinking at Northern Electric or the axe was going to swing, at manager and worker alike. (At least one top Northern executive would have no trouble adjusting to the ways of ITT, for Ewart Orville Bridges, who had been Executive Vice-President for ITT Latin America Inc. and Vice-President of ITT Telecommunications, had already signed on at Northern by the time Lobb moved into the executive suite.)

But of course there was going to be more to the new order than cutbacks. The John Lobbs of this world don't waste their time in dull, snow-bound countries trying to make a few more bucks for Bell Canada by cutting out an unprofitable telephone model. And everyone knew back in 1971 that a man used to New York, London and Paris wasn't coming in to let Northern settle for Montreal and Toronto.

Lobb had never been bashful about telling people what he was good at: "I was brought up at IT&T. I was responsible for 20 acquisitions." So the rumours began to fly that Bell Canada had ordered Northern to get out on its own, get as far

away as possible from the restrictions of operating in one country, and go multinational, with an especially big pitch for the U.S. market.

And the rumours were right. On October 19, 1971 Lobb sent his chief subordinates his objectives for 1971-72. Some main points: "Plan products and systems for complete North American Continental salability," and "Design for all North America, including Trans-Canada, wherever practical," and "Create corporate marketing organization . . . to co-ordinate all marketing in U.S. and Canada."

In the U.S., sales offices were to be set up, U.S. subsidiaries were to be acquired, assembly operations were to get under way.

In March 1972 Lobb explained in the *Northern News* that Canada was small potatoes in a world of giants like the U.S., the European Common Market, Russia and Japan. It was time to get out of the playpen and into a bed where there was some action. "On 18 February 1972," wrote Lobb, "Eric Kierans, former Minister of Communications, recommended that Canadian companies should move into the U.S. and buy into American companies. We thoroughly agree with this, and have been studying possible acquisitions for a number of months. It is the only really fast way to break into a vast new market."

In Lobb's view "we will sell wherever there is a market. The biggest market, the lowest tariff is to be found in the U.S. Our entire product line is designed for North American network . . . There are more telephone lines in New York or California alone than in Africa, South East Asia and the Middle East combined. If you want exports, do you go to the

biggest, closest, most profitable market? Of course."

There might have seemed to be a problem in continentalizing Northern. Bell Canada and Northern had once been owned by American Telephone and Telegraph (AT&T — no relation to ITT) and Western Electric in the U.S., and the companies were still kissin' cousins. But there was a natural solution. As a result of an involved legal hassle with the U.S. government, Western Electric is restrained from selling to companies not under AT&T's wing. And these "independents" are 17 per cent of the U.S. market, and hence more than twice the size of the entire Canadian market. Since AT&T and Western couldn't try to pick off these substantial leftovers themselves, their kissin' cousin up north might as well come down and see what it could do.

Lobb has now had two and a half years to begin carrying out his orders, and the results, if not earth-shattering, are at least impressive. Continued expansion at the same rate will, by 1980 or 1985, make Northern a full-scale multinational, with its Canadian operation probably becoming something of an afterthought.

An overall subsidiary called Northern Telecom has been established in the U.S. with head office in Boston to manufacture and market telecommunications equipment. It already operates a telephone assembly plant at Port Huron, Michigan, and is expanding it. New plants are being built at Butner, North Carolina and Mountain View, California to produce electronic switching systems and private branch exchanges. Sales offices have been set up in New York, Florida, Texas, Illinois and California. Northeast Electronics Corporation in New Hampshire has been bought out and money is being pumped in to expand its manufacture of transmission test equipment and automatic testing systems.

Further abroad, Northern owns a plant in Turkey that makes switching equipment, power supplies and switchboards and telephone sets. Last year it set up a manufacturing plant in the European Common Market, choosing Ireland because of the tempting concessions offered by that country's government. As well, it has concluded a licensing agreement with Britain's large Plessey group. And it has cracked part of the market for domestic satellites in the U.S.

But while all the fascinating acquisitions and expansions abroad were taking place, things were not looking quite as rosy back in Canada from the viewpoint of Northern's employees. John Lobb's philosophy does not include letting people stand in the way of higher profits, and as his directives made clear after he was brought in to shake up Northern, people, as well as unprofitable products, were going to get chopped. He had been brought in not to continue but to end the old Northern paternalism that stressed the idea of one big, happy family with job protection and promotion from the ranks.

In September 1972, during the last federal election campaign, NDP leader David Lewis charged that Northern had, during the previous year and a half, laid off 4,826 workers. Northern replied blandly that "the figures he quotes are accurate, but they have been public information for some time." At the same time, Lewis said, Northern had received \$26 million in government grants, supposedly to create jobs.

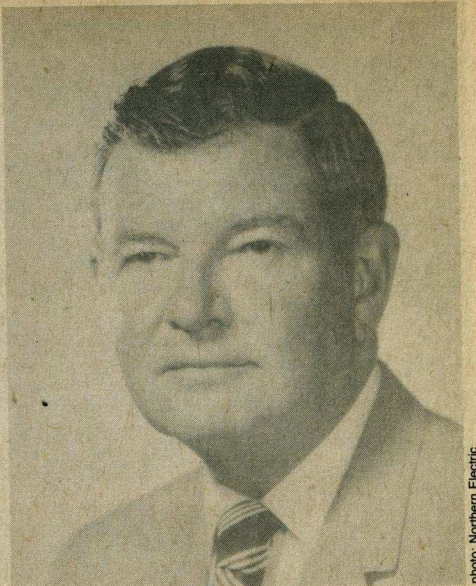


photo: Northern Electric

Northern's John Lobb, the 'bottom-line' man

Workers in Quebec and Ontario were hardest hit by the layoffs. A joint protest by locals of the United Electrical Workers, the Communications Workers and the United Auto Workers charged that, in the case of the 25 per cent of all non-supervisory employees for whom they were speaking, employment had been cut back 35 per cent in 16 months. They noted that this was happening at the same time that Northern was launching its big expansion to set up plants — and jobs — in the United States and charged the company with exporting Canadian jobs.

As an example of the new Northern's new spirit, the unions pointed to the intriguing example of the company's Kingston plant. In 1970, Northern was given a \$500,000 grant by the Ontario government for a factory that would create 820 jobs in two years. When the Ontario Trade and Development Minister of the time, Stanley Randall, was asked why a giant like Bell-Northern needed forgivable loans, he replied: "What are you going to do — give it to a guy who makes yo-yo strings?"

When the two years were up, the job total had never got past 200, and layoffs elsewhere were proceeding apace. Yo-yo strings might have been better for Kingston after all.

But John Lobb had never claimed that he was in business to make jobs. He had developed his reputation as a "bottom-line man" — a specialist in getting a good result in the last row of the financial statement, the profit-and-loss row. And the bottom line was doing very well indeed. In 1970 Northern's profit had been \$4 million. During Lobb's first year on the job, it jumped to almost \$13 million; in 1972 it reached \$20 million; and it was \$20 million during the first nine months of 1973. If the Lobb strategy paid off in future years, even these figures would look small.

Although it is easy to talk about putting profits before



photo: David Lloyd

Bell Canada is government regulated, but its subsidiary is unregulated

people, and about putting multinational expansion before Canadian jobs, it is not always possible to control the consequences. Workers do belong to unions, and unions do go on strike to protect their interests, and in the spring and early summer of last year a rash of walkouts swept Northern plants, adding up to what Lobb called "the most expensive strike in Northern history."

The strike strengthened the determination of Northern's president to shake the company loose from its old foundations and, as far as possible, to shake it loose from Canada itself. In two letters to his Division Presidents as the strike drew to a close, Lobb outlined his plans.

In the first letter, on July 9, he spent most of his time discussing what might seem to be a normal and proper role for management — better co-operation with labour. But he ended on an ominous note:

"Even if everything discussed here is done and done well, we cannot again be faced with the problem of complete loss of production, regardless of how hard we work at improving labour relations. Just as God is on the side of the heavy artillery, good labour relations are improved by a strong company program of diversification of production.

"We have already started planning a massive program of decentralization of factories across Canada, much more subcontracting, and a stepped up program of having plenty of production in Europe and the United States in case of future problems. In the meantime, start working at your job of creating the best labour force in North America."

Already, the heavy artillery was taking steps to make sure it had God on its side. In a second letter, Lobb informed his division presidents that "in addition to the normal analysis of priorities of capital investment, we have a new one: labour relations. We will hereafter place great emphasis on the

labour climate before we invest new capital. With this criterion, it is necessary to look at each new location as a desirable or undesirable city for investment."

Lobb noted that there was a strike at London, Ontario every three years. His conclusion: "Absolutely on the bottom of the list for any future capital." In the case of Kingston, where Northern had once got that forgivable loan for jobs it never created, the verdict was just as harsh: "Plant should be sold if a buyer could be found." He was a little more hopeful about Belleville, but not much, concluding: "Main markets outside Canada, no capital should be spent here."

Turning to Quebec, Lobb declared that the company's decision to expand in Montreal had been ungratefully greeted by a strike, and that there was a strong chance of increased union militancy. The result: "Every effort must be made to hold capital to absolute minimum."

From now on, the company was ordered to decentralize across Canada wherever there was a better, i.e. more submissive, labour climate. Factories in problem areas should be "put together with baling wire and gradually phased out." Plants were not to be planned for a life of more than 20 years, and should preferably be leased. They should be low-cost and utilitarian.

"In a bad labour climate," Lobb ordered, "capital should pay off in 24 months *after tax* [emphasis in original]. If not don't ask for it. In acceptable labour climate, 3 to 4 years. If capital can't be recovered in that time, it is better to take advantage of record short term yields available in the money market. We are in the fastest growing big industry in the world. There are lots of places to put capital. The Directors will decide on the basis of most favourable return, best labour climate, best market potential."

This was an extraordinary decision. Not that anyone

would want to predict that it was beyond the skills of a man with John Lobb's past record. In some earlier time to have visions of profits, *after tax*, on that scale might have been called megalomania, but such returns are within reach of the hot money boys of the 1970s. And if the pursuit of money in ever ascending spirals had lost contact with the pursuit of first-rate products to provide an essential service, who any longer cared?

And so John Lobb's plans to turn Northern into a miniature ITT had intensified, with the company going multinational because that's where the markets and the money were. Staid, tradition-minded Northern was joining the big time, using fly-by-night factories, held together with baling wire and staffed with easily replaceable labour to make the fast bucks roll in.

Northern Electric's multinational ambitions are extraordinary enough in themselves. But they are even more extraordinary when they are viewed in the context of the widespread and powerful corporate web of which Northern forms a part.

Northern's parent, Bell Canada, is the largest corporation in the country. Until a recent decision to sell shares to the public, Northern was wholly owned by Bell; when the share offering has been taken up, Bell will still hold 90 per cent.

Now Bell is not a company like the others. Its position in this country and its relationship with the government in Ottawa are approximated by those of only one other corporation — the Canadian Pacific Railway. It is that strange hybrid of modern capitalism, the regulated corporation, depending for its annual profit (\$181 million in 1973) on its ability to convince the government's regulatory body, the Canadian Transport Commission, that it should be allowed to charge the rates it wants and continue to receive the return on investment to which it has become accustomed.

The Bell rate hearings, virtually an annual event in the last five years or so, have become a Canadian ritual comparable to the Grey Cup, the Quebec Winter Carnival or vacations in Miami. Every year a patch of Bell lawyers and executives goes up to Ottawa and argues that for the company to carry out its construction program and maintain its high standard of service, it will need a rate increase. The governments of Ontario and Quebec, the provinces in which Bell operates, generally argue against it, as do an assortment of private citizens brave enough to take on the giant. The CTC then deliberates and ends up granting Bell most if not all of what it wants.

It is only rarely that Bell faces any difficulty at all with this procedure. In 1969, in the first of the current series of rate cases, the CTC granted only about a third of what Bell requested, suggesting that it could improve its income by sprucing up its flagging subsidiary, Northern Electric. The hiring of Lobb and the drastic changes in Northern followed soon after this; some observers suggest they were a direct result.

More recently, the government decided to review a 1973 CTC decision to grant a Bell rate request and postponed approval for three months while it studied the matter. It eventually upheld the substance of the CTC decision, but it turned

down an increase in home telephone installation charges.

The 1974 application, dubbed Application B to distinguish it from Application A approved last year, has attracted more than the usual public interest, perhaps a sign of growing resentment of the repeated rate increases. The usual trickle of citizen interventions has grown to a fair-sized stream: a hundred and ten as compared with thirteen interventions in 1973. And the Centre for Public Interest Law, a Montreal-based, Ralph Nader-style group of maverick lawyers, challenged — without success — the CTC's right even to hear another Bell rate application so soon after the last increase.

One of the main issues that gets brought up at Bell rate hearings is the relationship between the telephone company and Northern Electric. This year, the Quebec government has suggested that Bell customers may be indirectly subsidizing the operations of Northern Electric, and that Bell's practice of treating the parent company and the subsidiary as separate entities with no relation to each other should be rejected. For if the regulated corporation is a curious hybrid, Bell is something more curious still: it is a regulated corporation with a large *unregulated* subsidiary.

The Bell-Northern connection has not always gone unchallenged. In the early 1960s one of Northern's competitors in the wire and cable field, Industrial Wire and Cable, filed an application with the Board of Transport Commissioners, predecessor of the CTC, arguing that Bell's ownership of Northern violated the terms of Bell's charter. Industrial Wire pointed to a section of the Companies Act which prohibits a Special Act company from owning shares in any other company unless specifically authorized to do so by its act of incorporation. Bell is a Special Act company.

The relevant section of Bell's act of incorporation says that "the Company shall . . . have power and authority to enter into any arrangements with any person or company possessing as proprietor, any line of telegraphic or telephonic communication, or any power or right to use communication by means of telephone . . . or to become a shareholder in any such corporation."

The usual vagueness of legalese is compounded here by the circumstance that the act was written in 1880, before the telephone industry had even begun to take shape. But, argued Industrial Wire, the purpose of the clause was clear: to restrict Bell to the telephone business, and at the same time to allow Bell to consolidate that business in its hands. In other words, the clause meant that Bell should be allowed to own shares only in another *telephone* company. The phrase "Line of telephonic communication" clearly referred to more than a pair of telephone wires, it said; otherwise Bell could sell a pair of wires to any company, even a totally unrelated one, and then it would be allowed to own shares in it.

Which, with Northern, is essentially what happened. Back in the 1890s Northern Manufacturing, one of the predecessor companies to Northern Electric, bought from Bell a telephone line consisting of a pair of wires, running from the Northern Manufacturing plant to Bell's head office. Robert Scrivener, a vice-president of Bell when Industrial Wire's challenge came up and now chairman of the board of both Bell and Northern, testified before the BTC:

"The location of this telephone line has been changed from time, of course, as have the facilities. For some years now, however, it has been located between our company's plant at Belmont Street in Montreal and the principal manufacturing premises of Northern Electric Company Limited on Shearer Street, in Montreal. Our records show that there

are two wires in a cable between these points which have been tagged as the property of Northern Electric Company Limited.¹⁷

The cable was owned by Bell. The private exchanges to which the line was connected were owned by Bell. The value of the wire, 19,000 feet long, was approximately \$1,000 — roughly 0.000005 per cent of Northern's total assets. Northern owned no other telephone lines.

But the BTC ruled, in a January 1964 judgment, that the 19,000 feet of wire constituted a "line of telephonic communication" under the meaning of the act of incorporation, and that Bell's ownership of Northern was hence legal. Furious, Industrial Wire and Cable tried to appeal to the Supreme Court, which refused to hear the case. An appeal to the cabinet was also rejected.

In 1967, Bell came before parliament to have its charter amended. The amendments it requested would not only have buttressed the shaky legal foundation of its ownership of Northern, but would also have permitted Bell's direct entry into fields quite unrelated to operating telephones.

There were strenuous objections, from Industrial Wire and Cable and other sources, and the Commons transport and communications committee eventually amended the bill to take out some of the most objectionable clauses. Bell was permitted to enter the more general field of telecommunications, but was restricted in its ownership of manufacturing companies. The revised charter prohibited it from owning any manufacturing company except one that was "a subsidiary of the Company on the date on which this Act comes into force." The exception was significant — it meant that ownership of Northern was within the law.

Beyond the question of whether Bell is allowed to own Northern is the question of whether it *should* be allowed to own it. The effects of ownership by a telephone operating company of a manufacturing subsidiary have gone largely unexamined in Canada, but have received much more attention in the United States, a country with a more substantial tradition of trust-busting and anti-monopoly sentiment. Western Electric in the U.S. maintains much the same relationship with its parent, the American Telephone and Telegraph Corporation (the holding company for the U.S. Bell system), as does Northern with Bell Canada — although Western has had more restrictions placed on it than has Northern. The relationship between the Canadian complex and its American counterpart involves more than analogy; we will get to that a little further on.

The theory of regulated utilities goes like this: certain fields of economic endeavour, such as running railways, airlines or telephone systems, are natural monopolies or near-monopolies. Now since monopoly, even in strict capitalist terms, is an ugly word, it is deemed wise that something be done about companies operating in these fields (short of nationalizing them, if at all possible). So these companies are allowed to operate as monopolies, but under regulation: a government commission keeps a sharp eye on them to make sure that the public interest is protected.

At least that is what happens in theory. In practice, the government commissions, both in Canada and in the United States, often become apologists for the companies they are

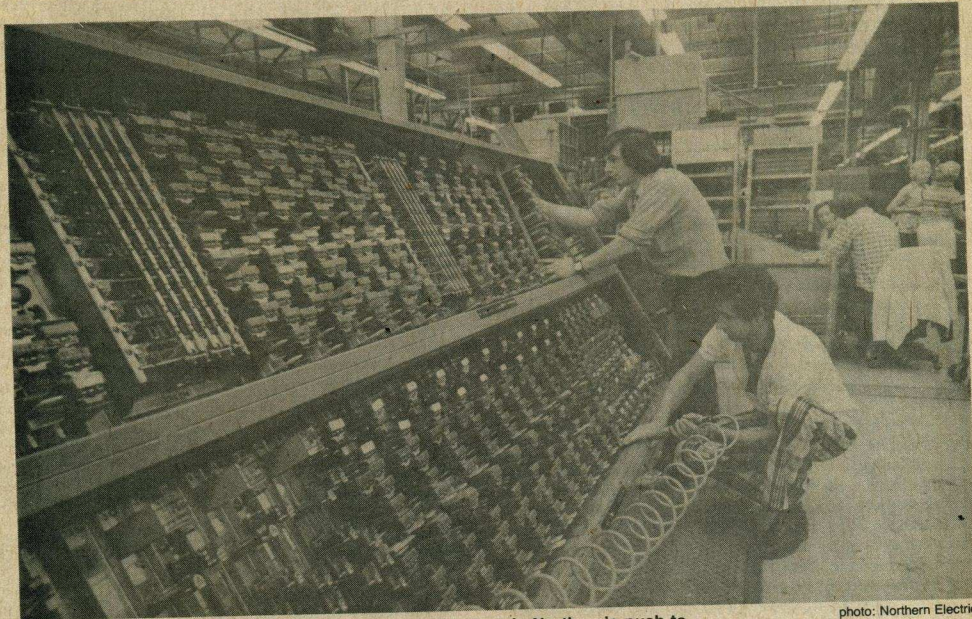


photo: Northern Electric

Workers assemble a telephone switching system, a big item in Northern's push to corner part of the U.S. market

supposed to be policing. But the relationship between Bell Canada and Northern, or between AT&T and Western, adds a further twist. Northern, for instance, is virtually the sole supplier of equipment to Bell Canada; although Northern spokesmen claim that the company is subject to stiff competition in selling its products to Bell, the amount of equipment that Bell actually buys from other companies is, understandably, small.

Thus Northern, like Bell, is effectively a monopoly in its field. Unlike Bell, Northern is not subject to regulation. The rates Bell can charge its customers at least have to be approved by the CTC. The prices Northern can charge Bell and its other customers do not. At best, the CTC sometimes shows an avuncular interest in the way Northern is being run; under the present arrangement, there is little more it can do. The backbone of a virtually guaranteed and unregulated \$300-million-a-year business with Bell gives Northern a substantial competitive head start in any other activity it might undertake.

In his 1971 book *The Telecommunications Industry: Integration vs. Competition*, Manley Irwin, now with the U.S. government's AT&T task force in Washington, argued that the disadvantages of "vertical integration" between a telephone operating company and its manufacturing supplier far outweigh the advantages claimed for it. In a jointly-written chapter, Irwin and Bill Melody, a Canadian now teaching at the University of Pennsylvania, say that "vertical integration of a public utility seems to extend all the defects of utility regulation into the equipment market with no obvious compensating advantages.

"It tends to create monopoly power in an unregulated market; it tends to weaken the effectiveness of regulation in the service market; it provides the firm with an enormous array of strategies for counteracting the intended effects of regulatory policies that conflict with the firm's objectives. But integration does more: it disrupts, not to say perverts, the incentives of the captive supplier. The supplier assumes the stance of a public utility, endowed neither with the accountability of a franchise monopolist nor the accountability of a firm exposed to direct competition."

Irwin favours requiring AT&T to get rid of its interest in Western (and, by implication, forcing Bell Canada to get rid of its interest in Northern). Back in 1949, that was also the view of the Truman administration in the United States. It filed an antitrust suit that would have forced AT&T to divest itself of Western and broken Western up into three separate competing companies.

The case dragged on for years. It was finally settled out of court with a consent decree on January 25, 1956, leaving AT&T's ownership of Western intact. By this time the presidency had passed from Truman to Eisenhower and the government's zeal in combating the forces of monopoly had waned.

The consent decree was a landmark in American antitrust policy and its effects are still being felt. For years afterward it was the subject of Congressional hearings and reports in which evidence of AT&T influence was produced and the justice department and especially Attorney-General Herbert Brownell came in for severe criticism for their leniency. More recently it has served as a useful point of comparison for the forbearance of the 1971 decision, made after presidential intervention of a suspect nature, to allow Lobb's old company, ITT, to proceed with its takeover of the Hartford Insurance company.

The main thing AT&T was required to do as a result of the consent decree was to free thousands of patents and license them without royalties to competitors; this was intended to loosen the company's control of telephone technology. It was also restricted to the communications field, and Western was correspondingly restricted to manufacturing for that field.

However the wider effect of that consent decree was to make Western pretty well exclusively the manufacturer for AT&T. Even close observers of the U.S. telephone industry are not sure whether this was a negotiated item between the justice department and AT&T that was never made public or whether AT&T made the decision on its own after gauging how the climate had been changed by the consent decree. At any rate, in 1957, Western sold a 34-percent interest in Northern Electric to Bell Canada, bringing Bell Canada's share of Northern to 90 percent and reducing Western's share to 10 per cent; this last chunk was gradually transferred to Bell Canada until it was sole owner.

Even more important for Northern, Western released the stranglehold it had had on that company's technology. Up until the late 1950s, Northern was almost exclusively a Canadian manufacturer for designs produced by Western in the United States. According to former Northern president V.O. Marquez, the consent decree "effectively throttled the flow of design, technological know-how and components from Western Electric in the U.S. to Northern Electric in Canada. Northern, without warning, faced a crisis that many Canadian companies could face at any time: to survive we had to produce our own designs, introduce our own products, develop our own technology. It was a costly trauma from which we have not yet completely recovered.

"Because Canadian industry had not developed a demand for men with the new skills we needed, we had to import many of our scientists, engineers and designers. We soon learned . . . that the costs of design and innovation were such that we could no longer survive on the domestic market alone but, with our first steps into the world marketplace, we began to face hitherto undreamed of problems."

As we have seen, Northern's steps into the world marketplace were to be largely in the direction of the independent market in the United States. This was another result of the consent decree. Before the decree, and for some years afterward, Western was a supplier to the independents; however, it gradually got rid of its operations in that area. As with the sale of Northern, the consent decree contained nothing explicit dictating such a move, but directly or indirectly it had some effect.

There is one more factor in Northern's expansion into the U.S. independent market, and that is the implicit blessing of AT&T. We have described AT&T and Bell Canada as kissin' cousins, but that perhaps understates the intimacy of the family relationship.

Actual AT&T ownership of Bell Canada is in the neighbourhood of two per cent, having declined from many times that figure. Bell Canada spokesmen try to pooh-pooh any close connections between their company and AT&T, implying that people who presume to say anything about the telephone industry should know better. In fact some of the peo-

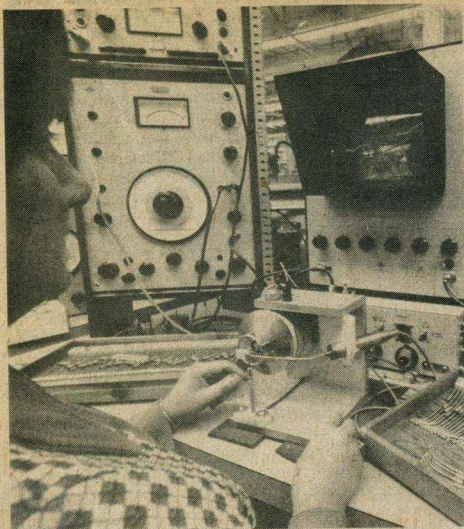


photo: Northern Electric

Testing telephone head sets at Northern

ple who are most emphatic in saying that Bell Canada is effectively controlled by AT&T are people who know very well indeed.

"It almost looks as if Bell Canada is getting its marching orders from AT&T," says Bill Melody of the University of Pennsylvania's Annenberg School of Communications. "The relationship is so close that it would be no different if AT&T owned Bell Canada 100 per cent." One Ottawa civil servant whose position brings him into contact with Bell Canada says that when the president of AT&T gives a speech of any significance that is not for public consumption, Bell Canada is provided with a copy of it if there is not actually a Bell Canada representative present while the speech is being made. He adds that this "goes deeper than simple working relationships."

G.D. Zimmerman, then president of Industrial Wire and Cable, testified on the same theme back on November 16, 1967: "If we reduce our concept of what is Canadian-controlled to share ownership, I think we are missing the hard core of what makes an economic enterprise such as Bell-Northern or Industrial Wire or Phillips Cables or anything operate. Bell Telephone has statistically a 95 per cent Canadian share ownership but the concentration of power in the AT&T holding in Bell is completely adequate, for practical purposes, to control that company if they wish to exercise it."

"Their hold on the technical expertise, the licensing agreements, the Bell standards, give them an absolutely controlled position. As to the manufacturing philosophy, when they are going to bring in a product, these companies are interlocked at so many levels of design, manufacture and finance that I think we are departing from the harsh realities of the business world to say that this is a separate Canadian-controlled and -run company. I for one do not buy it."

Melody suggests that if Northern really wanted to develop a market for itself it could come down to Washington and testify before the Federal Communications Commission that

the AT&T Market in the United States should be opened up to competition. He made that suggestion to some Northern executives once; their reaction, he says, was one of "horror." As a loyal member of the family, Northern wasn't going to do anything to displease Grandma.

According to the Ottawa civil servant quoted above, Northern, Western and IIT operate as a cartel, with IIT (in its telephone operations although not of course in its diverse other interests) agreeing to stay out of North America, with Western confined to the AT&T market in the United States, and Northern operating in Canada and having a free rein in the American independent market. He adds that the close ties between AT&T and Bell Canada extend in lesser degree to all telephone companies in North America, that there is in fact a continental approach to running telephone systems, dominated by AT&T.

One area where AT&T thinking has prevailed is the telephone industry's unique pricing policy. It is an accepted business truth that the more of your product you sell the lower the price at which you can sell each individual unit; "economies of scale" is one of the catch-phrases of our time.

Not in the telephone business. Telephone companies in Canada and the United States determine their rates for a city or town by the number of telephones in the local calling area; the greater the number of telephones, the higher the rates. Thus Bell was recently able to hike rates in Toronto when that city became the first in Canada to have more than two million telephones. The company has even resorted to gerrymandering local calling areas and promoting free installation of extension phones to increase the number of telephones. This policy, first developed by the Bell system, is now equally firmly entrenched in the rate structures of non-Bell companies, including the provincially-owned telephone companies on the prairies.

Ironically, the area in which Bell Canada has been most independent is the one in which Canadian dependence has historically been deepest: research and development. Bell-Northern Research (owned 51-percent directly by Bell Canada and 49-percent by Northern), develops products independently from Bell Labs in the U.S. and can boast some major successes, notably the SP-1 switching system. BNR also refused to share Bell Labs' enthusiasm for development of the picturephone; with potential sales of picturephones still extremely limited, it looks as if BNR may have been correct. "There's much more independence shown in Bell-Northern research than in Bell Canada itself," says our Ottawa civil servant.

On the whole, however, it is a harmonious picture, with Bell and non-Bell companies and governments in Canada and the United States acting in concert. Although Bell influence with public bodies has ensured regulatory and judicial favour in both countries over the years, the telephone industry has never developed quite the freewheeling style in its relations with government that characterizes the newer giants such as IIT. "Old, conservative, Republican money," is the way one observer describes the ownership of AT&T. A comfortable, rather creaky industry, its profits rising slowly but steadily, its modest but not inconsiderable return on investment virtually guaranteed.

Or at least that's the way it has been up until now. But vast changes are taking place in the communications industry of which the shake-up of Northern Electric is only a small part.

Early in this century, as the various electronic modes of communication developed, a series of corporate decisions

and antitrust cases in the United States restricted each company in the field to one mode. Western Union had the telegraph; AT&T built its near-monopoly of the telephone business; companies such as RCA developed radio and later television.

But in the fifties and sixties the divisions between these different modes of communication began to break down. The new communications satellites could carry telephone, telegraph, radio and television messages, not to mention such things as computer signals. Furthermore, they involved space technology that had been developed by the Pentagon, NASA and the aircraft companies.

All of a sudden communications was a very crowded field, and also a very lucrative one. It was no longer either feasible or profitable for AT&T to stick to its cosy little monopoly of the telephone industry. Its logical field for expansion was one where it would — for the first time in two generations — face competition.

AT&T, with Congressional help, was first off the mark with its Telstar communications satellite in 1962, but that didn't prevent Hughes Aircraft from getting its superior Syncom system into space. The U.S. Federal Communications Commission has now licensed five separate satellite systems.

So far Canada has not gone in for competing communications systems, although it could still do so in future, particularly given the traditional Canadian tendency to do whatever is being done south of the border. The Canadian government's telecommunications satellite program, Telesat, functions as a common carrier for the carriers, instead of allowing the private companies to operate their own systems. Nevertheless, the advent of satellites and other new developments in communications technology have serious implications for Bell Canada.

First, it means that the company has to recognize the possibility of a competitive situation in the not too distant future. Second, it suggests opportunities for the company that make the mundane provision of telephone service look uninteresting by comparison; this underlay Bell's insistence on redefining itself as a "telecommunications" company during its chartering hearings in 1967 and 1968. Bell has already blown one such opportunity by not getting into cable television when it still had the chance; it will not want to blow others in the future.

Third, it opens up new possibilities on the manufacturing side and makes Northern Electric a more valuable property than ever. Northern has received subcontracts from Hughes Aircraft for parts for the Canadian Telesat system; it also has orders for equipment for American telecommunications satellite systems. It is hard to say how important this will be to Northern as compared with its conventional telephone business, but it is clear that Bell has been intensely interested in Northern over the last few years, perhaps more so than in the operating company itself.

Bell relishes the reputation that its stock has as a "widows' and orphans'" investment; to the extent that that reputation reflects reality, the company's emphasis on Northern means that the widows and orphans are getting a raw deal. A large part of Bell's profits are being poured back into investment in Northern, to the detriment of the investors' dividends; the small investor could probably do better by putting his money elsewhere. For the large investors — some of Canada's major financial institutions as well as AT&T — the ones who can afford to look at the big picture, it is of course a different matter.

Northern's decision to go public is significant in this regard. On the one hand, it provides a new method of raising capital for Northern as an alternative to the interminable Bell rate increases, which will surely have to come to an end at some point. On the other hand, it provides a means by which the manufacturing subsidiary will be protected if some guttural government than the present one ever decides to nationalize Bell Canada.

Nationalization may seem a remote possibility, but the position of regulated companies such as Bell is always a tricky one. Bell has been so successful at maintaining its position at least partly because it has managed to play off the federal government against the provinces: the telephone industry is one of those areas where authority is divided between the two levels of government to the detriment of consumers and the benefit of companies operating in the field. Bell Canada, which has the central Canadian market, is federally regulated, while telephone companies in most of western Canada are provincially owned. If the federal government took over Bell, what would the provinces think? Would the governments of Quebec and Ontario ever get together to do it?

But if difficulties of this nature were worked out, nationalization might come under serious consideration. It has been suggested that if the circumstances were right, Bell might not be too upset at such a development, so long as it were able to keep Northern. Close observers of the telephone industry, such as our Ottawa civil servant, say that there is a certain internal logic to Bell's rate increases; any government that was seriously interested in preventing further increases would have to move in the direction of nationalization. If that happened, Bell would simply spin off Northern by selling its shares directly to the people who currently own Bell, and unload the operating company onto the government.

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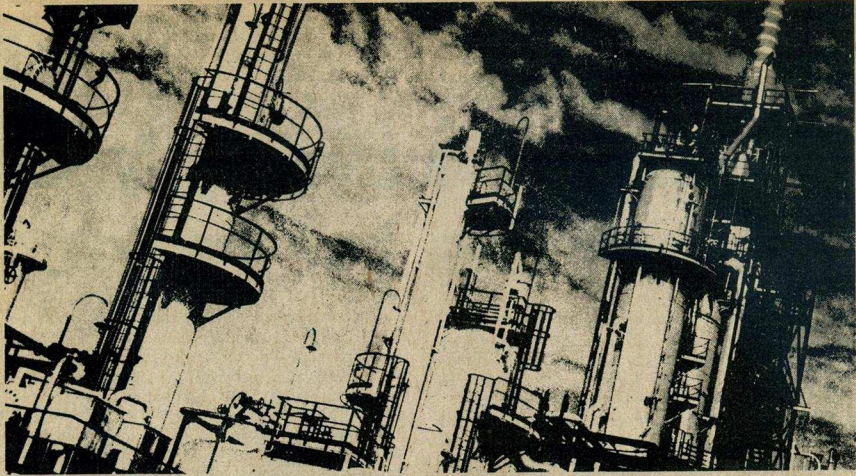
ll this is, of course, in the realm of possibility. But it is in the realm of reality that despite Bell's compliance with the Canadian Transport Commission's suggestion of a few years back that it get Northern moving, the phone company's appetite for more revenues has not been satisfied. Growth, higher profits and rate increases all have their own momentum. Bell will continue to need more money to keep stoking the fires.

John Lobb's strategy for Northern is having two seemingly contradictory effects.

On the one hand public bodies are providing — in the form of forgivable loans, federal policies designed to help Canadian multinationals, and CTC-approved Bell rate increases — much of the fuel for Northern's expansion. On the other hand the course on which Lobb is taking Northern is bringing the entire Bell complex further outside the control of effective public regulation. Current government policy allows these two things to happen simultaneously.

The telecommunications giants have taken some large steps in their own interests in the last few years. Public policy has a long way to go to catch up.

Robert Chodos and Drummond Burgess are members of the Last Post editorial board.



OIL POLITICS

- Herman Kahn among the tar sands
- Oil's new men in government

“The very term energy crisis,” said Russell Baker in the *New York Times*. “It has the phony ring of the Madison Avenue phrase. It sounds too much like part of a sales pitch: ‘The new miracle energy crisis with XP-87 for businesses too timid to raise prices without twice as much economic-excuse power.’ ”

But despite the spreading doubts about the reality of the oil shortage, the petroleum companies continued with their pressure and the press continued with its scare stories. “70 CENT GASOLINE PREDICTED LATER THIS YEAR,” the *Toronto Star* bannered in red on January 19, while on page 10 of the very same issue Bruce Garvey, the *Star*’s Washington man, gave more evidence that the energy crisis was in fact a creation of oil companies and governments.

Not that there wasn’t something to be scared about. In the following pages our Edmonton correspondent takes a look at a frightening proposal for the Alberta tar sands that has been discussed in top government circles. And then we take a look at some of the men who make communication between the oil companies and governments in this country just a little bit easier.

Thinking the unthinkable about the tar sands

by Larry Pratt

When Richard Nixon issued his call early in January for a meeting of the energy-hungry industrialized countries, Canada's External Affairs Minister Mitchell Sharp was quick off the mark to welcome the U.S. initiative. Mitch then added the apparently extraneous note that Canada will welcome more foreign investment in the Athabasca tar sands of northern Alberta, so long as control of development remains in Canadian hands.

Just the usual continentalist reassurance? Perhaps. But another possible explanation which has gradually been emerging from scattered sources suggests that the federal government may be tuning up for the most grotesque sell-out of all.

There were several straws in the wind in December. First, there was Henry Kissinger in England calling on the capitalist powers to form an "energy action group" and to develop concrete programs on a joint basis. Interviewed on American television news, one of Kissinger's aides affirmed that what Henry specifically had in mind were the oil shales of Colorado and the "oil sands of northern Canada".

At just about the same time, tubby Herman Kahn, director of New York's prestigious think-tank, the Hudson Institute, and author of such classics as *On Thermonuclear War*, *Thinking the Unthinkable*, *On Escalation* and, most recently, *Things to Come*, was telling an audience in Paris that "these Canadian sands are the only place in the world where you can spend \$20 billion in one to three years and know exactly what you'll get in return". Herman Kahn among the tar sands?

Finally there was the inimitable federal Minister of Supply and Services, Jean-Pierre Goyer, trotting around Calgary making remarkably similar noises. Goyer assured one group of businessmen that Canada has "very good customers, eager and wealthy customers" in the U.S., Europe and Japan who would love to buy up the tar sands oil. Goyer claimed Canada could make profits of \$2 to \$3 billion a year from now until 1980 by exporting tar sands oil.

From an analysis of his speech Pollution Probe concluded that the good minister had in mind the immediate construction of some 20 to 30 plants the size of the one now being planned by Syncrude, the consortium of U.S.-based oil com-

panies that found such a good friend in Alberta Premier Peter Lougheed (*Last Post*, Vol. 3, No. 6). At the moment three tar sands plants are either operating or in the planning stages, but two of them will come into full production only in the early 1980s.

The pieces began to come together in late December in a couple of articles by Clair Balfour of the *Financial Times* News Service. Although the *Financial Times* service goes to all the newspapers in the Southam chain, only a few of them bothered to print Balfour's pieces and the story received little circulation. Balfour revealed that on November 28, Herman Kahn and his Montreal associate, Marie Josée Drouin, had a meeting with Pierre Trudeau, Energy Minister Donald Macdonald and members of Macdonald's staff, during which Kahn outlined his scheme for crash development of the tar sands.

Kahn proposed an investment of \$15 to \$20 billion by an international consortium of governments — the U.S., Europe and Japan — in a massive effort to build 20 processing plants before 1980. Together, these Syncrude-sized plants, using existing strip-mining technology, would produce two million barrels of synthetic crude daily, all of which would be marked for export in the initial stages.

Between 1978 and 1984, according to Kahn's scenario, some six billion barrels would be siphoned off for foreign consumption; after that Canada would be able to utilize what oil she required for her domestic purposes, and would be left with an oil field twice the size of Alaska's Prudhoe Bay. All of this, including full ownership and cheap oil, could be ours without investing a dime.

Kahn is first and foremost a social engineer, and his tar sands brainstorm is typically grandiose. Because labour requirements in such a project would be fantastic, he suggested that a labour force of 30,000 to 40,000 South Koreans would have to be imported to Alberta to provide the requisite manpower.

The only existing tar sands plant in operation is having trouble disposing of the sludge and used water from its processing, but Kahn proposes to deal with the environment by ignoring it: the polluted waste would simply be dumped into the Athabasca River and the river itself written off. According to Clair Balfour, Kahn and the Hudson Institute believe the northern Alberta region is in any event a relatively unde-



Herman Kahn, the man who told you that there was such a thing as victory in nuclear war, has lately turned his attention to Canada — specifically, to Alberta's tar sands. He has discussed his plan for the sands, complete with imported South Korean labour, total environmental waste, and the War Measures Act, with members of the federal cabinet. Unthinkable? Perhaps. . . .

sirable environment, so the question is of little interest to them.

Under Kahn's scheme the project would come to life by the federal government's placing the tar sands on a war-time emergency basis. Presumably, they would also have to be brought under federal jurisdiction, something which would be constitutionally feasible but would send Peter Lougheed straight to the barricades. In effect, the entire tar sands region would be internationalized, opened up for the disposal of what Mitchell Sharp still calls the free world.

Understandably worried that reaction to his scheme in Canada might be less than enthusiastic, Kahn specifically requested that it be given no publicity.

All of which could be dismissed as something out of the *Firesign Theatre* were it not for three dismal facts: first, tubby Herman has that magical, elusive power known as Access; second, he has allies inside the federal cabinet; third, Mitchell Sharp is alive and well and on his way to Washington.

Kahn is no stranger in Ottawa's corridors. Back in the mid-1960s, when he was still into the war business, he used to wow the boys down at the Defence Department, along with a few goggle-eyed academics, with day-long monologues on international relations. Back on October 17, again according to Clair Balfour, he lunched with Trudeau and a group of cabinet ministers, this time supplying an

audio-visual outline of future economic trends for entertainment. That meeting was set up by Jean-Pierre Goyer.

But Kahn's access extends well beyond Ottawa: he informed Balfour that he had discussed his energy plan with Richard Nixon (before Watergate); with other White House officials; with Kissinger's staff; and with officials of Western Europe and Japan. Evidently, Tubby gets around.

Donald Macdonald was underwhelmed by Kahn's presentation. He told Balfour that he didn't know why Canada should feel any obligation to rush into such schemes, though he was impressed by the amount of thinking Kahn had put into his plan. Macdonald's staff must also know that there is no possibility that 20 Syncrude-sized plants could be thrown up overnight without creating the most fantastic economic, environmental and social chaos in Alberta; the best available study on tar sands development, the report prepared for Lougheed's cabinet in 1972 by a large group of civil servants, implies that any rate of development faster than one plant every two or three years carries enormous risks.

Unfortunately, Lougheed has simply ignored this report and appears to have in mind a much accelerated pace of development, one suggestion made in another report done for his government by Walter M. Levy Assoc. of New York. Whether even Peter Lougheed could swallow Kahn's morsel is doubtful, particularly since it envisages federal control.

All of this skepticism would seem to confirm Jean-Pierre Goyer's oft-quoted feeling that most Canadians are simply incapable of thinking big. Goyer, who is evidently Kahn's contact man inside the government, and his special assistant, Dave Brittain, are, however, able to grasp grandeur when it comes in a package from the Hudson Institute, and the two men have been pushing Kahn's scheme around Ottawa and in Calgary. Sandy Osler of Pollution Probe talked over the idea with Brittain recently and came away horrified; Goyer, he learned, was all for placing the tar sands in a "war-time situation" so that 20 plants could be put up by 1980 for U.S., European and Japanese supply. Osler was able to raise one or two doubts in Brittain's mind, but then Pollution Probe has never been into thinking big.

Kahn's proposal has been pooh-poohed by Macdonald and his staff, but Macdonald is not representing Canada at the February 11 energy meeting in Washington. Macdonald met with American energy chief William Simon at the end of January, but it will be Mitchell Sharp, our leading continentalist, who will head the Canadian contingent to Washington. And that should have us all worried. Sharp's approach to energy matters is well known. He sees energy resources as disposable income, income which should be generously invested in return for the general good-will of Canada's allies.

Back in 1970 the cabinet was faced with an application for a huge, long-term export of natural gas to the U.S. A certain nationalistic minister argued against the application, pointing out that it involved the export of employment, that the gas should be put to industrial use in Canada, etc. At which point Sharp noted that while all this might be true, these were the costs of Canada's remaining a paid-up member of the free world. The application was approved.

One question remains: in light of the evidence, would the Canadian government do the unthinkable to the tar sands? Answer: only if the price is right.

Larry Pratt teaches political science at the University of Alberta and writes regularly for the Last Post.

The hon. members from oil

Even more than most industries, the oil industry counts for its success on the help of friendly governments in diverse parts of the world. When a government that it doesn't like arises in a key country (such as the Mosadegh government in Iran in the early 1950s), it simply replaces it with another. In Washington, the industry maintains a ferocious and effective lobby. In this country, as would be expected, it operates on a smaller scale, but it nevertheless takes care to see that its voice is heard in the federal parliament, in the appropriate provincial legislatures, and wherever decisions that could affect it are being made.

We present here brief portraits of a few of the men who represent direct links between the oil industry and governments in Canada.

Peter Bawden (P.C. Calgary South)

President and founder of Bawden Drilling and Exploration, engaged in oil exploration in Canada and as far afield as Indonesia. Has expressed concern over the powers granted to the Energy Supplies Allocation Board, stating that with the government exerting tighter controls over exports, "it might be more difficult for the pipeline companies to make high profits."

"Will the minister say," he asked Donald Macdonald one day, "why no consideration has been given to security of future supply by way of stimulating the search for and development of energy resources in Canada?"

"Mr. Speaker," began the minister's reply, "I will not accuse the hon. gentleman of conflict of interest in this situation. . . ."



BAWDEN

Eldon Woolliams (P.C. Calgary North)

Partner in the law firm of Woolliams, Kerr, Korman and Moore. Member of the Calgary Petroleum Club. Has been the main voice for Peter Lougheed's Syncrude consortium in the House, demanding that tax concessions and other benefits be accorded Syncrude.

This consortium, formed for the development of synthetic crude oil from the Alberta Tar Sands, is composed of Imperial Oil Canada Ltd., Cities Service Canada Ltd., Atlantic Richfield, and Gulf.

Mitchell Sharp (Liberal, Eglinton)

Minister for External Affairs, and therefore one of the key figures in the government's handling of the energy question. Sharp, rather than Energy Minister Macdonald, is the government's representative at Henry Kissinger's Washington get-together of the proposed "Energy Action Group", a sort of Organization of Petroleum Consuming Countries to thwart OPEC. Sharp is a former director of Brascan Ltd., the Canadian multinational that operates mainly in Brazil. Brascan is the sole owner of Mikas Oil Co. Ltd and has a 15 per cent interest in Elf Oil Exploration and Production Canada Ltd., an American based company. (See *Last Post*, March 1973)

Senator John Connolly

Former Government leader in the Senate and Minister without Portfolio in the Pearson Cabinet. Is counsel to Gulf Oil Canada for Government Affairs. Sponsored Bill C-170, April 18, 1973, which included tax proposals of potential benefit to Gulf. Is also counsel to IBM Canada and Honeywell Canada (Honeywell has made a large part of its fortune in weapons contracts with the Pentagon, Vietnam department). Sponsored Bill C-171, which amended the Excise Tax Act and saved both Gulf and IBM money that would have gone to federal sales taxes.

"Occasionally opens doors for us and provides the proper atmosphere," says Jerry MacAfee, President, Gulf Canada.



WOOLLIAMS



PETER L.

The Lougheeds

D.D. Lougheed is general manager (production department) and vice-president of Imperial Oil, based in Toronto. His brother Peter is Premier of Alberta, prime mover of the Syncrude consortium and advocate of federal concessions to oil developers in his province. Peter's law firm, Moore, Lougheed, Atkinson, McMahon and Tingle, numbers Imperial Oil among its clients.

Ron Ritchie

Until January senior vice-president of Imperial Oil Ltd. Appointed by Alastair Gillespie when the latter was Minister of State for Science and Technology to be chairman of the Institute for Research on Public Policy, Canada's think tank. Recently resigned from Imperial Oil and announced his intention to seek a federal seat as a Progressive Conservative.



GREENE

Joe Greene

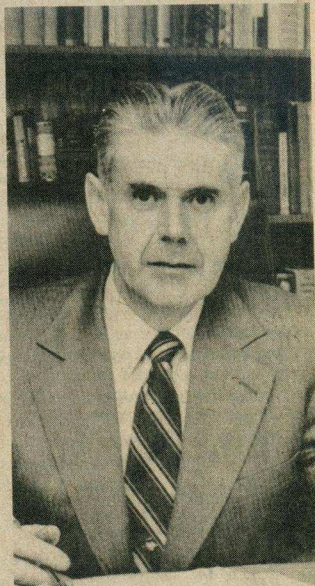
Former Minister of Energy, Mines and Resources in the Trudeau Cabinet, now in the Senate. Sits on the board of directors of Petrofina Canada which holds a 2 per cent interest in Panarctic Ltd., the consortium jointly owned by the federal government and a number of oil companies which is exploring for oil and gas in the Canadian north. Petrofina is a subsidiary of Petrofina of Belgium. Petrofina Canada chairman Alfred Campbell is also a director of Power Corporation and of American Petrofina Inc.



RITCHIE

Sen. Harry Hays

Calgary cattleman, one-time mayor of Calgary and former Liberal cabinet minister (agriculture, 1963-65). Since then has become a director of the Home Oil Co. Ltd., as well as numerous other companies including Canada Permanent Trust.



STEWART

Neil J. Stewart

Chairman of the new federal Energy Supplies Allocation Board, appointed by Energy Minister Macdonald. Stewart is a member and associate vice-chairman of the National Energy Board, appointed to that post in 1971. Joined the Stanolind Oil and Gas Co. in 1953. In 1969, helped reorganize the Canadian operations of Standard Oil Co. (Indiana), leading to the formation of Amoco Canada Petroleum Co. Ltd. Served as Treasurer and Vice President of administration and finance for Amoco.

Ontario's pick: Bland Bill

One January afternoon and evening, Premier William Davis found himself at a "meeting the people" tour in southwestern Ontario. He was doing some image-building and answering questions.

The day was a mixed success. Back in Toronto, the news broke that one of his cabinet ministers was found involved in some fast real-estate operations — the third instance of real-estate manipulations by cabinet ministers. Out of town, Davis was trying to field questions about spending ceilings on the schools, the housing shortage and the real estate speculators who have sent the prices of homes, even in smaller urban areas, up 15 to 20 per cent in a year. He heard also from the mayor of a recently "regionalized" city who complained about the lack of promised provincial aid. Some questioners even wanted to know why they couldn't get false teeth from denturists.

Davis, who is a very personable chap, fielded all the questions well, but he didn't answer any of them.

And therein lies a problem for a government facing re-election in about 18 months.

The trip to the country was made necessary because there have been plenty of indications of isolation and aloofness from the "grass roots" since the Tory sweep in 1971 — but then talking to the people is one thing, being able to say something is another.



photo: David Lloyd

by Rae Murphy

During the wee hours of a crummy February morning in 1971, the bland, round face of William Grenville Davis flashed on the television screen of every insomniac in Ontario. Davis had just been grudgingly elected leader of the Ontario Progressive Conservative Party, and therefore Premier-designate of a government that had ruled the province since 1943.

Davis was trying to look jubilant; in fact, he was merely relieved. Relieved because the leadership convention, termed by one observer "the longest, worst-managed political convention Canada has seen this century" was finally over.

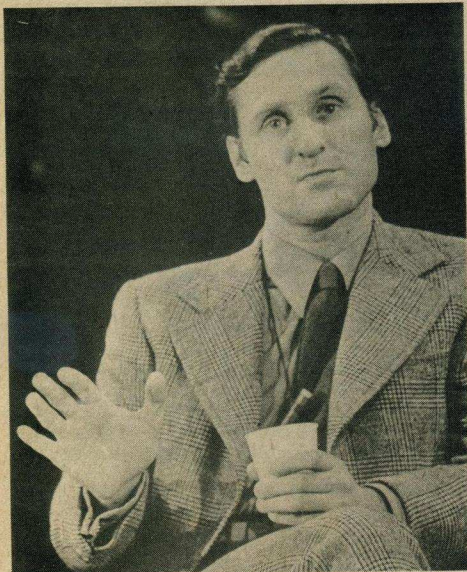
The convention had been fouled up by some newfangled voting machines and the voting was delayed for hours. Prime TV time, instead of being used to hype the revitalized Tories, fell to the aimless patter of commentators filling time while the listless cameras panned the peevish delegates. At one point, viewers were treated to a disgruntled Senator David Walker charging that the voting machines were a Liberal plot. The leadership chances of Darcy McKeough, Walker's son-in-law, were slipping away with the long delays in voting. Walker was later answered by a voting machine company executive who claimed that the machines were in good

working order — and simple enough that even a Tory should be able to operate them.

Any feeling of jubilation Davis felt with his final victory must also have been tempered by the closeness of the race — he had won by only 44 votes from over 1,700 delegates. This closeness was particularly galling to Davis because he had entered the leadership race as a heavy favourite, who seemed to have all the levers of party power at his disposal. The voting snafu meant that the scrounging Davis had to do for his meagre margin of victory, and the reluctance with which it was finally given, were semi-public. There was a feeling at the convention that Davis had almost blown his first independent election, a disturbing thought for a party that had felt its strength ebbing through the final uninterested years of retiring Premier John Robarts.

To his detractors, Davis suffered from three political drawbacks. He was seen by some to be too obvious a product of the old, encrusted Tory hierarchy — a bad image in the swinging Ontario of the 1970s. He was seen by others as one of those dangerous city slickers with all kinds of new-fangled ideas. As minister of education he had built universities and colleges, modernized the curriculum a bit, consolidated

or laissez-faire socialism



Stephen Lewis practices sensory politics photo: David Lloyd

school boards, and in general spent too much bloody money on frills like education. Davis was also considered by most observers to be the dullest and blandest of the major leadership candidates.

Allan Lawrence, who went on to be completely overshadowed on the federal Tory front benches by Robert Stanfield (implausible as that may seem), had fought Davis down to the wire for the leadership. His was the image of the hard-driving, bright neanderthal, who could best win the hearts of the rednecks while doing a snow job in the Cities.

According to one top Tory, Davis's worst drawback was that with an unstylish and frumpily dressed wife, he looked like a product of too much Tory inbreeding. He was a PR disaster, or so it seemed.

The fabled Tory "Big Blue Machine" had gotten off to a sputtering start.

Happiest with the Davis victory at the Tory convention seemed to be the New Democratic Party caucus. They had a new leader, a brilliant young operator named Stephen Lewis. Lewis could dominate the debates and the repartee in the Legislature; now, stacked against him, would be Bill Davis, the dullest of a dull lot. "Hech," said one NDPer, "McKeough has a lot more on the ball, and Lawrence can be really dangerous, but Davis and that screaming pack of backbenchers are completely outclassed." When the election was finally called, the cut and slash of legislature debate would be

heard on the hustings of Ontario — and then watch out.

NDP optimism was based on more than Lewis's style, although image then as now played an inordinate role in NDP calculations (one often wonders what the real pro image makers and flacks like Dalton Camp, who presumably know both the possibilities and limitations of PR, think when they hear the bright poli-sci profs speak the lingo). The NDP was riding high, and an upset victory in Saskatchewan in the summer, added to Manitoba two years earlier, augured well for the public mood. Lewis was getting the party organization in shape, and even the continuing row between the NDP brass and the Waffle had its bright side — it was certainly getting them a lot of ink in the papers. Best of all, Lewis, who won the leadership of his party by being slightly to the left of Walter Pitman, was going public with a new moderate image. Describing the NDP pre-election strategy, one reporter wrote: "... the party had got Lewis, what they were going to get was the Pitman strategy — be moderate, be progressive and conservative, be safe and sound and for God's sake Stephen, cool it."

Cool it indeed he did — gentle tête-a-têtes with Bell executives, speeches before local Chambers of Commerce, even bearding Bay Street in its Empire Club den. All the omens were right for the NDP. Organizationally the party was never better and it had lots of money. The provincial Liberals were languishing with an apparent case of terminal stupidity and the Lewis clan, already dubbed as the Kennedys of Canada by Maclean's magazine in its ongoing struggle to celebrate things Canadian, were ready for dull Bill, burdened with the ghosts of Tories past. The opposition — at least. The government — who knew?

Then came the provincial election of 1971.

It's of more than marginal interest to recall some of the events that led to the 1971 Ontario election because the re-tooling for 1975 is already underway — and so far the scenario seems depressingly similar.

The past two years have been troublesome for the Davis government, and it seems certain now that these troubles will carry over into the political season. However, the NDP response to the vulnerability of the government seems to be following the line of the last election and the new tactics that are emerging seem even more questionable.

The Conservative Party has governed Ontario through three decades of the most dynamic growth and change in its history. Yet the genius of the party is not reflected in its longevity but in its ability to change with the times. And with the Davis administration, there is evidence of a forthright determination to anticipate change, and to use government power as an agent of change. It is, of course, commonplace to contrast Davis with the late Leslie Frost — the old country store and the folk wisdom of the "law of Killaloe" versus the sophisticated power that now is exercised in the Premier's digs at Queen's Park. But there has been scarce thought given to the nature and use of that power.

The problem is that, dull image notwithstanding, William Davis and his brain trust are about the brightest, most innova-

tive politicians in Canada.

For example, when Davis quashed the Spadina expressway in Toronto before the last election, this was seen by most observers as a short-term electioneering gambit. The move worked well enough — the Liberal caucus was split, the NDP was reduced to applause and within Toronto municipal politics a "reform" mayor who was a Tory was helped in his election; later, a young "un-reformed" suburban politician, also a Tory, inherited the chairmanship of Metro Toronto.

Yet, from that decision, the Davis government has gone on to tackle the problem of urban and interurban transportation in a bold, imaginative and really expensive manner. Davis says transportation is one of the key problems of urban life in Ontario, and anyone there who has to get to work and back home would have to agree.

To develop a new network of urban transit, the Ontario government is diverting large sums of money to expand the successful GO transit system in and around Metro Toronto, providing more provincial funds for urban transit expansion, and experimenting with new concepts of rapid transit. The cost of these moves is high, and the government's monorail experiments rather hairy and chancy, but if they seem to be coming together in 1975, Davis is going to look pretty good — and damn the expense.

Another aspect of Davis's transportation policy is his "creative use" of federal government money. With all the complicated funding formulas, it is difficult to find out the real cost of anything any more. It is even more difficult to establish just who pays for what, but given the fact that Ontario is supposed to be a "have" province, there still seems to be a lot of federal money floating about. Davis, when minister of education, also took full advantage of fed-

eral manpower retraining programs to build the rather impressive college system in Ontario.

The "full speed ahead and damn the torpedos" approach of the government tends to overwhelm, especially when accompanied by an expensive public relations campaign paid for by the government, not the party ("Ontari-ari-ario, is there any place you'd rather be?"). A typical example of the big idea flamboyantly sold occurred last year when the government unveiled its classy transit scheme at the super-classy Ontario Science Centre. None of the politicians and newsmen in attendance seemed able to understand the full implications of the scheme, but the multi-media presentation blew everyone into a Star Trek time warp.

Davis is a politician who surrounds himself with a knowledgeable clique and takes advice. After he narrowly defeated Allan Lawrence for the leadership, Davis took over the Lawrence brain trust who had made life so difficult for him when he was running for leader. Norman Adkins, "communications expert and organizer", came aboard right after the convention. He says Davis "... understands the new politics and the emphasis on television." Davis's advisers cover every base — ad men, bag men, organizers and academics. This year, when he started to feel the heat because he was isolating himself from the old politicians in the party, he resurrected an old hack, Arthur Wishart, to attend to the care and feeding of the animals on the back-benches.

Another example of the Davis style is the determined reorganization of the municipalities.

It is the Davis government which has pursued the regional government system in Ontario which, in spite of all its attendant problems, is the boldest attempt by government to deal with urbanization. In this crucial area the Liberals have no alternative except "don't do it". And the NDP straddles both sides of the issue. In essence, the NDP criticizes the concept of regional government only in detail. Says Michael Cassidy, NDP municipal critic:

"We could take the same position as the Liberals... and it might be politically advantageous for us to do so. But we're too intellectually honest for that."

We shall return to the ongoing problem of the NDP's intellectual honesty. Meanwhile...

Over the past few months, the Davis government has run into some rough weather. Moreover, the issues that have come forward indicate, in a sense, the crucial vulnerability of the government. They centre on money.

Government under William Davis is a very expensive proposition. Since he became premier, government debt has grown by \$1.5 billion. Ontario pays \$577 million just in annual interest payments that do not include the deficit of Ontario Hydro, for which the government is also responsible. Regional government has proved very expensive, and while government up until now has underwritten much of the cost, it is attempting to cut back and to throw the burden onto the municipalities. This is beginning to set off a chain reaction. The financing behind the urban transportation schemes is as fuzzy as some of the engineering concepts — but the bills will be arriving long before the trains.

Given the stability implied in a majority government — four years in office, two to do the nasty things and two to mend fences — the government now has been backed into a corner. An attempt to levy an energy tax last year was defeated by public outrage, and the dismantling of the education system by the ceilings imposed on local school boards has reached the point where the government must again back



Bill Davis meets the people

photo: David Lloyd



photo: David Lloyd

Davis's businessman friend Gerhard Moog; business knows who speaks for them

down in face of a united opposition by the province's teachers, with the growing support of the public. More important, a government that was counting on continued economic expansion to see it through the next election is now both a victim of an uncertain inflationary spiral and, with its large financial outlays, a contributor to it.

One relatively minor example: with the federal government's announced intention to build a new airport east of Toronto, the provincial government moved in 1972 to build a new city that would house about 200,000 people. \$70 million was allotted for the acquisition of 25,000 acres. In less than two years, land costs skyrocketed to put the whole project into question. The government spent the money and was unable to buy enough land. Now, with the new airport in doubt, the whole concept of Cedarwood may be washed up — and therefore back to the drawing boards.

Every element of Davis policy — to control the development of southwestern Ontario, to devise any sort of policy for the north and undeveloped east, even to deflect public concern over the province's primitive social legislation — depends upon rapid economic expansion, with inflation kept within bounds. So far it is not working out.

A reflection of Davis's dilemma is the uncertainty with which he handles contentious issues — withdrawal of the energy tax, apparent backing down before the teachers, a new caution about regional government. This lack of sureness has been interpreted by some as a sign of ideological disorientation within the Tory party — the so-called dichotomy between rural Ontario and industrial Toronto. It is a rather strange theory, because if there has been one thing that has always characterized Ontario's Tories it has been

their sure grasp of ideology. Certainly there is no doubt in those circles euphemistically labelled "the business community" as to who is ready and able to speak for them. That is one reason why the provincial Liberals languish in darkness — who needs them?

Rather, it appears that if the provincial government is vulnerable now it is because it is running out of cash and credit.

But it is a resourceful group.

When asked recently how he approached the Davis government, a prominent member of the NDP caucus answered: "With great respect." Good thinking — but an election is coming and the NDP is going to have to fight it. And the outlines of the strategy are becoming apparent.

Stephen Lewis is shucking (once again) his radical image. The new, new Stephen is concerned, modest and above all mature. According to one reporter at the legislature, "Stephen Lewis has developed a genuine respect — almost an affection — for his polished adversaries across the legislature floor." A few days earlier the same reporter, Robert Miller of the *Toronto Star*, described Lewis as "a socialist more concerned about the erosion of public faith in political institutions than in nailing a few Tory hides to the Queen's Park wall."

Miller goes on to quote Lewis describing the political situation in Ontario: "A sense of dissatisfaction developing here. It's not a trend yet. It's nothing you can pin down, nothing you can document. But it's there. I can sense it, you can sense it, Bill Davis can sense it. . . ."

The new sensory politics have now led to an NDP provincial council meeting. Here, according to one observer, a change of tactics, not policy occurred. The NDP will now be a small "c" conservative party. Amplifying, provincial secretary Gordon Vichert asserted that the new tack is "not, I think, being un-socialist. It is being socialist in a traditional way to preserve and reassure. . . . We see the Tory government as agents of change now — destroying the educational system, pushing expressways through. We want change too, but we're not presenting ourselves as the agents of change."

Ah ha! Laissez-faire Socialism. . . . But one digresses.

Being big on reassurance these days, Vichert also said that the "threat we pose to big business is as real as it has always been."

And there we have it. The question is whether there is a real choice between growth and non-growth in an industrialized and urban society. To pose the question is to answer it. There is a lot of talk about the rural base, and the urban vote, and speculation that the Tories may be torn loose from their ideological moorings. This is rather unlikely — if it was likely we would be hearing the murmurings from the offices downtown.

The Tory success in Ontario over the last 30 years has been built on an aggressive determination to seize the initiative of economic expansion. In doing so, social priorities have been knocked out of kilter and the economic boom itself has served to impoverish part of the province in the interests of those who control the other part. And now it is catching up.

The questions Davis is fumbling on these days are not questions of stopping the action, but of cutting the people in on it. Even if Leslie Frost were to rise again — this time as a "socialist" — he would still have to answer the questions about housing, jobs, schools and cheap false teeth.

Rae Murphy is a member of the editorial board of the Last Post

The Spice Island approaches its joyless independence

by Last Post staff

Back in 1950, a 28-year-old former teacher from Grenada in the Windward Islands named Eric Matthew Gairy was thrown out of the Dutch Caribbean island of Aruba for labour agitation. He returned to his native island, organized the plantation workers into the Grenada Manual and Mental Workers' Union, and within three months had built up a membership of more than two thousand. He took the GMMWU out on strike and won its demands for wages of \$1.20 BWI (70 cents Canadian) a day for men and \$1.00 BWI a day for women. In 1951, Gairy organized the Grenada United Labour Party and swept 71 per cent of the vote in that year's election, Grenada's first under universal suffrage.

In the last few months, twenty-three years after Gairy's eventful return to Grenada, the usually tranquil island has again been swept by strikes and political turmoil. But this time the object of the strikes has been to remove Premier Eric Gairy from power.

Grenada is small even by Caribbean standards: 133 square miles, roughly 100,000 people. It has no industry of any size and, unlike larger islands such as Jamaica or Trinidad, little foreign capital to speak of; it produces bananas, cocoa and the nutmeg that gives it its nickname of the Spice Island. North Americans who have gone there have, up until this winter, always found it a model tourist haven.

This winter, however, the tourists are cancelling their reservations (no great loss for Grenadians: it is estimated that 90 cents out of every tourist dollar leaves the island), the cruise ships are not calling and the Canadian and American governments have advised their nationals to stay away.

The immediate political crisis surrounds Grenada's proposed independence from Britain. At press time Gairy was still planning to declare independence on the scheduled date of February 7, despite demonstrations of up to 20,000 people in the capital, St. George's, demanding that independence be postponed.

Opponents of the regime are not opposed to independence in principle; they are, however, opposed to independence under Gairy.

The British granted Grenada's independence without the customary referendum, on the grounds that Gairy's last election victory in 1972 was a mandate for ending the last vestiges of political control from London. For the British to make any move to prevent Gairy from going ahead with independence would be politically difficult, especially since Britain's last experience with Caribbean interference, its invasion of tiny Anguilla in 1969, was something of a fiasco.

Britain did however cancel out on its pledge to send a minor member of the royal family, Prince Richard of Gloucester, to represent it at the independence celebrations; under the circumstances, this was about the strongest move it could make. Gairy was very eager to have some of the prestige of a royal presence rub off on him; as it was, his already tarnished independence would be further dimmed by the

British move.

The main fear in Grenada is that independence will intensify the trend toward autocratic rule that Gairy's regime has shown. It is commonplace to compare Gairy with the late François (Papa Doc) Duvalier of Haiti, and his Mongoose Gang of hired thugs with Duvalier's Tonton Macoute.

Back in 1970, when Black Power demonstrations rocked Trinidad, Gairy scornfully denied the need for such a movement in Grenada. However, he took no chances: according to Leslie Seon, at that time manager of the Windward Islands Broadcasting Service and a onetime friend of Gairy's, it was soon after that that the secret police were set up. They were, said Seon, known by various names — the Voluntary Intelligence Unit for the Protecting of Property, Special Police, Night Ambush Squad, as well as Mongoose Gang. Gairy's opponents suspect that the Grenadian Army, to be created after independence, will be yet another manifestation of the same thing.

Gairy admitted that he was recruiting his secret police from the roughest elements of Grenadian society, reasoning that "does it not take steel to cut steel?"

Opposition to Gairy began to crystallize in early 1973. There had always, of course, been a parliamentary opposition party, the Grenada National Party, which had held office during Gairy's periods of eclipse (his franchise was taken away from him in 1959, and then after he made a comeback, charges of squandering public funds were proved against him in 1962, which kept him out of office for five years). In recent years, however, the GNP, never the most formidable grouping, had become increasingly ineffectual. In the 1972 election it had taken only two of fifteen legislative seats; one of those two members, GNP leader Herbert Blaize, was ill, and the other one had left Grenada to study in the United States.

So people opposed to Gairy began to turn to extraparliamentary groups, the most significant of which is the New Jewel Movement, formed out of a union of two other groups in March 1973. Led by young, educated Grenadians, New Jewel attracted increasing support and an escalating response from Gairy and his secret police.

On November 18, three members of New Jewel, 29-year-old barrister Maurice Bishop, 24-year-old school-teacher Unison Whiteman, and 26-year-old accountant Selwyn Strachan, were beaten up in broad daylight as they were about to address a meeting in Grenville, the island's second largest city.

That was the key that let loose the pent-up opposition to Gairy. A Committee of 22, including some of the most respectable religious, labour, professional and business people in Grenada, was formed. Through a series of strikes in early December, the Committee succeeded in extracting promises from Gairy that the secret police would be disbanded and that



Maurice Bishop (left) and Unison Whiteman: beaten up by the Mongoose Gang (secret police) in broad daylight

an impartial commission of inquiry would investigate the charges of police brutality.

However, no one really believed that the secret police would be disbanded just because Gairy had promised they would; that is neither in Gairy's nature nor in the nature of secret police forces. The central demand of the opposition became clear: Gairy must go. On December 11 the Committee of 22 met and agreed to a general strike if the Gairy government hadn't resigned within sixteen days.

Five days later Gairy spoke on Grenada's government-controlled radio station and, referring to the Committee of 22, threatened to "use every God-given legal and constitutional means at my disposal to cut you down to size." A journalist hearing the broadcast noted that this was "said in such a sinister tone I got goose-bumps."

The commission of inquiry, under retired Jamaican Chief Justice Sir Herbert Duffers, met early in January and acquired a reputation in St. George's as "the best show in town." A hotel owner, Ken Milne, described how he had attended a Gairy rally November 4 and had been beaten up on the Premier's orders. Milne later packed up and moved to Tampa, Florida. Eric Randolph Campbell, a member of New Jewel, described several beatings at the hands of secret police in the course of 1973; during one of them, he said, the secret police had pushed his head into a toilet bowl and flushed the toilet. Its work incomplete, the commission adjourned in mid-January until after independence.

At the turn of the year, the strikes and demonstrations began in earnest. Shop-owners and employees co-operated in shutting down almost all stores on the island. Work ceased at the docks, and sympathetic dockworkers in Trinidad refused to handle freight destined for Grenada. Later, virtually all communications were cut off. The crowds in the streets of St. George's grew from three thousand to five thousand to ten thousand and ultimately to a reported twenty thousand, a fifth of the population of the island.

Gairy, while admitting that St. George's was opposed to him, claimed that the real Grenada, the rural people he had organized twenty-three years earlier, still stood behind him. There was some truth to that. But demonstrations of that size — a Canadian equivalent would be half a million people in

the streets of Montreal or Toronto — represented a widespread popular sentiment for his dismissal.

On January 13, Dame Hilda Bynoe, the Gairy-chosen Governor of Grenada, resigned in response to one of the opposition's demands. But the main demand, the resignation of Gairy, was still not fulfilled.

On January 21, businessman Rupert Bishop, father of Maurice Bishop, a prominent New Jewel leader and one of the three beaten up in Grenville November 18, was shot and killed in the streets of St. George's.

So Grenada approached its joyless independence. Gairy of course denies that the island will become another Haiti — "my spiritual philosophy wouldn't permit this" — but he has, at the very least, exercised a one-man rule of the most extreme form. In addition to the premiership, Gairy holds the ministries of External Affairs, Home Affairs, National Security, Tourism, Land and Surveys, National Resources, Planning and Development, and Information.

And beyond the immediate demands for an end to police brutality and autocratic rule lies a dissatisfaction with the government's financial bankruptcy and bankruptcy of ideas to deal with the island's unemployment (up to 50 per cent of the work force), inflation, economic backwardness and low standard of living. The New Jewel program calls for nationalization of foreign-owned hotels, banks and insurance companies (financial institutions are notorious for taking money out of the country and refusing to extend loans to local small businesses), agriculture geared to local needs, improved health and education, and a democratic constitution.

There are no great interests to protect in Grenada; it is, in the Trinidadian writer V.S. Naipaul's phrase, dangerous only to itself. And so it will be allowed to work out its own problems, either to fall into the sullen apathy that characterized Trinidad after the 1970 uprising or to serve as an example of a successful revolt that could spread to other territories, where the presence of oil, bauxite and the American military create a more active metropolitan concern.

"Gairy said that Black Power would never reach Grenada," said one journalist recently returned to Canada from the island, with a little laugh. "Well, Black Power has reached Grenada."

Reviews

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Small towns and the farm folk

by RALPH SURETTE

Grass Roots, by Heather Robertson. James Lewis & Samuel. 364 pp. \$10

Heather Robertson, an urban intellectual from Winnipeg, having taken note of the deterioration in rural lifestyles, lit out upon the Prairie in 1971, pen in hand, in a quest for "roots."

It was a fashionable pursuit at the time, and possibly even an honourable one despite some cheap mythmaking on the subject by the Berton-Newman ilk.

But it is perhaps symptomatic of a certain reality that she ended up writing a good book only because she failed in her quest.

She doesn't seem to realize that she failed, however, and consequently the book's strength is blemished by a crisis in perspective, a lack of distinction between strictly rural life and the life of the small town.

This crisis is registered in a disjointed first chapter or two that read, uncharacteristically, like an interminable adjective-popping lead paragraph to a "Maclean's discovers the West" article.

Robertson's initial search led her to stay awhile with the family of a poor Saskatchewan farmer, one Gordon Taylor. An unfortunate choice. Taylor gives evidence of being able to smell a city slicker coming from a mile away, and of polishing up his lines beforehand. This is not very good for someone looking for "roots."

The kernel of what makes a farmer stick with all the tenacity of a root to the earth — and what makes him let go — eludes her. When she says, at the end of the second chapter, that "agrarian society is not just a watered down version of the city" we suspect that here is a hopelessly urban mind at work, completely out of her depth and about to start pumping some mythology to cover up.

Yet it is just at this point that Robertson repairs to higher ground, to her position of strength and her firm perspective: to the small towns that depend largely on the surrounding farmers for their existence.

From then on we see the farm folk in silhouette, as they walk into the towns, the crassly commercial towns that feed on the farmers for their existence but do not thank them, that take the farm wives' money then put them down. It is, in fact, a unique angle.

She chose five specific towns in Manitoba and Saskatchewan — Miami, Bienfait, Winkler, Biggar and Moose Jaw —

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turned them upside down and emptied their brains and stomachs.

Not just like that, but with a certain tension. The towns, conservative, capitalist, religious and backward, sometimes fight back at this socialistic, agnostic city slicker with her judgments about them; in Miami, for instance, "there is something indecent, unrespectable, almost dangerous about sitting outside exposing oneself to the sharp eyes behind the flickering lace curtains."

Robertson's West is dominated by the tackiness, transience, and impermanence of a society the history of which barely spans the lifetime of some of its original settlers.

A society, too, set up almost under false pretences — as a producing and consuming prisoner of eastern money brokers, a society meant to be motivated by religio-capitalism, but which sometimes twisted that around and came out socialist.

There are many images of this throwaway quality of the origins of the West. One of them is in the way some of these towns were named.

Railway bigwigs from Ontario, riding their trains westward, amused themselves in plush comfort by designating specific areas as the new stations and naming them after themselves: Melville, Biggar, Wainwright . . . named after rich men who went by once on a train and waved the magic wand of Big Money over the nameless Prairie.

Or, as an image of transience, take Nelsonville, Man., a town built in anticipation of the railway coming through. When the railway, amid political shenanigans involving Donald Smith, was built three miles south the aghast burghers loaded the entire town on skids and sledged the buildings to the railway station.

There are towns, too, like Miami, WASP and old, in which the cemetery is the only growth industry; or like Winkler where morality and profit are the same; or like Biggar, boisterous and socialist; or like Bienfait, a harsh mining town near Estevan, site of the legendary murder of three miners by the RCMP in 1931.

Or, ultimately, like Moose Jaw, "a boom town grown old, a city which symbolizes everything corrupt and absurd about the Prairies."

Moose Jaw comes across as sheer caricature. Dying slowly by virtue of economic forces centralizing elsewhere, the town boosters get more frenzied the more industries leave. The more grim the realities get, the more "onward and upward" the town council gets.

Until, in a desperate grab for any kind of publicity it could get, council in 1970 decreed that pedestrians would have to walk on the right-hand side of the sidewalk.

The city "was convulsed in helpless laughter," and became a continent-wide laughing stock.

These findings are far from the much-coveted "grass roots".

Robertson has a strong sense of the particular and a correspondingly weak sense of the general. The book is far from an adequate explanation of population movements, of the peoples' flight to and from the land within a lifetime. Sometimes her sense of the particular asserts itself too strongly; she may on occasion dwell too much on how much catsup Joe puts on the hamburgers at Joe's Eats and not enough on explaining, for instance, the duality of the West which makes it at once a land of Bible capitalism and the home of Canadian socialism.

Instead, the book is a journalistic tour de force dealing with people and places that evoke a specific and stimulating West.

Dylan's return: too many people expected a messiah

by ROBERT CHODOS

The people who came to hear Bob Dylan were not your typical rock-concert crowds.

They were, to start with, older: mostly in their mid-twenties with a smattering of people in their thirties, forties, even fifties. They were also more respectable: someone who was at one of the Montreal concerts reported seeing Quebec Financial Institutions Minister Bill Tetley in the audience.

They were polite; it was about as threatening a gathering as the audience at a Boston Pops concert. The aroma of mari-

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James Lewis & Samuel, Publishers

juana was prevalent but not all-encompassing; it was possible not to smoke and still feel as if one belonged. There was enthusiasm but not hysteria: people on the whole did not tear their clothes off or scream in ecstasy.

The concerts demonstrated beyond any lingering doubt that Dylan still has an audience, and that that audience is middle-class, serious, and young but not pre-pubescent. They also demonstrated that he and the Band can still hold that audience. But a large number of people who went to the concerts expected more than they got.

That was not the fault of Dylan's performance, or of the performance of the Band. They sang and played good songs and they sang and played them well. Dylan was in his best raunchy, mocking form of eight or nine years ago.

But people expected more than a mere performance. They expected even more than the feeling of kinship in the audience and communication with the performer that these events sometimes achieve. The terms in which newspaper critics described the concerts were revealing:

"When it was announced late last year that Bob Dylan would herald 1974 with his first concert tour in eight years, you could be forgiven if you mistakenly believed that God had announced the second coming." (*Dave Billington, Montreal Gazette*)

"You would have thought it was Pope Paul on stage at Maple Leaf Gardens last night, not just a 33-year-old American pop songwriter." (*Sid Adilman, Toronto Star*)

"Bob Dylan, the reluctant pop messiah of the sixties, returned to Toronto last night for the first time in eight years and proved conclusively, as he's claimed all along, that he has feet of clay." (*Robert Martin, Toronto Globe and Mail*)

"Dylan is God. Pop stars are gods." (*Georges-Hébert Germain, Le Devoir*)

In other words, some people, at least, wouldn't have gone home satisfied with anything less than a re-enactment of the miracle of the loaves and fishes. That was the hype surrounding the concerts, for no one attracts some 600,000 people into uncomfortable hockey and basketball arenas and walks off with something like a million dollars without some hype.

There were no miracles performed on the stages of the Montreal Forum or Maple Leaf Gardens; there were concerts. A related point of dissatisfaction was expressed when a member of the Toronto audience pleaded, "Talk to us"; any time Dylan opened his mouth to say, "There's going to be an intermission; we'll be back in fifteen minutes," or "It's great to play in Montreal again," it was taken as a sign of uncharacteristic loquaciousness on his part. But in a sense that too reflected a misguided expectation, for Dylan the public personality has always been a poor copy of Dylan the songwriter and singer. He has always spoken best through his music.

People who had been to both said that his 1974 concerts bore a marked resemblance to those on his last tour in 1966: most of the same songs sung in much the same voice. There was little evidence of the country period that had come in between; his big country hit, "Lay Lady Lay", was given a rollicking rock rendition. There were new, and often improved, arrangements for the older songs; some of the songs that had originally been sung folk-style were transformed into rock numbers and vice versa, is if to imply a certain unity to it all.

The few new songs he included tried to fit the moon-June syntax and sensibility of his country period into a rock rhythm and the results, on first hearing, were not satisfying. He will probably write no more of the angry narratives of 1962 or the spinning reels of free-association imagery of 1965. He's a married man in his early thirties with five kids now and one individual can only be expected to be tortured and tormented for so long.

He sang "Blowin' in the Wind" and "The Times They Are A-changin'", the songs most heavily encrusted with associations: civil rights, the march on Washington, nuclear disarmament, the first stirrings over Vietnam, the feeling that youth could change the world. They were enthusiastically applauded, but in 1974 they were just songs.

He has not abandoned his audience nor has his audience abandoned him, but there seemed to be a dimension to his music and to the audience's response to it in the 1960s that is now missing. For if to regard him as the messiah was something of an exaggeration, Dylan did once give the appearance of being the herald of a new era. But that too was an illusion: ten years later the answers are still only blowin' in the wind, there was in fact no tambourine man, and the more the times they have a-changed the more they have remained the same.

The sight of one of the most prominent members of the American new left of the sixties grovelling at the feet of the Guru Maharaj Ji reminds one that it is not uncommon for religious movements to be aberrant outgrowths of political movements whose time has passed. That is perhaps why there has been a tendency to put Dylan concerts into a quasi-religious context. At any rate, the religious note is a discordant one. Many people in the audience, perhaps most, expected only the return of the old Dylan, with his voice, his guitar, his mouth organ, and the Band. They were not disappointed.

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Media serving the social order

by STUART ADAM

The Mind Managers, By Herbert Schiller. Beacon Press. \$9.95

Social and political theorists have told us two apparently contradictory things about the modern world. One is that this is the age of the rule of nobody — Hannah Arendt's phrase — an age of buck-passing, irresponsibility, shifting rules, permissiveness and the-computer-did-it. The other is that the modern world is one in which power has expanded exponentially leaving a functionally unfranchised mass in its wake. Standing astride the great system of power is, in C. Wright Mills' formulation, a power elite rather than a nobody.

Both notions are commonplaces and would require no special attention here were it not for the fact that they are inexplicit but important assumptions of Herbert Schiller in his latest book, *The Mind Managers*. In one sense, he has made these assumptions compatible.

Schiller is a former economist whose attention has been turned to the communications media by an interest in the organization and effects of power in American society. His book is about false consciousness — a conception of things which is out of joint with the reality of things.

Schiller's major proposition about the relationship between the media of mass communications and false consciousness is contained in an extravagant introductory statement in which these media are seen to be the sole source of behaviour.

"America's media managers," he writes, "create, process, refine and preside over the circulation of images and information which determine our beliefs and attitudes and, ultimately, our behaviour. When they deliberately produce messages that do not correspond to the realities of social existence, the media managers become mind managers. Messages that intentionally create a false sense of reality and produce a consciousness that cannot comprehend or wilfully reject the actual conditions of life, personal or social, are manipulative messages."

The trouble with the statement is its extravagance. It is possible to deny the worth of all that is conveyed through the mass media and to argue further that there is a relationship between the content of the media and the behaviour of those who watch it without going the whole hog. The media can be viewed as dangerously banal or ideological without the benefit of the conviction that it is the media that give the people a presumed stupidity. Such a conviction mocks the people and ignores the best discussions of the relationship between media and mind.

In any case the proposition justifies a predictable but nevertheless useful analysis of some of the media and the myths that purport to describe their character.

What is predictable is that we find the corporate, government and military interest impressing itself on everything from public affairs to Bambi. As he writes, "the dominant interests of the state-capitalist economy determine the character of, and controls on, the information flow."

Accordingly, the Freedom of Information Act in the United States permits withholding of information "in the in-

terest of national defense or foreign policy," and withholding some kinds of trade, commercial, geological and geophysical information such as maps showing oil wells.

National Geographic, a magazine of extraordinary circulation, is seen to be the agent of the state-capitalist order by ignoring any reportage of conflict, even in stories of South-east Asia. Disney is propaganda — not, it should be stressed, simply mediocre — in the service of the status quo.

So are the news media, although in their case Schiller adds an interesting hedge which I will deal with below.

Even the awedly violent entertainment shows are the servants of the social order. The violence in the typical television drama arises idiosyncratically and individually rather than reflecting the inequities of power or the violence of the state.

What Schiller attacks as ideology, many would see as mere schlock. But to see it as schlock, Schiller would argue, would be to ignore its political consequences. To say it is schlock is to imply that it is neutral and to say it is neutral is to repeat one of the major myths of media. From either point of view, one would have to grant that there is, truly, so little for the mind.

Fortunately, manipulation and control are not total. Schiller makes a point of saying that the system has internal con-

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"The aspect of history that concerns the exploitation of people and their resistance to it is left largely untouched by historians. There is not in it the romance of the 'great man' theme, nor the heroic adventure and drama of personal combat so popular among cloistered scholars. Besides, there is an element of danger involved in providing people with a knowledge of real history."

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traditions. For example, in the modern economy there are a "growing number of knowledge workers/trainees" who are unable "to accept the premises of the goods economy. Their schooling and their experience, limited as they may be, have raised doubts about a society that puts everything on sale and, despite assertions to the contrary, values the human being only as an afterthought. Ironically, the mass media are the sources of this subversive relation." The \$23 billion advertising business simultaneously coaxes ordinary workers into participating in the goods economy and awakens the aforementioned knowledge workers to the "True character of the American way." Their dissent was manifest during the sixties and festers in the seventies. Schiller is viewing the mass media dialectically.

There is a further point to the politics of the mass media which is worth recording, since it is typically insightful. Schiller notes that the rise in social conflict in the United States has been attributed by many, most notably by the former vice president, to the news media. Spiro's angry denunciations of news media are once again recorded as a means of providing evidence that government is preparing the way for intervention.

Viewing journalists as just a different breed of huckster, Schiller explains that the threat to order is so great that communications decisions, even news decisions, must become more political and less commercial. Schiller writes:

"What is occurring now is the open repudiation not only of the hallowed principle of full news coverage, which has rarely, if ever, been seriously implemented in the media, but also the commercial rule of keeping the level of excitement sufficiently high to attract an audience. . . . Apparently the threat to the social order is sufficiently grave . . . to call into question what the nation has always prized most, the quest for profitability."

But what about power, the rulers and the ruled?

One would think that the reality lurking behind the apocalyptic scenario of elegant deception would include some form of explicit collaboration. Not so. "Conspiracy," he writes, "is neither invoked nor considered in these pages. Though the idea of mind management lends itself to such an approach, the comprehensive conditioning carried on throughout American society today does not require, and cannot actually be understood in, such terms."

Indeed, what sounds like a conspiracy because of the span of its effects turns out to be a set of discrete activities based on the common principles of a communications culture. Schiller does not elaborate on such an idea beyond the disavowal of a conspiracy theory. But he shows a sensitivity to this point when he mentions in passing that "where manipulation is the principal means of social control . . . the articulation and refinement of manipulative techniques take precedence over other intellectual activities." Elsewhere he discusses how the principle of corporate rationality rather than critical rationality has invaded the classroom. Manipulation through media and corporate rationality through classroom are two faces of the same monster — a leviathan without an explicit collaborative core.

Indeed, the larger system is so poorly integrated that government intervention is required; it is so uncontrolled and unpredictable in its effects that it is creating the conditions for its own destruction. Nothing to worry about after all except, perhaps, one's sanity.

The point of course is that regardless of who controls it the growth of the power of the cultural principle of huckstering combined with the tremendous expansion of communications represents a setback for literacy and intelligence. Quite clearly, the future of civic virtue and political effectiveness looks grim.

Get rich with a bad movie

by CAROLE ORR

If you want to get rich, put your money in a movie. Not since the days of Lorenzo the Magnificent has the artist enjoyed such attention from the keepers of the purse strings.

"A thing of beauty is a good investment and a dividend forever," say the ads in the *New Yorker* magazine, advising the would-be millionaire to consider seriously this exquisite little blue-chip Botticelli.

In Canada, the wise investor who wants to make his killing in films puts his money on a turkey. (Remember *The Producers*? As their worst-laid plans go awry, Zero Mostel asks "Leo, where did we go right?") Because of the unique tax set-up here, a box office smash is good, but a flop can be a bonanza.

If you were movie mogul John Bas-

sett and you were shelling out \$200,000 for your film, the Canadian Film Development Corporation (CFDC) would come through, if all went well, with another \$200,000. You would then be entitled to 50 per cent of any profits the film might make. But if the film flopped then you could claim a capital cost allowance of 60 per cent on the full \$400,000, rather than on your share of the cost alone.

The net result has been that it is often more profitable to finance a failure and thereby make money through income tax deductions (such as capital cost allowance) than to reap the relatively small profits of a film distributed only in Canada, as most Canadian films are. A film must make about six times its cost before the investors begin to see a profit.

Some creative entrepreneurs developed another refinement. It was possible under this arrangement to buy a

film in the Middle East, say, for \$10,000 with exclusive distribution rights here, claim for tax purposes that it cost \$200,000 (which it may have for the original film company), put it on the shelf and write off the \$200,000.

The government, happily, has caught on to this, and has collected its dues retroactively. Now it is about to sweep the philistines out of the tax shelter altogether, or at least it is thinking the matter over.

But the CFDC is now considering a paper by lawyer John Sheppard, of Miller, Thompson, Sedgewick, Lewis and Healy in Toronto, based on a speech he gave to the Canadian Tax Foundation in November. Sheppard argues strenuously that the tax shelter must be maintained as an incentive to investment.

Briefly, the problem revolves around interpretation of Section 20 (1) (a) of the

Income Tax Act, which allows that tax deductions may be based on "... such part of the capital cost to the taxpayer of property or such amount in respect of the capital cost to the taxpayer of property, if any, as is allowed by regulation..." (for "taxpayer" read "investor".)

Sheppard cites the judgment of one Lord Atkin of the British House of Lords on a similar case, involving the legal question of what precisely comprised the "actual cost" to the investor. Lord Atkin pronounced as follows:

"What a man pays for construction or for the purchase of a work seems to me to be the cost to him ... and I think the

... expenditure on capital improvements by the person, *regardless of source*, will be the same as the actual cost to the person...."

The italics are mine. As Sheppard transfers the judgment to our case, it means that the CFDC money is considered to be your own personal investment.

The ineffable logic of lawyers is an acquired skill, like darning socks. Basically, it is an elaborate argument for more free money and tax dodges, paid for by the CFDC, under the guise of patronage of the arts.

Anyone who has a better idea had better start making some noise.

just one damn thing after another.

Richard Rohmer's journey into future schlock, *Ultimatum* — which would be more aptly titled *Capitulation* — is a story about 1980 when an energy-starved United States decides that something must be done about Canada's oil and gas reserves. Canada is given an ultimatum to allow the Americans free access to our Arctic gas, including the transportation right of way. As the President says: "... you can appreciate that I want to clean up as many loose ends as I can before the beginning of November so I can show the voters...."

That's blackmail, etc., says our angry Prime Minister who, sensing the ultimate threat to Canada — a loose end about to be cleaned up — does what any other national leader would do: he calls his executive assistant. "Tom, get in here fast...."

There then follows a frenzied round of genteel flag-waving and stiff-upper-lipping in Ottawa, a presidential inspection tour of the Arctic that gives Rohmer a chance to unload a lot of visionary engineering concepts on the uncomprehending reader, and the unfolding of a most curious sub-plot.

The sub-plot is connected with a third American ultimatum: Canada must recognize and settle the aboriginal rights of the native peoples of the Yukon and the Northwest Territories along the lines of the settlement in Alaska. This demand by the President is an apparent response to an outbreak of bombings along the Mackenzie pipeline. Sure enough, Sam Allen, an engineer with Imperial Oil and Prime Minister Porter's favourite Eskimo, along with his wife Bessie, has been wandering around the pipeline blowing it up for the past week or so. Anyway, one phone call and a promise of a meeting in Ottawa fix that.

Incidentally, the one love scene in the book takes place between Sam and Bessie in a tent outside of Aklavik (eat your heart out Irving Layton). With all the passion that the surroundings and circumstances warrant, Rohmer writes: "She smiled at him and put her arm around him, and her legs opened in response to his pressure. It was time to make love. It was time to begin the day."

Well, Allen's day began better than Porter's.

Rohmer has suggested in a recent interview that in his future books he will sprinkle in more sex. That may help, but it is not the real problem with *Ultimatum*.

BOOK ENDS

Women in the labour movement

HERSTORY, A Canadian Women's Calendar 1974, by the Saskatoon Women's Calendar Collective. The Women's Press. \$3.00.

HERSTORY is really a catalogue of obscurantia. Concluding that History is mainly the story of him, the Women's Educational Press has published a calendar book intended to fill in some of the gaps — in fact the vacuum — of our knowledge of the history of women in Canada. Since it is a compendium it is largely non-partisan, including everything down to the birthdate of Adelaide Sinclair, "Canadian government official, U.N. representative and Chairwoman of UNICEF, born Jan. 16, 1900". Elsewhere we learn that on August 8, 1969, "women picket Trudeau in Vancouver, saying 'hustle grain, not women'".

But for all the effort to be impartial, HERSTORY winds up being primarily a history of women in labour and in left-wing politics, for the simple reason that both areas have traditionally been part of the obscurantia of the nation. There are more people and events in the history of both that nobody has ever heard of than in all the annals of government, sport, the arts and the professions. Of

course this is as true for the men as the women (Who's Tim Buck? Fred Rose?) so maybe a THEIRSTORY is called for as well.

I say 'as well', because women's history must be analyzed separately if the women's movement is to have any clear vision of what it ought to be doing, based on what it ought not to have done in the past. HERSTORY provides some good basic raw material, some useful information and some funnies. Now, connect the dots.

Carole Orr

In the end, Rohmer's fatalistic

Ultimatum, by Richard Rohmer. Clarke, Irwin. 227 pp. \$7.95.

Poor old Prime Minister Porter, in office for less than two months, comes to work one morning only to receive a call from the President of the United States of America telling him to get his act together within 24 hours or else. From there on it is, as the saying goes,

Richard Rohmer is obviously a brilliant and inventive man. He is also dedicated to the development of Canada's heartland in the North and to the opening of the Canadian Arctic. He has expounded his ideas and projects for years, perhaps most notably in *The Arctic Imperative*. He has now chosen the form of the novel to dramatize his vision of the North and to proclaim again that if we don't do it, the Yanks will.

Yet it is in this area that the weakness of Rohmer's scheme seems most evident and this weakness becomes the fundamental flaw of his novel. The point being that if Canada doesn't develop its North now with American capital and to serve American energy needs now, then in 1980 they will march in and do it themselves. Because Rohmer apparently sees no possible change in the political or social status quo either in Canada or in the world, his nationalism doesn't really disguise his fatalistic concept of continentalism. Perhaps this is why after pages of brave talk, the puffed up balloon of Canadian unity in 1980 is punctured by a presidential decree.

In spite of all its problems, however, *Ultimatum* could mark an important departure for Canadian literature in that it deals with a public matter and attempts by way of fiction to dramatize and to heighten the reading public's consciousness of the economic, social and political facts of our life. Canadian literature, at least that published in English, has striven might and main to avoid any connection with social reality, which is one of the reasons it is so insipid. If *Ultimatum* can be the forerunner to a turn to, if not social realism, at least an effort to write books that are about something, Rohmer will deserve everyone's thanks.

Rae Murphy

WE'LL JUST WAIT FOR THE MOVIE

With characterization as two-dimensional as the page, the novel's real accomplishment is a series of stichomythic incidents each stuffed with fresh visceral sensations, and three-dimensional objectivity. The olfactory, acoustic, visual and tactile parts far excel the excremental whole.

—Tony Kilgallin, *Books in Canada*, December 1973

In a sick way, a fun book

In Search of Nixon, by Bruce Mazlish. Penguin Books. 187 pp. \$1.95.

Although one of the most durable politicians in the United States, Richard Nixon has always been one of the most unpopular. A reflection of Nixon's unpopularity, even when he was riding high, is the relative lack of books about him. Even before Watergate, few publishers apparently considered signing up any Nixon cohorts, flacks or butlers to produce the pop biographies that seem to accompany American presidents. There will be no titles like *The Wit and Wisdom of Richard Nixon* or *Dicky, We Hardly Knew Ye*.

One publisher who took the plunge and signed a former Nixon speech-writer to a quarter-million-dollar contract to whip up a biography is already trying to get its advance back. *Time* magazine quotes another as declaring that the only book that will sell "would be one that exposed Nixon as a crook." Given the ennuï now surrounding Watergate, even that seems doubtful.

However, there seems to be one exception. Bruce Mazlish's *In Search of Nixon* has now been reprinted by Penguin with a new post-Watergate introduction by the author. Mazlish's gimmick is that his is a psychohistorical inquiry or, as the blurb on the cover tells us: "Why does Nixon have such personal difficulties in making decisions? On the basis of his childhood problems, what can we infer about his attitudes towards Communist China, inflation, the Supreme Court?"

In its own sick way, *In Search of Nixon* is a fun book.

Much of the fun lies in trying to follow Professor Mazlish as he thoroughly picks through every nit. For example, here is how Mazlish makes the momentous discovery that Nixon "has a strong quality of anality." The professor is alerted when he comes across a passage in a book that describes Nixon's rage at Dwight Eisenhower when the latter dithered about endorsing Nixon as his vice-president for a second term. "General," Nixon is reported to have said, "there comes a time in a man's life when he has to fish or cut bait."

Mazlish suspects Nixon used stronger language. Along comes one of the

Also brothers with another version of the same conversation: "General, you must pee or get off the pot." The metaphor is still apt and this time there is a classy alliteration, but Mazlish is still unsatisfied and presses the inquiry further. At last another version of the same conversation is unearthed: "General," said Nixon, "you must shit or get off the pot."

Eureka! says Mazlish as another frontier in psychohistory is pushed back.

Congratulating himself for a paragraph or so about the powers of prediction given the psychohistorian, Mazlish offers the modest caveat that had he known Nixon founded a social club at college named Beans, Brawn and Bowels, he would have tumbled to the president's anality much earlier — "Beans," the professor tells us, "have a double entendre related to Bowels."

On another occasion, a sleepless Nixon is bothered by thousands of war protesters, and leaves the White House to spend the rest of the night arguing with student protesters encamped at the Lincoln Memorial. With the dawn, Nixon leaves and on his way home stops off at the Mayflower Hotel for a breakfast of corned beef hash and one egg. Nixon confides to an aide that it was his first corned beef hash breakfast in five years.

Ever alert, Professor Mazlish pounces: "After the catharsis, an acceptable regression in orality!"

Well, it's a fun book and quite harmless; historiography and psychology after this catharsis are bound to recover.

Rae Murphy

SO UP YOURS, ABDUL

The word "Messiah" means the "anointed one," and for anointing, oil is required. I fear that the Arabs will refuse to furnish the needed oil because the Messiah will be pro-Israel.

Rabbi SIMON L. ECKSTEIN

Ottawa.

—Letter, *Ottawa Journal*, December 6, 1973

FLASH PANS

Flash Pans offers our readers a few witty and urbane blurbs selected, this issue, from the winter and spring catalogue of publisher Fitzhenry and Whiteside.

The Canadian Style, edited by Raymond Reid

"The author takes sharp issue with Canadian analysts who say there is no such thing as Canadian identity. An immigrant reports 'On the first date, Canadian males would take me to dinner and in return, invariably, they expected

EVERYTHING. . . .'"

[Now, back home, all they wanted was a peek]

Hitler: Legend, Myth, Reality, by Werner Maser, foreword by H.R. Trevor Roper

"Germany's foremost authority on Hitler has uncovered important material heretofore unpublished, including the Fuehrer's sensational medical history . . . German reviews state that 'for the first time Adolf Hitler comes alive as a person.'"

[Where were you in '42?]

Aquabics, by David Stinson and Richard Lough

"Harmony - Health - Happiness, the promotion of body-mind unity through becoming one with the water. The authors claim that anyone can learn to be at ease and harmony with the water, in swimming pool and lake, even in the bathroom."

[Yeah, but what about my rubber duck?]

France in America, by W.C. Eccles
"It's the type of essay that one should refer to in evaluating the work of various authors. Although it should be borne in mind that the author himself states that not all the facts relevant to Canadian history are yet known — *Moose Jaw Times Herald*"

[Susanna Moodie holds secret meeting with Wm. Lyon Mackenzie, April 18, 1836 — FBI files]

LETTERS

Dear Last Post:

With respect to Patrick MacFadden's "Of an evening in a Kentish vicarage" (January issue) I have only two words of comment: Right On!

R.D. Wilson
Montreal

Dear Last Post:

I feel obliged to concur with Margaret Brady (Vancouver Working Women's Association) in her indictment of the lack of progress in your feminism (*Last Post*, Vol. 3, No. 5). Mark Starowicz's "tough-talking" journalism really could do without the prop of describing that gifted dancer in Vientiane. Why adopt a blasé attitude towards exploitation after going through the trouble of enumerating the Khmers Rouges' program which fully incorporates women as people, as citizens of a united people? Using "Ms." does not automatically abjure you of your responsibilities toward feminism. Perhaps my criticism is picayune, but I'm always expecting a great deal from serious people — and I take your research and effort very seriously indeed. So seriously that I am parting with my hard-earned "sous" to order a subscription for the coming year.

Lyba Spring
Paris

Dear Last Post:

In his last column, Mr. Claude Balloune claimed that Claude Ryan backed the Liberals to "save his future political career." He implies that in backing the Liberals, Ryan sacrificed his own beliefs; yet the editor of *Le Devoir* has never come out for the independence of Quebec. Mr. Balloune is entitled to his own opinion and it was certainly right to try to demonstrate that Ryan's electoral position was inconsistent with his past writings. Of course to do that would have taken a serious intellectual effort. Evidently Mr. Balloune finds it easier to make a cheap cynical crack without a shred of proof. But such criticism is well below the high standards which the *Last Post* has set itself.

Joseph Levitt
Ottawa

Dear Last Post:

I have noted the increasing use of the phrase "knee-jerk" to describe mindless, stubborn adherence to a particular viewpoint, usually a reactionary one (*vide*, "Will it Stop at Nixon?", vol. 3, no. 7, p. 6, l. 15). While the phrase loses little of its abhorrence from repetition, it would seem to be an appropriate description of the attitude of your magazine toward abortion as expressed in the article on the Morgentaler trial in the same issue.

Your writer does her best to make a latter-day Norman Bethune out of Morgentaler, as he brings the best of

medical knowledge to the oppressed poor of east-end Montreal and defies the establishment to stop him. There seems little question of Morgentaler's competence and dedication; however, Adolf Eichmann believed in what *he* was doing and carried it out with a certain competence, as well. This comparison seems more apt.

Frankly, the notion that anyone should presume to terminate a human life, once launched at conception, scares the hell out of me. The notion of killing for the sake of convenience is too readily extensible to victims of any age, for a society with any pretensions of being civilized to tolerate. I readily admit that governments at all levels have consistently shirked their responsibility to help women avoid unwanted pregnancy; yet it hardly seems that Morgentaler and the "knee-jerk" pro-abortionists have the answer to the problem. A savage act of destruction of life, however technically precise its execution, only compounds the initial irresponsibility.

Your article, however biased, has something to commend it. It makes clear to a greater extent than did the press or the CBC that Morgentaler's acquittal arose as much from the incompetence of the prosecution and assorted emotional irrelevancies as from the merits of the case. A different, more satisfactory result may yet emerge on appeal.

Douglass L. Grant
St. Francis Xavier University



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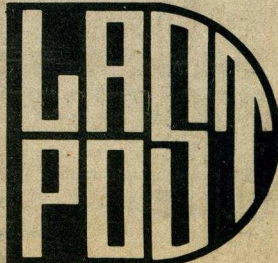
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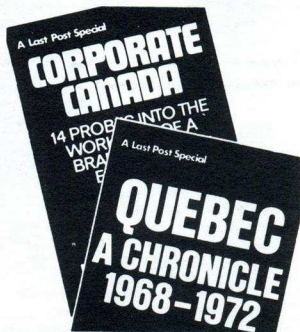
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