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**LADY
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THE LAST POST
Vol. 4, No. 2

August 1974
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**LADY
POD**



The perils of Pierre: Episode 3

MY HUSBAND
AND I...



ASLN 74.

LAST POST

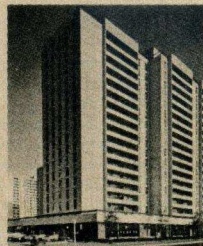
THE LAST POST Vol. 4 No. 2

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LETTERS

Dear Last Post:

Re: Great Canadian Oil Sands Ltd.

We are writing with reference to an article by Mr. Larry Pratt which appeared in a recent edition of the *Last Post*. The article, which makes reference to the prices charged by our above-noted client for synthetic crude oil sold to its United States parents, Sun Oil Company, is very misleading and has given our client concern that your readers are being misinformed.

The notion that our client is selling synthetic crude oil to its parent company at artificially low prices which allows Sun Oil Company to make profits at the expense of Canadians is completely untrue.

Apart from selling to Sun Oil Company in the United States, GCOS sells its crude to other purchasers, some of whom are not associated with GCOS or Sun Oil Company. Without going into all the details of the GCOS pricing policy, it is correct to say that no purchaser from GCOS pays a higher price for its crude oil than Sun Oil Company in the United States. GCOS always seeks the highest possible price for its crude oil, whether selling to Sun Oil Company or to any other purchaser.

Moreover, it should be kept in mind that through GCOS, Sun Oil Company has invested more than \$287,300,000 in the Athabasca tar sands (upon which it has yet to receive any return) and it is for this reason that Canada today has the technology that enables it to enjoy production from the oil sands. Sun Oil Company has done everything it can to help GCOS maintain production, including waiving of lease royalties to which it is entitled, and it has not benefited either directly or indirectly at the expense of GCOS.

Your article has seriously called into question the integrity of the members of the Board of Directors of GCOS, some of whom have no association with the Sun Oil Company organization other than sitting on the board of GCOS. We feel that this is quite improper in light of the true factual situation and we suggest that before any future articles are written on this matter, you substantiate your facts. Mis-

leading articles harm not only the persons referred to, but also your readers.

**Tilley, Carson & Findlay
Barristers & Solicitors
Toronto**

Larry Pratt replies:

It is nice to have the record set straight once and for all. "Without going into all the details of the GCOS pricing policy," the writers have finally cleared away any doubt in my mind that GCOS really is a loser. Indeed, though the writers are too modest to admit it, GCOS ran another large loss last year, and have also recently increased their production substantially — which will no doubt improve their situation even more.

It is well known that the whole notion of transfer pricing, which the big oil companies are sometimes alleged to have perfected, is nothing but a fiction dreamed up by twisted minds who would like to sabotage the free enterprise system. It is therefore all the more valuable to have the truth made known.

It is also interesting to hear that GCOS is to be thanked for making the tar sands technology available to Canada: some distorters of history persist in spreading the vicious myth that the technology was actually developed by researchers from the Alberta Research Council.

Dear Last Post:

Mr. Auf der Maur obviously knows "fuck all" about the destruction of LG-2.

The most important point to be made is that there was no logical reason for the debacle at all.

At the new camp, opened last September, accommodations in modern trailers were about as good as those you'd find in regular motels — and surprisingly good for any construction camp.

As for working up there, of course it's hard and you're isolated, but that's not the fault of the contractors! In any case, there had been no build-up of grievances at all by the workers, who get well-compensated for what they do.

If, as Mr. Auf der Maur implies, the workers rose up because they resented the American presence, how come no American contractors were hit? The only equipment damaged belonged to the James Bay Crown corporations!

Most evidence suggests that it was not the workers "en masse" that participated in the spree. Probably less than 10 people were actually responsible. . . .

As for the question of inter-union rivalry, I doubt that any of the union leaders actually approve of such action

before exploring less costly (in terms of dues and wages lost) methods first.

In short, everyone was harmed and it's stupid to try to rationalize what happened. Your magazine may wish to support "labour" in general, but being leftist never meant extending carte blanche to anyone who carries a union card.

**Esmond Choueke, Montreal bureau
Daily Commercial News
and Construction Record**

Dear Last Post:

Your reader here has been listening to Eastern Europe since October, weekly visits to East Berlin, radio, TV, books, newspapers, friends over there, etc. From what I know, Paul Neuberger's bit on Hungary in the May 1974 *Last Post*, while perhaps "factually" accurate, is a distortion of realities in Eastern Europe from the point of view of anything left of the Liberal party.

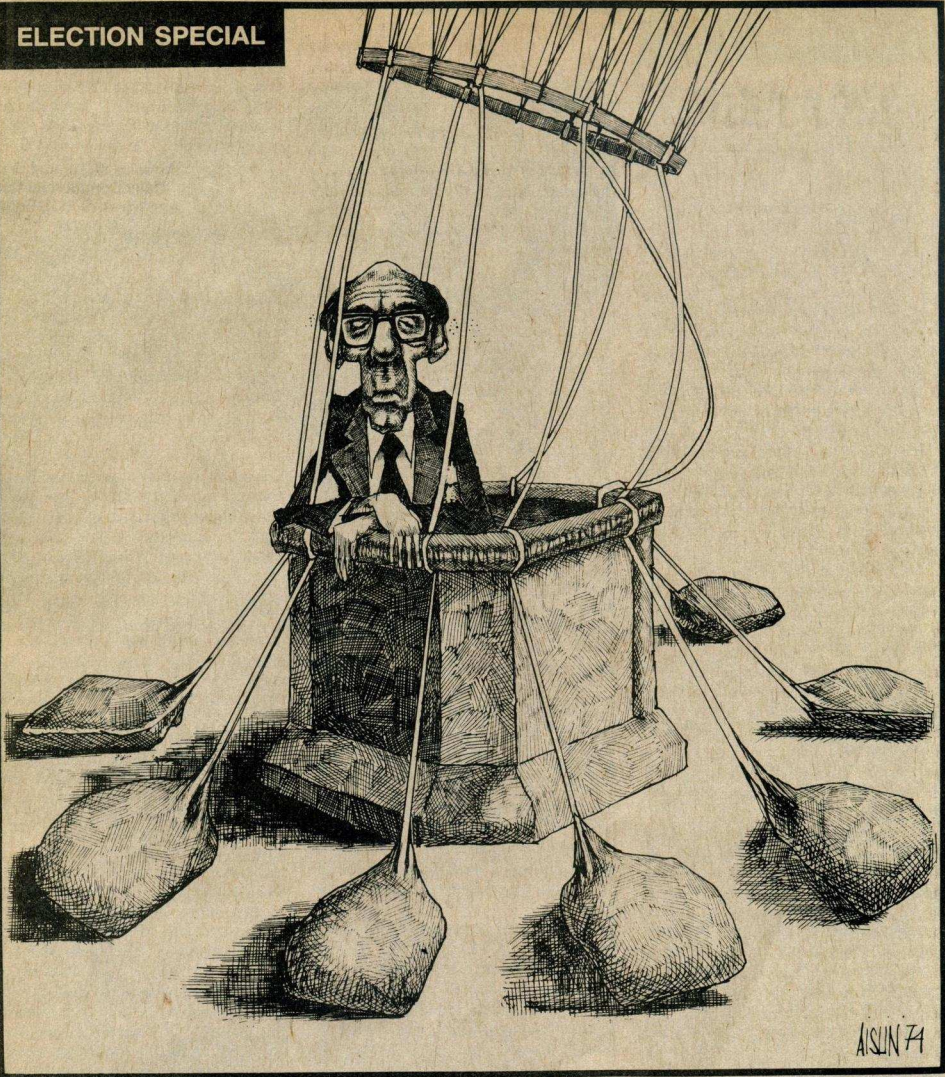
First, why should the *Last Post* trust a *Guardian* reporter's reports on Eastern Europe? Similarly what's so important about minor political changes (alleged or real) in Hungary? (Since when is a change a "purge"? Was LBJ purged?)

But to Neuberger's distortions (my view). His use of language suggests what he'd like to see in Eastern Europe: a "liberal" pragmatic market-oriented society — i.e. what we've got (or suffer from). Hungary has gone a long way on the Yugoslav route with its attendant advantages and disadvantages. Of the latter Neuberger sees none, rather he sees "hardliners" and "ill-qualified" careerists" combining with working-class resentment over "the good life it [the reform] offers to the enterprising. . . ."

Neuberger says only "hardliners" and workers feel threatened by this "liberalization". He implies — irrationally. But a "liberalization" whose result is a limitation of the influence and freedom of the majority of working people is no liberalization — it's its opposite. As a result, young intellectuals, some of the Hungarian "new left", are in the forefront of opposition to this new market society. While fighting for the liberty to express their views politically (which they have but is circumscribed), people like Agnes Heller, Miklosz Haratzi and Mihaly Vajda are arguing for a political course that would be more participative, more worker-centred, less consumer-oriented (rather oriented to the *person* as a creative, productive, developing personality). Not all "reforms" or all "liberalizations" have liberating effects for the common man. . . .

**Gordon Peterson
West Berlin**

ELECTION SPECIAL



AISLINN '74

THE STING

ELECTION SPECIAL

photo: Mark Starowicz

"The results prove people are better versed in economics than the politicians think."

—Charles Caccia, re-elected Liberal in Toronto-Davenport

"We have a lot of morons in this country."

—Brownie Zarubin, defeated Conservative in Toronto-Davenport

On the Saturday before the election, the Toronto *Globe and Mail* published a letter from an outraged teacher at a community college in Tory Ontario.

The teachers have been attempting to negotiate a new contract with the provincial government for well over a year without success. They have been forced into a system of compulsory arbitration and unable to reach agreement on a wage increase that will meet the rate of inflation. Now they are faced with government demands that suggest an increased workload and staff layoffs.

He'd been living under a Tory wage freeze for two years now, the teacher complained to the *Globe*, and he was quite fed up with it.

The letter reflected a gut reaction among voters and particularly Ontario voters, a reaction that led to the well-deserved political obscurity of Robert Lorne Stanfield.

The overwhelming majority of Canadians depend upon a pay cheque, and they are basically in a "no win" situation. The best you can hope for, other than striking it lucky on a lottery, is to be able to continue working and by so doing gradually improve your standard of living.

Inflation, which undermines your position, is a kick in the ass, but modern Canada has found ways of mitigating its worst effects, or at least appearing to. You simply slide deeper into debt, and become accustomed to the fact that you'll never get out of it. That's why people buy houses that couldn't be paid off within three working lifetimes.

But unemployment is quite another thing. If you're unemployed, or face the threat of unemployment, then you're in a position to do absolutely nothing — except find a job.

Whatever other issues there were in this last election, Robert Stanfield and the Tories were perceived as the champions of economic restriction that would slow down the economy and raise the



Much was made during the campaign of the new 'humble, chastened' Trudeau.

spectre of unemployment.

Worse, by proposing a wage freeze, they blocked off the only avenue of getting even with inflation, or even of keeping down one's losses in real income. Still worse, all the Tory prattle about the "work ethic" was simply a code for an attack on unemployment insurance. And worst of all, when a Tory talks about discipline in government spending and everything else, most people know instinctively who is supposed to be disciplined.

The Stanfield campaign of 1974 was a reversal of the 1972 election and the political infighting that preceded it.

At that time, the Tories were demanding that Trudeau do something about the threat of unemployment, which was running at about seven per cent. They accused the Liberals of renewing their "tight money policy" which had had such a disastrous effect on unemployment the previous winter. Trudeau was hung with the rap of bad economics. Added to it was carefully-cultivated anti-French hysteria, directed not so much at FLQ terrorists stalking the gentle burghers of Calgary South as at French Canadian ministers in key economic portfolios tossing the goodies eastward. The Man was in trouble.

This time the Quebec question was still there (the leader took the "high road" in disqualifying Moncton's Leonard Jones, but the boys in the field did the job), but the economic roles of the Liberals and Conservatives were switched.

All this merely suggests the transparent truth that the essential policies of the Liberal and Conservative parties are interchangeable. The corollary of this is that Canadian voters, given the absence of any viable alternative — and things are generally not so bad as to require one — will generally vote optimistically for the main chance, or pessimistically for the outfit that promises the least damage.

A Tory victory in 1974 spelt trouble to the majority of Canadians, and especially to people in the urban areas of Ontario, where inflation is a problem but at least the plants and factories are at full blast. So the movement was to the Liberals, and the NDP got caught in the traffic.

The Liberals ran at least two campaigns — probably three, when one considers the determined efforts being made in British Columbia to construct a "free-enterprise coalition" to defeat Premier Barrett and the inevitable shift to the right by the Liberals to control this movement.

In Quebec, it was straight Liberal machine politics. *C'est solide*, the most inspired slogan of the campaign, spoke volumes. That the Liberal strength held in Quebec was far from surprising, given the lack of an alternative. The surprise, especially to the pundits, was that Social Credit held on to eleven seats. What the pundits ignored was that Cr ditiste members are noted for the work they do in their constituencies — not just going to weddings and funerals, but processing the grievances of their constituents through the bureaucratic mills of Ottawa. Gilles Caouette, defeated in the election, claims to have processed 2,000 unemployment and other federal benefit claims in the eighteen months he was a sitting member.

(The remaining Cr ditistes will be hindered in this work by the loss of official party status in the Commons and hence of government-financed research and secretarial staff as a result of their going under the required minimum of twelve seats. Ironically, this minimum has its origins in a Social Credit split in the mid-sixties, when eleven members sided with then party leader Robert Thompson and thirteen went with R al Caouette. Under pressure from Caouette, the Pearson minority government established the minimum of twelve members for official party status.)

The other complication in the Quebec picture was the Parti Quebecois's call to its supporters to spoil their ballots. This

campaign evidently had only sporadic success. In some ridings, the number of spoiled ballots actually went down from 1972, but in Longueuil, there were more spoiled ballots than votes cast for the Quebec NDP leader, Henri-Fran ois Gautrin.

There was a faction in the PQ that wanted to support the NDP, but the dismal showing of the NDP on election day would indicate that it was a minority. "Lewis and the others didn't want us to support the NDP," said PQ leader Ren  L vesque the day after the election. "Now that the election is over I can say it: it would have been almost criminal folly for us to do it. These guys don't have roots in Quebec and they haven't worked for two years [since the last election]; often, they didn't even have a candidate in sight when the campaign started." Whatever the effect of the PQ "moi, j'annule" campaign, the NDP remained in Quebec's political wilderness and the Liberals continued to ride high.

In Ontario and most other sections of English Canada, the Liberals came on like social democrats.

They countered the freeze-and-controls proposal of the Conservatives by spelling out exactly what the Tories meant (the Tories, naturally, cried foul) and, as if to spite the hapless Stanfield, made promises that everyone could see as being inflationary.

By resurrecting Bryce Mackasey,

whose overhaul of the unemployment insurance act prior to the last election can now be seen as the one thing that saved the Liberals from being pushed over the brink in 1972 (all the wailing about "rip-offs" notwithstanding) and implying that he would unleash Marc Lalonde to get on with his health and welfare schemes, Trudeau made the point that he was in charge of the party and things were going to continue to move in the direction they did after his near-defeat. And the Canadian people liked the last minority government — liked it well enough to trample on the NDP that made it possible.

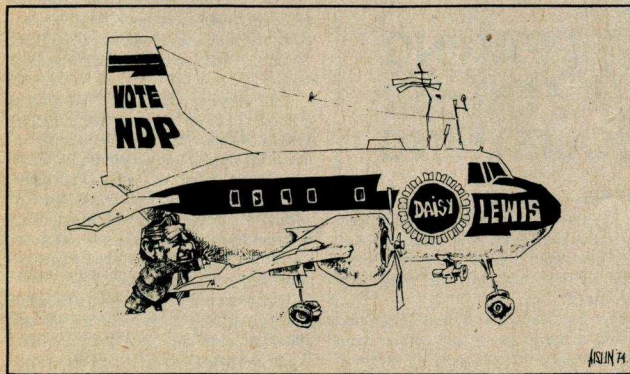
Trudeau even made creative use of his defeated budget. In speech after speech he defended the budget by contradicting Finance Minister John Turner's avowed rationale for it. According to Trudeau, the budget was designed to tax the rich corporations and make them pay for prosperity. Turner, meanwhile, was telling us about the wonders of the "trickle down" theory — the tax write-offs and concessions to industry provided jobs.

Trudeau used the budget and general Liberal fiscal policies as proof that the government wanted to free the producers to plant, dig, build and manufacture, while Turner was talking about decreasing demand, encouraging savings and (gasp) tight money. The bankers got Turner's message before Trudeau's, and raised their interest rates.

In Ontario, Trudeau had another thing going for him: William Davis and his Big Blue Machine. The current Tory regime in Queen's Park is in serious trouble as the dimensions of the disaster of the last few years of Tory rule become apparent. Davis gambled heavily on an expanding economy with controlled inflation, and things are not working out well at all.

Secure with a majority, Davis does not have to face an election for another year, and he is made to appear stronger by the weakness of his opposition. But one thing is sure: strong identification with Davis did not help Robert Stanfield — when it comes to the evils of waste and mismanagement every good Tory loves to talk about, William Davis has written the book. And, for what it is worth, when Davis and Stanfield spent the last day of the campaign at a large picnic on Toronto Island, the strolling Odd Couple elicited the loudest boos of the afternoon.

The decimation of the New Democratic caucus is the most unfortunate out-



David Lewis's campaign never got off the ground.

come of the election. In Ontario, the loss was surprising only in its extent. The NDP depends for many of its seats on sneaking up the middle of a Liberal-Conservative standoff, and so is always vulnerable in a shift one way or the other.

However, one of the factors that makes the NDP so vulnerable is its determined moderation — in its desperate attempt at respectability the NDP naturally tends to get confused with the Liberals. The NDP always wants to go a little further than the Liberals but, like a cautious prom queen, shudders at the suggestion of “going all the way.”

Of course it can be argued with conviction that if the NDP were to “move leftward”, “become more radical” and do all the other things that are going to drive the media away, they would lose even more. As a proposition that hasn't been tested in at least a generation, it can continue to be debated in blissful isolation from reality.

Statements like that of Dennis McDermott of the United Auto Workers that “the people of York South ought to be ashamed of themselves” for defeating David Lewis do not help. When one is out saving the people from themselves, there isn't much time for self-criticism. The people have let the NDP down, and the NDP, taking a leaf from Bertolt Brecht, will go out and look for another people — worthier this time, and nicer.

The Liberals face no such problems. But this does not mean that the future course of the government is clear.

A week before the vote a television interviewer asked Pierre Trudeau if he thought he had made good his promise to run a more irrational campaign than last time and Trudeau said yes, he thought he had. It was an apt comment, and the post-election political landscape is covered with a remarkable collection of debris, not only from the Trudeau campaign but from virtually all sides.

There were Tory signs advancing the absurd proposition that we need a “full-time PM”. There was another Tory suggestion that a Stanfield government would recall the new one-dollar bill to replace the view of Ottawa as seen from Hull with a western-Canadian scene. There were editorials in Polish papers proclaiming it was every Pole's obligation to vote for Stanley Haidasz, and rebuttals from the Toronto *Star* saying that it was everyone's obligation to vote for a Conservative. There was an editor-

ial drawing analogies between FLQ exiles Lanctôt and Carbonneau turning up in Paris and Napoleon's return from Elba.

Then there were the pundits, who travelled the length and breadth of Canada throwing frisbees and sagely taking each other's pulse, and especially poor young Geoffrey Stevens of the *Globe and Mail*. On July 6, Stevens wrote that his head told him there would be a Liberal minority government but his gut contradicted with a Conservative majority. Presumably he will now trust only his rectum.

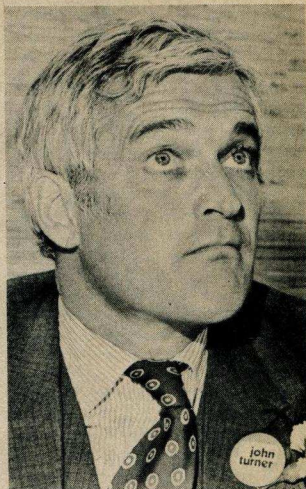
There is always something absurd about election campaigns — out-of-step bugle-and-drum bands, grown men and women waving signs and orchestrating cheers, and reasonably intelligent political leaders dashing frantically around the country unable to remember what they are saying or where they are saying it, constantly smiling and eating gooey food and above all trying to get everything in the can for the eleven o'clock news. That's democracy, and everybody has to play the game.

Policies and promises that win an election and the policies of a government, especially a majority one, only casually connect. Most people can accept that truth and still cheerfully vote Liberal. After all, it is better to vote for Trudeau knowing he won't and can't deliver on his promises than to vote for Stanfield and be bloody well assured that he will.

PREPARING US FOR SOMETHING

It was a persistent Tory complaint throughout the campaign, and a valid one, that everybody was talking about only one small part of the party's program to fight inflation, the wage and price freeze.

The implication was that if people looked at the program as a whole, then they would be more favourably inclined to the Conservative party. That conclusion, while self-serving, was less than obvious. It is probably best for the Tories that some aspects of their anti-inflation



John Turner and his leader talked about the same budget — but they said different things.

program received only the relatively scanty publicity that they did.

“Robert Stanfield is preaching a return to the old virtues to create a stable nation and combat inflation,” reported Bryan Dunlop of the Toronto *Sun* on May 22. The previous night, the Tory leader had “liberally laced his remarks with such words as ‘responsibility, thrift, stability, humanity.’”

On another occasion, Stanfield pledged to balance the budget. He repeatedly said he would slash government spending, and cut the fat from the civil service.

It all added up, if not to the old virtues, at least to the old solution for inflation, and to the tried-and-true economics of the inflation-unemployment trade-off. If unemployment shows signs of being a problem, you stimulate the economy, which creates inflation. Then when inflation becomes a problem, you dampen down the economy, which creates unemployment. Then you . . .

There was one key difference between this part of the Conservative platform and the wage-and-price-controls part. Wage and price controls were very skeptically regarded by the business community and its representatives. But the Tory program of thrift and frugality was welcomed with enthusiasm.

On June 19, a *Toronto Globe and Mail* editorialist pointed out that "two-figure inflation hit Canada once in the post-Second World War period, and was stopped in its tracks by government action." It was 1951, and the government was that of Louis St-Laurent. Its action consisted of a 20-percent increase in personal income tax, higher luxury taxes, a tax on appliances, and higher corporate taxes, all adding up to a budget surplus. Consumer credit was restricted. Inflation, and the economy, were stopped in their tracks. The *Globe*, which supported the Tories but opposed the wage-price freeze, saw in this a lesson for our own time.

At a conference of high-powered economists and bankers in Toronto on June 20, a speech by G. Arnold Hart, chairman of the Bank of Montreal, which was read to the gathering by a conference official (Hart's plane was delayed), concentrated on the evils of government spending. Government spending is in itself inflationary, according to Hart's speech, and not just the imbalance between spending and revenue. The bank chairman called for greater "discipline" and doubted that we would be able to make a "soft landing" from inflation.

Former American presidential economic adviser Paul McCracken called for "fiscal and monetary restraint" and said that wage and price controls had little or no effect. Gabriel Hauge, chairman of the board of the Manufacturers Hanover Corporation of New York, spoke in similar terms.

And while the *Globe and Mail* was reticent about talking about the effect of measures of this sort on unemployment, the American visitors were not. "The employment rate in the United States," said McCracken, "will go down from 95 per cent to 93 or 94 per cent," a positive-thinking way of saying that unemployment will go up from five per cent to six or seven.

Meanwhile, a *Newsweek* columnist suggested that unpopular economic action would have to be taken in the United States and that Richard Nixon, whose popularity was already shot to hell, was the only person who could do it.

It all sounded as if we were being prepared for something.

For Canadians, the Tory defeat meant a respite, but perhaps only a temporary one. For while the Liberals campaigned strongly against wage and price controls,



No paper was more Conservative than the *Toronto Sun*, but even it was not always a comfort to the Tory leader. One headline symbolizes the difficulties Stanfield had during the campaign; the other sums up the problems he faces now.

they were far less clear in their opposition to "fiscal and monetary restraint". Besides, they now had a majority, and didn't have to worry particularly about consistency. And the unemployment figure that came out the day after the election was under five per cent for the first time in four years.

In other words, the Liberals have a lot of room to manoeuvre — and it includes much of the territory previously occupied by Robert Stanfield.

IS THE CREDITISTE A LIBERAL OR A TORY?

The election results may have been a foregone conclusion in Quebec, but it didn't prevent the Liberals, Tories and Cr ditistes from putting on an old-style display of dirty tricks and infighting.

Both major parties expected a Cr ditiste debacle and did everything they could to benefit from it, particularly through the manipulation of candidacies. In some ridings, Cr ditiste candidates appeared to be put up by the Liberals, and in others by the Conservatives.

In Labelle, where Conservative star Marcel Masse was running, the manoeuvring produced not one but two official Social Credit candidates, plus one independent Socred. The Cr ditistes were at a loss to explain how they ended up with two candidates in a riding where they had previously run second to the Liberals, well ahead of the Tories. Both candidates filed nomination papers signed by party leader R al Caouette, although the latter said he only knew one, Capt. Wilfrid Marin.

The second one, J. Noel Langlois, was never heard of again after he filed his nomination papers. This led to accusations that the Masse organization had put him up to split the Cr ditiste vote. Masse countered that Capt. Marin, in a meeting arranged by Gilbert Rondeau, a long-time MP and Quebec Cr ditiste campaign organizer, had demanded \$10,000 to withdraw. Marin said he only men-

tioned that figure in explaining how much it would cost him to run in another riding.

In Brome-Missisquoi, where Tory incumbent Heward Grafftey retained his seat, the popular mayor of a small town was a reluctant Cr ditiste candidate. Jean-Marc Duchesneau, mayor of Frelighsburg, had been actively supporting the Liberal candidate, Brian Peters, until a few minutes before the close of nominations when he was driven to Cowansville city hall by Gilbert Rondeau to file nomination papers for the Cr ditistes. He refused to leave the car, however, and the court clerk had to come out to him.

It was true, Duchesneau said, that he "didn't feel like running. I wasn't offered a penny by any party. Those rumours that I was paid \$15,000 are completely false."

In Ste-Hyacinthe, the Conservative seat held by Claude Wagner, the Cr ditiste candidate, Jean-Claude Caron, filed his papers with minutes to spare and then promptly boarded a plane in Montreal, bound for a holiday paid for by unknown persons.

This was not Wagner's only problem — although he retained his seat with an

increased majority. Fellow Conservative Marcel Masse and his organization didn't make things easy for him. Then again, Wagner didn't exactly help Masse either.

It all started a few months back when Masse, a former Union Nationale cabinet minister and a young man of unbounded ambition, finally opted for the Conservatives instead of the Parti Qu bécois. Masse originally wanted to run in Joliette, against independent Roch Lasalle, but Lasalle decided to rejoin the Tories. Then Masse attempted to go into Trois-Rivi res, Maurice Duplessis's home town and thought to be good Conservative territory. However, Wagner intervened with Maurice Bellemare of the UN to block Masse's candidacy. Wagner and Masse aren't exactly friendly. Wagner and Grafftey aren't on speaking terms either.

Masse's friends more or less ran the Tory campaign in Quebec this time, and funnelled money away from Ste-Hyacinthe and other ridings into Masse's race in Labelle. But although the Masse campaign was run by old Union Nationale hands who knew all the election tricks, he still failed to unseat the incumbent Liberal.

'AND I DON'T MEAN NICKELS AND DIMES'

A new national voice for right-wing populism has emerged in the victory of Leonard C. Jones, the "people's choice" candidate in Moncton.

Basing his campaign on Christian fundamentalism and propelled by a deep stream of anti-French feeling, Jones easily defeated incumbent Tory MP Charles Thomas in this mixed riding of 55,000 people where 37 per cent are Acadians.

Moncton is situated on the border between the Acadian and Loyalist areas of New Brunswick, and Jones was able to capitalize on the riding's anti-bilingualism backlash, especially among blue-collar workers and clerical people who see bilingualism as a direct threat to themselves and their children.

"Damn the torpedoes — I'm going full speed ahead," Jones said in a post-election comment to his backers who, superficially at least, most closely resemble the little old ladies in tennis shoes

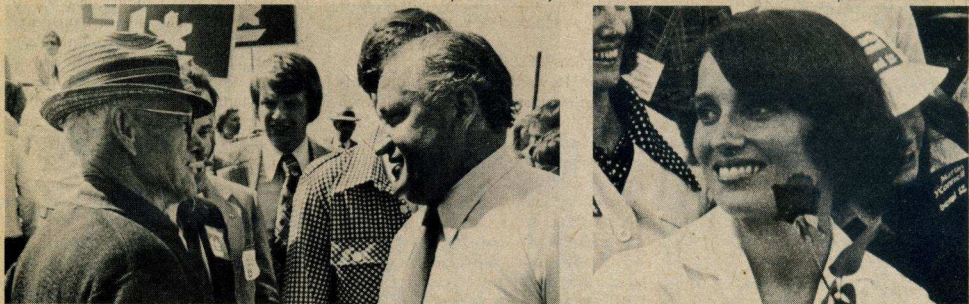
who were the backbone of the John Birch Society and who swear by the honesty of Spiro Agnew.

The Jones campaign was financed largely from the west, where he has acquired a reputation as a courageous fighter for English Canada. A source who should know — a Cadillac limousine chauffeur for two venerable and rich old ladies close to the Jones campaign — told the *Last Post* that 75 per cent of the moeny for the campaign came from contributors in oil-rich Alberta. "And I don't mean nickels and dimes," said the driver.

Although Acadian spokesmen were understandably less than enthusiastic about Jones's victory, they were hardly enthralled by the alternatives either. Liberal candidate L onide Cyr, loser in the 1970 provincial election, retained the defence and resignation characteristic of many Acadians of the older generation

photo: David Lloyd

photo: Mark Starowicz



The Liberals unleashed two of their secret weapons: Agriculture Minister Eugene Whelan, who talked to farmers, and Margaret Trudeau, who smiled.

and refused to recognize in his post-election comments that there had been an ethnic polarization in Moncton. And outgoing MP Charles Thomas, another loser who was initially defeated for the Tory nomination by Jones, had also questioned the wisdom of official bilingualism.

Promising a "strong, loud and clear voice" in Ottawa, Jones capitalized on his rejection by Tory leader Robert Stanfield and campaigned as the underdog. Throughout his campaign, he stressed his "basic values" which he said included "charity, Christian principles and stability."

On election night, a cheer went up in

Jones headquarters when the defeat of pro-bilingualism Conservative MP Tom Bell in neighbouring Saint John-Lancaster was announced. But Bell's defeat had more to do with high unemployment in the Saint John area than bilingualism; most of his lost votes went to the NDP, which more than quadrupled its total to 3,457, allowing the Liberal to slip through.

And in Fundy-Royal, Albert J. Brown, farmer, veteran and candidate of the Dominion of Canada English-Speaking Association, received only 2,612 votes against more than 14,000 for the moderate Tory MP, Gordon Fairweather.

"and those who are don't walk around advertising the fact."

The oil companies also carried their campaign to the rest of the country.

Imperial Oil, Texaco Canada, Mobil Oil Canada, Canada-Cities Service, Atlantic Richfield Canada and Amoco Canada all announced cutbacks in their exploration programs or plans to cut back if the tax measure was reintroduced after the election.

On May 18, the *Financial Post* reported that Imperial Oil was under a heavy selling attack in New York, and quoted an oil analyst as saying that "for many U.S. investors the adverse budget news was the straw that broke the camel's back."

A.R. Nielsen, president and general manager of Mobil Canada, said June 7 that actions taken by both the federal and various provincial governments had caused his company to have serious doubts about the investment climate in Canada.

The day after the election, Finance Minister Turner announced that the government was committed to reintroducing the budget, "subject to seeing what we can do to ease the conflict between Ottawa and the provinces over resources." It was a big qualification, and it may not have been only the provinces that Turner was trying to accommodate.

And in Alberta, one Liberal source said during the campaign that the most optimistic people in his party were predicting that three or four of their candidates would save their deposits. As in the rest of the country, the Liberals surpassed their most sanguine forecasts. Six of them retained their deposits, although none came within 5,000 votes of any of the 19 victorious Tories.

BUT THERE WAS NO JOY IN COWTOWN

One of the most dramatic events of the campaign was Prime Minister Trudeau's visit to Calgary in the first week of June, when he was heckled and greeted with signs reading "Vive l'Alberta Libre".

Calgary has never exactly been prime Trudeau territory, but the campaign carried on against the prime minister in this election was unusual in its intensity even by Alberta standards. The immediate cause was the May 6 budget, which made royalties paid to provincial governments subject to federal income tax. This is a matter of no small importance to oil companies. And oil companies pay the salaries of one third of the people of Calgary.

So the 2,000-strong demonstration against Trudeau in downtown Calgary

consisted mostly of oil-company employees given time off work with pay. And the hostility extended even to Calgary Liberal candidates.

"Let's just say I'm more pro-oil than I am pro-budget," said Frances Wright, a 26-year-old stockbroker who failed by only 14,000 votes to unseat Conservative incumbent Harvie Andre in Calgary Centre.

Not to be outdone, oilman-MP Peter Bawden (PC — Calgary South) said that "my own personal opinion about the budget is that it is very, very serious. It could very well signify the end of meaningful exploration work in Canada."

"There are very few Liberals in Cowtown these days," reported Doug McConachie in the *Edmonton Journal*,

BARRETT DIDN'T EVEN TRY TO EXPLAIN

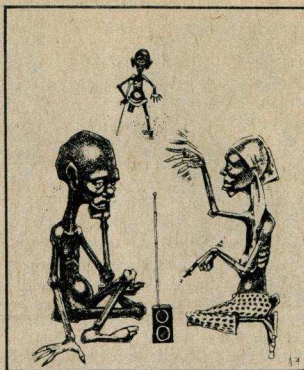
Dave Barrett isn't accustomed to being on the defensive, but as he arrived at Burnaby's James Cowan theatre at 9 p.m. on election night, all the talk was of the "Barrett backlash" in British Columbia.

The mood in NDP headquarters was a lugubrious one as an increasing flow of returns detailed the electoral debacle that would reduce the New Democrats to their smallest B.C. federal contingent since the Second World War. Out of eleven seats held in the last parliament, only two were salvaged. Bedrock socialist ridings such as Vancouver East, Kootenay West and Skeena that had withstood even the Diefenbaker landslide of 1958 toppled, as more than a third of the NDP voters of two years ago cast their ballots for one or the other of the old-line parties.

No single factor, of course, fully explains an election defeat of these dimensions. There was clearly a trend among workers to back the Liberals out of fear of Stanfield's wage-and-price freeze. This explains the Liberal victories in the blue-collar ridings of Skeena, Vancouver East, Vancouver-Kingsway, Comox-Alberni, and Burnaby-Seymour, while they were losing the silk-stocking Capilano constituency of Jack Davis to the Tories.

But why was the shift to the Grits so much greater in working-class ridings in B.C. than in similar constituencies in Ontario and elsewhere?

The Conservative advances of 1972 and 1974 can be explained as well. When the Trudeaumania sweep of 1968 wiped out English Canada's Social Credit MPs that party's leadership passed by forfeit to Quebecer Réal Caouette and the western Socred voters passed just as surely by forfeit to Stanfield's commodious pockets. Social Crediters in B.C. and Alberta don't understand Quebec or the Québécois — and don't wish to.



"AND NOW, FROM OUR
CORRESPONDENT IN OTTAWA,
LIP TO THE MINUTE
ANALYSIS OF THE LATEST..."

In B.C. the Tories sewed up the Sacred vote (17 per cent as late as 1965) by running ex-Socreds as PC candidates. Tory MPs Alex Patterson, Howard Johnston, Frank Oberle and Robert Wenman are all big-name B.C. Socred converts, and former Social Credit leader Robert Thompson was imported from Alberta to run against the NDP's Barry Mather in Surrey in 1972. This unification of the right-wing vote has made the Conservatives a more substantial force in B.C., just as it has made Alberta an impregnable Tory bastion.

But this right-wing get-together only explains the increasing bluish tint to B.C.'s political map; it does not explain the loss of 35 per cent of the NDP vote.

Thus when B.C.'s rotund premier stepped up on a chair to address the sombre supporters, the unspoken question on everyone's lips was: why? It should come as no surprise that Barrett did not even try to provide an answer. In Ontario in the last week of the campaign he had said, "Everybody is against us but the people." Now that the people too were in doubt, he said, "Nothing will stop us from bringing social justice to B.C."

In many respects, Barrett's record, when stacked up against those of Schreyer and Blakeney, is an enviable, even at times a courageous one. He has dared to advance more controversial legislation than either of his two fellow

NDP premiers and has sometimes suffered for it. But most of this disaffection has been limited to the corporate establishment. His Land Commission Act alienated more realtors than farmers, his Insurance Corporation of B.C. "Autoplan" scheme angered more insurance agents than drivers, and his mining royalties legislation antagonized more mining promoters than miners. The reason for popular discontent with B.C.'s NDP government lies elsewhere.

If Barrett is the most left-leaning of the NDP provincial premiers, it is only in an administrative sense. The fact is that from its inception the Barrett government has progressively retreated from its stated ideal of a real people's party. Its actions have been bold, but they have always eschewed popular involvement.

When Education Commissioner John Bremer sought out public participation in planning the new pluralistic education system in B.C., he was fired. When the NDP rank and file demanded a women's affairs ministry, they were ignored. When NDP conventions adopted policies at variance with the government's, they were labelled "low priority" and promptly forgotten. Norman Levi's human resources ministry, the ideal starting point for involvement of the public, has become so bedevilled by bureaucratic directives that social workers now derisively refer to Levi as "Norman the foreman".

Simply stated, Barrett's "people's government" has crumbled into congeries of commissions, boards and committees staffed by imported pros and pork-barrel hacks, most of them overpaid. Somewhere in this morass the concept of a people's party has been lost, and with it the grass-roots connection between the NDP and its constituency.

All of which brings us back to the unspoken question: why the electoral defeat in B.C.? What Barrett could not explain to his supporters was that the concept of a people's party with real public involvement in the government has always been a political chimera in the absence of more fundamental economic change, and in raising the hope and knowing that it could not be realized he made the "Barrett backlash" inevitable.

Election stories by Nick Auf der Maur, Irwin Block, Robert Chodos, Dennis Forkin and Rae Murphy.

LABOUR:

A WARNING IS ISSUED, BUT THE VIVAS ARE PREMATURE

With the exception of the coverage in the *Financial Post*, which has a readership generally more informed on labour matters, stories that issued from Vancouver during the recent Canadian Labour Congress convention were positively purple with polemics.

The "bad guys" (the brass) got their lumps from the "rank and file", and one columnist, who had obviously never attended a CLC convention before, listed all the supposedly unprecedented things that took place on the convention floor and concluded his piece with an unrestrained "viva".

It's nice, of course, to see labour get its act together, and the new autonomy guidelines, which incidentally were

brought to the convention by the leadership (albeit under extreme duress), do move the CLC considerably closer to fulfilling the demands of most Canadian trade unionists. The mood of the delegates and the floor fights that took place at the convention were an indication of what will happen if the guidelines are not enacted. So a warning was issued.

It is also interesting and pleasant, to the degree that one's natural suspicions aren't aroused, to see the daily press in Canada cheer the radicals on.

But what actually happened in Vancouver? In the elections, Joe Morris, the outgoing executive council's choice, was elected. Gilbert McIntyre, an "unknown" member of the Canadian Brotherhood of Railway, Transport and General Workers (CBRT) challenged Morris two days before the vote and received 842 votes against Morris's 1448. This, of course, is a respectable vote, but similar events have happened before. At the last CLC convention Jimmy Bell of Halifax got 380 votes against 649 for President Donald MacDonald, almost exactly the same percentage of the vote as McIntyre got this time around.

These essentially protest votes reflect the general unpopularity of CLC incumbents, which increases dramatically during conventions because of their basically undemocratic nature and the very unliberal attitude which characterizes a trade union leader with a gavel in his hand.

Of the three other table officers elected, one was endorsed by both the reform caucus and the presumably "unreformed" caucus. Donald Montgomery defeated the official candidate of the outgoing executive council, but Montgom-



MORRIS

The 'bad guys' got their lumps

ery in his years as president of the Toronto Labour Council and "barn boss" of the local Steelworkers has been called virtually everything but a reformer.

The big upset of the elections was the defeat of Jean Beaudry, the incumbent executive vice-president, by Julien Major of the recently Canadianized Paperworkers. Major, who was endorsed by the Quebec Federation of Labour, defeated Beaudry in a straight fight between the QFL and the leadership of the CLC. It was an important victory, but again not unprecedented. The last time the executive council picked its French-Canadian vice-president over the objections of Louis Laberge and the QFL he was also defeated.

Major's victory at this convention is however, more significant than Gérard Rancourt's defeat of the Ottawa-picked Roméo Mathieu in 1968. At the 1968 convention, the QFL was forced to compromise on its demand for more autonomy from the Congress executive. The 1968 autonomy demands were couched in language that spoke of "two nations" in Canada, a concept which is anathema to all good Social Democrats — at least all those who live in English Canada.

JEALOUS LOVER OF THE MONTH

In Oakland, FBI agent Charles Bates, who heads the Hearst investigation, warned the three fugitives that the FBI was not playing games.

"We are going to give them a chance," when they are located, he said. "We're not going to shoot first; we're going to say, 'Come out.' But if somebody wants to shoot at us, I am not going to stand there and say, 'Whoops, you missed, try again.'"

"I don't get that much pay, and I have a hard feeling about my wife getting all that insurance that the FBI has on me so she can have fun with some other jerk." Bates made his remarks in a talk to the Oakland Press Club.

— *New York Daily News*, June 1974

† However, the practical content of the QFL's demands involved the necessary autonomy to pursue relations with the Confederation of National Trade Unions. In 1968 a showdown was averted as everyone agreed to talk about it some more, but by 1974 QFL autonomy was a *fait accompli* and what was required now were the financial concessions and the political independence. There was going to be no compromise on Laberge's part this time. The delegates, in their majority, saw his point.

Major's victory was significant from another viewpoint. The reform caucus which came into being over the past year contains the key national unions within the CLC, and is allied with the QFL. This

is now an important power bloc within the CLC, with two of the table officers representing it and with rank-and-file support cutting across all the affiliates.

The CBRT newspaper *Canadian Transport* (admittedly not an unbiased observer) described the Vancouver CLC convention as "a rank-and-file revolt against restrictive convention procedures and the back-room predetermination of policies and the establishment election slate. The era of the placid, puppet-like delegate has ended. Caucuses can no longer be controlled nor elections rigged in advance.

"The underlying problem at CLC conventions is that delegates are deprived of any means of doing anything

constructive. They aren't permitted to amend their leaders' proposals or make any motion from the floor except referral back; and then they have no way of ensuring that the resolutions they refer back for change will ever be brought back for further debate. Thus denied a positive role, they can only vent their frustrations by being obstructive, or even destructive — by blocking the initiatives that can originate only from the executive council and the committees it appoints."

Unfortunately none of this has changed. Moreover, the essential power in the Canadian labour movement rests within the affiliates, and the political machines of the CLC are built elsewhere. The reform caucus at the last convention got as far as it did because it operated within the political framework of the Canadian Union of Public Employees and the CBRT.

The rank-and-file delegates' anger and refusal to go along with the boys can be taken as the writing on the wall by the more perceptive leaders of the trade unions. When the obvious mood of the CLC convention is translated into a spirit that will permeate the United Auto Workers, the United Steelworkers and the Machinists (to suggest a few), then things will change.

Incidentally, the autonomy guidelines adopted at the CLC convention provide for a four-stage timetable of compliance and leave the CLC president, backed by a two-thirds vote of the executive council, with the ultimate right to suspend a union affiliate refusing to comply.

Thus lack of compliance is not a cause for automatic suspension enshrined in the constitution and there is plenty of room for manoeuvre on all sides. Since at least one key craft union, the Plumbers, has stated that it can't and won't comply, what seemed like the end of a battle could well be only the beginning.

Rae Murphy

JALNA IN JOHANNESBURG?

The following are excerpts from a story by John Cundill, TV Correspondent of the Johannesburg Star, that appeared in that paper's May 18 issue:

If Equity, the British actors' union, bans the sale of British television drama to South Africa, the Canadians are ready to fill the gap.

The Canadian Broadcasting Corporation has already tried to interest the SABC in its material. It can offer an assurance that its deals will not be blocked by union pressure.

Equity, which has to approve the sale of British TV drama to other countries, can prevent deals with South Africa as part of its anti-apartheid stance.

Visiting South Africa under the auspices of the Department of Information is Mr. A.H. Partridge (53), Divisional Head, Foreign Relations and Export Sales Department, of CBC.

"Some individual writers and producers have expressed opposition to sales of Canadian TV programmes to South Africa, but there is nothing in our contract to prevent them," he told me. "As matters stand, they have no right to withhold their material."

To change the situation, artists and technicians would have to renegotiate their contracts and this could not be done for at least three years.

Although Canada does not compare with Britain in breadth and depth of TV drama output, it is the

source of some highly reputable material.

The sort of "prestige" programmes CBC could provide include a top-flight series on Mazo de la Roche's "Whiteoaks of Jalna" and eight 60-minute drama episodes on the building of the Canadian Pacific Railroad called "The National Dream"....

An interesting point made to me by Mr. Partridge was that fears that television will kill live entertainment in South Africa could be widely off the mark.

In Canada, he said, exactly the opposite had occurred. Television had stimulated public interest in live theatre, opera and ballet....

While the appropriateness of Jalna for South African television is immediately apparent, that of The National Dream is somewhat less so. However, Pierre Berton, author and host of the CPR epic, is pleased at the prospect of the sale of his program to South Africa.

"Television will be the first break in the wall of apartheid," Berton told the Last Post. "The authorities there have been resisting it for years.

"People in other countries know little enough about Canada, and if The National Dream can help them learn something about it, then it's all to the good."

South African television begins broadcasting in 1975.

No sales to South Africa have as yet been confirmed by the CBC.

BUSINESS:

A COMPANY LIKE THE OTHERS

In the near future, the three-year-old, government-created Canada Development Corporation will "go public", and Canadians will be able to buy CDC shares at their local banks. But before



A TEXASGULF IRON ORE PROJECT IN AUSTRALIA A means to attain multinational ambitions

they rush down with money in hand they might do well to ask what the CDC is all about.

One thing it isn't about is buying back Canada. Ben Benson, then Minister of Finance, made that clear back in 1971 when he was piloting the legislation creating the Corporation through parliament. "It is to be governed," he said, "only by the need to make a profit." Within this framework the company was to "help develop and maintain strong Canadian-controlled and -managed corporations in the private sector."

Toward that end, the directors of the CDC have established a policy emphasizing investments in companies that the Corporation can control. They are looking for companies that are growing at twice the growth rate of the Gross National Product. And they have taken the position that the CDC must be a multinational, and it now has investments in Brazil, the United States, Belgium and France as well as Canada.

Perhaps the CDC's most publicized investment has been its purchase of 30 per cent of Texasgulf Inc., enough for a controlling interest. Texasgulf is U.S.-based and itself a multinational, with holdings in Africa, Mexico, Australia, Ireland, the United States and Canada, and exploration rights elsewhere.

In May, during the election campaign, Texasgulf announced that it was halting the expansion of its Kidd Creek operation in northern Ontario. The company said it wanted to wait until new tax laws were introduced by the government, and the move was clearly intended as a warning of what will happen if the government tries to get tough with business. It was one instance of the Corporation's finding itself opposed to the policies of the government that created it.

John Hague, financial analyst for the

CDC, was asked whether the Corporation would invest in South Africa despite the government's official policy of frowning on such investments. He was quick to answer yes.

Meanwhile, the government is handing over some of its own valuable properties to the CDC. It has sold Polysar, with a book value of more than \$100 million, to the Corporation for \$65 million, and has announced its intention to sell Eldorado Mines and its interest in Panarectic Oils as well.

The effect of these sales will be to remove these potentially lucrative holdings from the control of parliament and transfer them to the control of the directors of the corporation. According to Hague, the CDC is and always will be a director-controlled corporation. At this time the government, with its \$250-million investment, owns 100 per cent of its stock, but since no annual meeting has been held since the corporation was formed it has never had a chance to vote its shares.

After the stock issue, the directors will maintain their control, since the government's share will eventually be

reduced to 10 per cent, and no other person will be allowed to hold more than three per cent of the stock. Effectively, this will permit the directors to keep control without investing a penny of their own money.

The CDC's board of directors is, on the whole, a pretty high-powered group, and many of its members have strong Liberal ties. Its original president, Marshall Crowe, left a position as an adviser to Prime Minister Trudeau to join the Corporation, and went back to the PMO early in 1974. Anthony Hampson, chairman of the Corporation, is a former vice-president of Power Corporation. Jake Moore, president of Brascan (Mitchell Sharp's old stamping ground), was on the board, and current members include Power Corporation President Louis Desmarais (brother of Power's Chairman and Chief Executive Officer Paul Desmarais) and H.H. McCain of the New Brunswick food family that occupies a respectable if distant second place to the Irving empire in that province's corporate hierarchy.

One thing the CDC board members tend to have in common is that they harbour visions of making it on the multinational circuit, where the business glamour and the bucks are to be found these days. The Liberal government, and particularly Trade Minister Alastair Gillespie, have followed a policy of encouraging Canadian multinationals. It looks increasingly as if the CDC is being used as an instrument of that policy, and as a means for the men from the corporate boardrooms to attain their ambitions — with public money.

Jim Sinclair

(This article was prepared with the help of researchers at the School for Experiential Education.)

THE BOMB: SINS OF THE PARSON

After a decade or so of relative obscurity, the Bomb was back in the limelight.

There was that old ban-the-bomber Harold Wilson trying to explain Britain's first nuclear test in ten years to his own Labour party's horrified left wing. There was President Nixon promising nuclear technology to his new-found friends the Egyptians — and, almost as an afterthought, to the Israelis as well. But most of all, there was India.

The irony was obvious and it was best

captured by New York Times columnist Russell Baker.

"India was always the parson among nations," wrote Baker.

"'Oh, 'oh!' all the other nations would say when they saw India coming down the street. 'Hide the guns under the table and get rid of the loaded dice. Here comes India.'

"And India would stride right on in, and stand there, looking at all those miserable sinner nations with such con-

LIFE IMITATING ART DEPARTMENT

With the appearance of St. Clair, one of America's most effective courtroom lawyers, the committee hearings promised drama and spectacle in the great tradition of the 1954 army-McCarthy hearings, the 1973 Senate Watergate hearings and the Perry Mason show.

—*Toronto Star*, May 3, 1974

tempt that it did your heart good to see them humbled."

But now all had changed: "Slowly, a bowed India staggered into the room. It looked exhausted. Strapped to its back like a monkey, it had a brand-new atom bomb wearing a turban."

It was other nations' turn to act pious. And none responded more piously than Canada, which had always harboured ambitions of being a parson itself but had usually not quite managed to carry it off.

Its act was somewhat less than totally convincing this time around too.

Canadian interest in the affair focused on the suspicion — later confirmed — that the plutonium used in the May 18 explosion in the Rajasthan desert of western India had been produced in the Canadian-built Trombay reactor at Bombay.

When the initial agreement was signed in 1956, Canada had been skeptical enough to specify that the nuclear technology it was providing would have to be used for peaceful purposes only and to negotiate safeguards to ensure that this part of the bargain was kept. It had, however, failed to see to it that the safeguards would be at all effective, which in the end, of course, they weren't.

Just before India exploded its bomb, Canada was reported trying to negotiate safeguards in one of the latest of its nuclear deals, in this case with Argentina. It was not reported that back in the 1950s then Argentine President Juan Peron had got it into his head that his country needed the bomb. With the help of German nuclear scientist Klaus Fuchs the Argentinians constructed a nuclear plant on an island in Lake Nahuel Huapi near Buenos Aires. Happily for everyone, despite their best efforts they did not succeed in building a bomb that worked.

In early July, six weeks after the Indian explosion, Canada was also reporting negotiating the sale of two nuclear reactors to South Korea. There was no word, one way or the other, about safeguards.

Meanwhile, Canada had announced

that it was suspending and "reassessing" its nuclear aid to India, winning the praise of a New York *Times* editorialist who said that Ottawa was "rightly showing the way." But about the best that could be said for Canada's new caution was that it was a bit late. Its protestations that the Indian explosion came as a complete surprise had all the force of conviction of Richard Nixon saying he didn't know about the cover-up. There are certain things that one should make it one's business to know.

One signal that might have served as a warning to Canada was India's refusal to sign the 1970 nuclear non-proliferation treaty, which might have seemed rather an odd move for a parson. Yet from its own point of view, India's failure to accept non-proliferation was not without some logic and justification.

For "non-proliferation" is one of those terms whose euphonious sound conceals a tangle of moral and political ambiguity. It does not mean that the nuclear bomb should not exist. It means that it should continue to exist as a monopoly of the United States, Britain, France, the Soviet Union and China. The rationale for this was expressed by the *Times* editorialist:

"The five present nuclear-weapons countries are the five permanent members of the United Nations Security Council, accepted by the world community as possessing special responsibilities for peace. The fire-break between them and other countries, reinforced by the non-proliferation treaty, can only be breached at the world's peril."

It should be understandable even to the New York *Times* that some countries might feel more secure under that five-nation umbrella than others. A country such as, say, Israel, long rumoured to be working on or actually to possess its own bomb, does not see itself as being in a position to take anybody else's nuclear protection for granted. Neither, obviously, does India.

It is perhaps not entirely beside the point that four of the five countries in the cozy little fraternity are white, and that most of the countries likely to acquire the bomb from here on are not. In any case, some better theoretical basis for the nuclear oligopoly is going to have to be thought up than the idea that some countries can inherently be trusted with the bomb and others can't.

Not that the fears of nuclear proliferation aren't real ones. After all, India's nuclear ambitions were presumably a delayed response to the emergence as a nuclear power ten years ago of its old

adversary, China. And now that India has made it, Pakistan will think very carefully about whether it can afford to be without nuclear weapons. And if Pakistan comes, can Bangla Desh be far behind? And after that the Himalayan kingdoms of Nepal and Bhutan are going to start feeling a bit hemmed in. And then. . . .

But it wasn't like that at all, protested India. This explosion was not for military ends; it was a peaceful bomb. "The aim was not just to join a club," said Prime Minister Indira Gandhi. "It was to increase our scientific know-how."

Even for so philosophically advanced a country as India, the idea of a peaceful nuclear bomb represented a conceptual breakthrough. And there was more to come.

The *Toronto Star* reported with a straight face on May 21 that H.N. Sethna, the head of India's Atomic Energy Commission, said "the plutonium was produced on the second fuel cycle in the reactor and agreements with Canada restricted the use only of plutonium produced on the first cycle" — an interpretation of the agreements that, much to Canada's embarrassment, turned out to be correct.

All in all, it was not an episode that cast credit on anybody.

Robert Chodos

ARCTIC RESEARCH: UNLAMENTED PASSING

The offices of the Arctic Institute of North America in Montreal are expected to close permanently by October 1, and although the Institute is one of the few Arctic research centres outside the Soviet Union, its disappearance will cause little regret in Ottawa or in the world community of serious polar scholars.

The immediate cause of the Institute's demise is lack of funds: it is expected to be bankrupt by the end of summer. Both its major sources of funds, the Canadian government and the U.S. Office of Naval Research, have decided to withhold further financing.

But beneath the financial crisis is a story of administrative incompetence and conflicting aims stemming from the Institute's tie-in with the U.S. military.

The federal government, for its part, is eager to finance an independent institute

AND DON'T BRING YOUR SKIS IN THE SUMMER

Delegates to international conferences rarely have a chance to experience the country in which the conference is being held in more than the most perfunctory way, and for the experienced conference-goer Ottawa, Geneva, Caracas and Dar-es-Salaam all begin to run together after a while. With this in mind Canada's Department of External Affairs, which played host to the June conference of the North Atlantic Treaty Organization, thought to make sure that the NATO delegates didn't leave Canada without some impression of what the country was all about.

This effort took the form of a small booklet included in each delegate's kit, suitably bilingual, with sixty pages in each official language, and entitled *Instant Canadiana*. The work is divided into twenty-three sections, ranging from "Agriculture" through "Fauna and Flora" and "Stamps" to "Wines and Spirits". A factual approach is favoured throughout, with overt editorializing creeping in only in the "Wines and Spirits" section: "Canadian beer deserves mention for its hearty, full-bodied flavour."

Some of the booklet's tidbits of information will be familiar to most local readers, such as the intelligence that "the Royal Canadian Mounted Police (RCMP), with 12,000 members, are responsible for enforcement of all Federal statutes throughout Canada and for national security." At other times, however, it contains surprises for even the most knowledgeable Canadian; did you know, for

instance, that "annual exports of B.C. jade amount to nearly \$1 million"?

Occasionally, however, the booklet lapses from pardonable obscurity into outright point-stretching. This is particularly evident in "Wines and Spirits", where a bit more is made of what is described as "Canada's flourishing, small and government protected wine industry" than might be justified by the quality of the product, and in the "Fashion" section, which reports that "lumberjacks, wearing thick, checked shirts and high boots, have been the basis of many variations in the area of practical, rather than ornamental fashion."

Instant Canadiana's favourite device, by far, is the list, and its enumerations include inventions by Canadians, provincial and territorial capitals, Canadian musicians (divided into "Classical", "Folk Artists", "Rock", "Popular" and "Country and Western"), large-circulation newspapers, and endangered Canadian wildlife species (Eskimo Curlew, Wood Bison, Baren-ground Grissly and so forth). All of which is no doubt very useful if the errant NATO delegate should run up against the Guess Who or the Greater Prairie Chicken, although it provides little help in distinguishing one from the other.

But then, that is surely a problem that many Canadians have faced too.

for research into the Canadian north. But the Secretary of State's department and the department of Indian Affairs and Northern Development have realized that the Arctic Institute does little to justify the up to \$500,000 in Canadian taxpayers' money it has been receiving each year.

For rigorous standards of scholarly research have been discouraged for years at the Institute. Too much energy has been spent in chasing funds with which to overpay top-heavy administrative staff, while money has not been available to initiate and sustain useful research projects. Its present executive director, Brigadier W.H. Love, whom one observer described as "combining the noblest traditions of the Canadian army and the U.S. oil industry," is representative of the kinds of problems the Institute has had.

But the most serious failure of the Arc-

tic Institute has been its foredoomed attempt to serve two masters. On one level, that has meant trying to be a joint U.S.-Canada body at a time when the two countries have mutually exclusive interests in the north. On another, it has meant trying to maintain a reputation as a scholarly institute while carrying on projects primarily of benefit to industry and the military. In recent years, it has done U.S. Navy petroleum studies, NATO polar manuals and other contract work for the military as well as scientific studies of interest to the mining and oil industries (see *Last Post*, Summer 1971).

All this is not to say that the Institute has nothing worth saving. Its library is the finest of its kind on this continent; indeed, there are only two comparable libraries in the world — one at the Scott Polar Research Institute in Cambridge, England, and the other in Leningrad. It is to be hoped that when the Institute itself breathes its last the library will remain intact and in Canada.

The Institute has also unquestionably developed expertise in the co-ordinating and publishing of important polar research, and in its thirty-year existence it has put its finger on a number of important northern pulses. In the past, when the Carnegie Foundation financed scholarships tenable at McGill Univer-

sity and the Arctic Institute, many of today's experts in the polar regions studied there.

According to Ottawa sources, government funds would be available for a reconstituted Arctic institute, free of American ties and attached to a Canadian university department, such as the geography department at McGill. Such an institute could again begin to make a vital contribution to northern scholarship, a subject not without importance to Canada.

If this does not happen, the world's only useful polar research institute outside the Soviet Union will be the Scott Polar in England, a country which has no discernible Arctic territory. Canadian scholars interested in their own north will have to travel to Cambridge to pursue their studies.

Thus, there are some important decisions to be taken before the Arctic Institute of North America finally fritters away its last dollar on October 1. Bearing this in mind, the Institute's Board of Governors has arranged to meet next on November 22. Unless the Canadian government takes some action before then, the governors may well have to sell off a few of the library's precious books to pay for the hotel room in which they will be meeting the bailiffs.

Patrick Brown

DISGUISE FAILS

Giscard's efforts to appear human, including playing the accordion in his constituency and playing in the local football team, have sometimes seemed ludicrous. . .

—Frank Jones, *Toronto Star*, May 4, 1974

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International Report

compiled by the staff of the Last Post

The Pentagon prepares to fight a war and a half

Senator J. William Fulbright has recently accused the American military of taking advantage of President Richard Nixon's evident weakness to increase the size of the arms budget, to develop new atomic weaponry and thus to scuttle any hope of a comprehensive treaty of arms control or reduction with the Soviet Union. This could well be true because in this era of defence strange things are happening in the Pentagon. Not only has the American defense budget been sharply increased but a new and incredibly dangerous military theory appears to be emerging from the acronymic world of the war planners.

From the Dulles-Eisenhower doctrine of massive retaliation we were brought in the sixties to the MAD world of Robert McNamara — MAD meaning "mutual assured destruction". The theory behind MAD was that the two super-powers would be held in check by the knowledge that each could wipe out the other.

Now the shape and outline of American military strategy appears to follow roughly along two tracks. In the first place, the American Senate recently voted funds to develop a new generation of more accurate missile warheads. These multiple-warhead missiles are targeted on the Soviet Union and many are targeted directly on Soviet missile silos, thus giving the Americans a devastating first-strike capacity and presumably the ability to nullify a Soviet counter-strike.

The change is not a subtle one. As the *New York Times* editorialized, "Nixon is seeking weapons that would give him the option of starting a nuclear war, rather than deterring one."

The Americans have been developing MIRVs — multiple warhead missiles — for more than five years. And now the Russians have begun to test theirs. In fact, one of the supposed conditions of the

American offer to the Soviets to freeze nuclear testing was that the Soviets discontinue developing their MIRVs. A condition the Soviets, not surprisingly, rejected. All of which has made Henry Kissinger very mopy as he wanders about talking about the Soviet military complex.

In any case, a new and much more dangerous arms race has been set off and a second strategic arms limitations treaty (SALT II) is nowhere in sight. By expanding the number of targets for American missiles, the military has, according to the Federation of American Scientists, added a "new rung on the nuclear escalation ladder."

But escalating the nuclear arms race with the Soviets is only one aspect of the new American military doctrine — and the MIRVs only one aspect of this escalation. NATO Commanders in Europe have had nuclear weaponry for many years, but lately the stock has increased and become more varied.

Approximately 7,000 tactical nuclear warheads are stockpiled in Western Europe. These include warheads for surface-to-surface and surface-to-air missiles, bombs for NATO aircraft including a glide-bomb with a television guidance sys-

tem in the nose, and enough shells for 360 American six-inch guns and 326 American and allied eight-inch guns.

The American Army is developing improved plutonium shells to replace those now in stock. The service also deploys two kinds of ADMs (atomic demolition munitions) capable of closing mountain passes or blasting craters in the path of attacking forces.

Incidentally, the birthday communique issued by NATO's Brussels Headquarters contained the words that NATO would respond to any attack with "all the forces at its disposal." The word "all" set a whole column going for Cy Sulzberger in the *New York Times*. "All", you see, means nuclear weapons. And that, according to Sulzberger, is very good.

With the Soviets presumably held at bay with hundreds of nuclear warheads targeted on its cities and missile silos, the Americans are also developing some post-Vietnam concepts of their global military role. The goal seems to be to have the capacity to fight a war and a half, the war being an all-out confrontation with the Soviet Union and the half being smaller wars such as Vietnam.

New York Times military corres-

In the Indian Ocean, the squeeze is on

There have been reports that the Soviets are trying to set up a naval base in Mauritius, the former British island colony 500 miles east of Madagascar. The contest for strategic ascendancy in the Indian Ocean, sparked particularly by the American base at Diego Garcia, has put Mauritius in the centre of many countries' attentions.

The Soviet Union has an extensive fisheries agreement with Mauritius, granting it port facilities for the Soviet trawling fleet. The Americans are floating rumours that the Soviets are constructing missile silos under a secret agreement with the island government.

And Indian Ocean watchers will soon be able to find a Chinese connection. Final details of a \$30-million Chinese loan for a new jet airport have been agreed on and construction is about to begin.

It is getting positively dangerous to own even a rock in the vicinity of the Indian Ocean.

pendent Drew Middleton, in a series of articles on the new American military posture, cited the lessons supposedly learned from Vietnam. Middleton wrote that experience proved that in future wars of this type, the Americans themselves must move in directly and rapidly and only on the basis of American control of the area could the locals be given an army and enough matériel to police the country. To do this effectively, the Pentagon is developing a complete range of weaponry which leaves behind, as one military spokesman put it, the days of the "beans and bullets logistics of Vietnam."

And what weapons they are. According to Dr. Malcolm R. Currie, director of research and engineering for the American defense department, no one single weapon marks the "new era"; rather, it is a series of weapons in various stages of research and evaluation. These include ultra-refined and precise atomic weapons designed to eliminate a single industrial installation,

tank concentration or, presumably, a village, without "excessive fallout or blast."

Other weapons in the works include laser-guided artillery projectiles with a "one shot — one kill" capacity and small ships that can ride on a cushion of air at speeds up to 90 knots.

Such weapons are, of course, not aimed at the Soviet Union which, one presumes, would get just as mad at seeing one of its tank concentrations blasted by an atomic bomb as it would at seeing one of its cities go; there is nobody left around who suggests that any fighting that involved the USSR and the USA would not rapidly escalate to the very biggest stuff each side had. No, the little tactical atomic artillery and the lasers are all meant for people who can't fire back.

However, the Pentagon, while apparently debating its global role, has moved both to rewrite many of its basic military treaties and to develop new military bases of its own.

The most important appears to be a little island in the Indian Ocean which is being developed both as a key communications centre and as a supply base for the fleet, thus giving the Americans complete ease of operation from the Persian Gulf over the Indian sub-continent, East Africa and right to the entire coast of southeast Asia. Obviously these are the areas where America plans its future "half wars".

Criticizing the new military strategy, Paul C. Warnke, Assistant Secretary of Defense in the Johnson administration, says the "one and a half war concept" assumes a set of circumstances "irrelevant to defense planning. . . . It assumes another Vietnam-type war, more brushfire wars. . . . That's idiocy."

Amen.

The divided legacy of Juan Peron

by Richard Gott
of the Manchester Guardian,
Buenos Aires

Peron is dead. Long live Peron. This is the slogan with which the right wing of the Peronist movement which holds power in Argentina will attempt to bamboozle the public into believing that, with the death of the old general, nothing has changed. The real name of Mrs. Peron is Maria Estela Martinez de Peron, and technically she should be known as President Martinez, but whatever her name she will be projected as the rightful heir to the mantle of the old caudillo.

Those who have been running the country in the name of Peron for the last year will thus be able to carry on their game without changing the name of the business.

But whereas there was no one in the Peronist movement ever prepared publicly to speak ill of Peron, there are plenty who lack a good word for "Isabelita". When her photograph appeared on hoardings during last year's election campaign, people awoke one morning to find that the eyes had been scratched out.

No one knows her political views,

No sign of Rhodesia settlement

Ian Smith has blandly stated that Rhodesia will not be affected by events in Mozambique. Everyone else knows otherwise.

There are already reports of prominent Rhodesians heading for the safety of South Africa, and more would go if they could take their money with them. And South Africa is known to have increased its military assistance to Rhodesia, as well as its clandestine assistance to white ultras in the Portuguese colonies.

An independent Mozambique would almost certainly deny the Rhodesians their most important rail and road outlets to the sea. It would also end Rhodesia's use of Mozambique as a phony country of origin for most of its exports.

There has been talk of reviving the attempt to come to a settlement with Britain, and some rumours suggest that Lord Goodman, the matchmaker of the 1971 settlement attempt, is to be invited to take the stage again.

But no invitation has been received by him, and Smith is still entrenching himself in negotiations with the Rhodesian blacks.

The central problem is the gap between the African National Council led by Bishop Abel Muzorewa and Smith's Rhodesian Front, and their consistent failure to come up with a formula. Both men must look over their shoulders, Smith over his right shoulder to the far-right Rhodesian National Party, which could knock him off if it looks as if he's being frightened into compromising too much with the blacks, and the Bishop over his left shoulder at three guerrilla organizations, particularly ZANU. It would now be impossible for a settlement to stick unless it was approved by ZANU. And it's doubtful that ZANU is in a settling mood, as it conducts an efficient guerrilla operation in the north.

If Smith opts to settle with Britain, he needs overwhelming support in the current election to back him in making concessions. If he opts to stand and fight, then Rhodesia will have to become virtually a political suburb state of South Africa, which would take over the master strategy.

except that she is identified with the high-priest of the Peronist Right, José Lopez Rega, the principal eminence grise of the regime, who is also the Minister of Social Security and the head of the police force. On Monday night, after Peron's widow had announced the death of her husband, it was Lopez Rega who appeared on television to offer words of comfort to a sorrowing nation.

The Peronist movement — which accounts for virtually two-thirds of the nation — is bitterly divided. The group associated with Señora Peron and Lopez Rega, which includes the former interim president Raul Lastiri (who is married to Lopez Rega's daughter) and the leaders of various trade unions, will not be able to enforce their present monopoly of power without serious opposition both from within and without the Peronist movement. That opposition, notably the Peronist "Montoneros" and the non-Peronist "People's Revolutionary Army", the ERP, is wealthy, armed and organized.

The most immediate prospect is not a civil war in the accepted sense of two rival bands fighting each other to the death, but rather an increase in the level of political violence. Political assassination is likely to be the principal feature of the immediate post-Peron era, and the most wanted victims are already known: Lopez Rega and the trade union leaders who surround Señora Peron.

While civil war still seems a somewhat remote prospect, there is no doubting the explosive nature of Argentine society. For 20 years an articulate and organized working class has been deprived of any power within the community and has seen its standard of living drop. In 1969, in the provincial town of Cordoba, there was a major popular explosion which spelt the beginning of the end of the military dictatorship.

For nearly 10 years a left-wing guerrilla movement has been growing in strength, operating on a country-wide basis. It has established strong links with the working class, skilfully exploiting their legitimate grievances. This is no mere bunch of idealistic students, but a powerful military movement.

Peron's own attitude to the strug-

gle within his movement remained an enigma to the end. Former President Hector Campora, the hero of the left-wing Peronists, was banished to Mexico, partly for his own safety. In June, virtually on his deathbed, Peron demanded Campora's return to Buenos Aires, his penultimate act as president before handing the job over to his wife.

This is no simple battle between Left and Right. Every group and every institution in Argentine society is deeply divided, but not along lines that can be easily categorized. And it is this lack of a clear distinction that makes a civil war seem improbable.

Round One to the far right in Spain

It appears now that the major significance of the military's take-over in Portugal may lie in what effects the event has in Spain — a much more crucial entity to NATO and Western Europe.

The Franco regime is now under attack from men even further to the right who have been panicked by the events in Lisbon, and fear a repetition.

This has raised the spectre of an imminent palace coup from the Spanish far right against Prime Minister Carlos Arias Navarro and Information Minister Pio Cabanillas. The far right is outraged at their policies of allowing embryonic political parties or "associations", and loosening controls on the press.

Navarro has been more or less successful in staving off the backlash many saw as the inevitable outcome of his predecessor's assassination in December and the Portuguese coup in April. But can he hold it off much longer?

The first victim was General Manuel Diez Alegria, the chief of staff who was sacked on June 13, after successfully resisting an earlier plot to elbow him out in April.

The pretext for General Diez Alegria's dismissal was his recent private visit to Romania where he met President Ceausescu. But it is impossible to believe that such a visit could have taken place without Franco's approval, and some Euro-

pean diplomatic correspondents are citing two more important factors:

1) Misgivings about the General's contacts with the left. Diez Alegria was being wooed by some moderate socialist forces and representatives of the more liberal, European-oriented sections of Madrid's business community. It is possible that these elements hoped the General would become the rallying point of any discontent among the Spanish armed forces, and a Portuguese scenario could then evolve.

2) The new importance of the general staff, under new laws which would make the chief of staff the de facto defence minister. The armed forces would be the direct responsibility of the prime minister, in alliance with the chief of staff. This is calculated to reduce the influence of Prince Juan Carlos when he eventually succeeds Franco (which is the reason he has opposed the law). The chief-of-staff job is all the more important because it involves control of military intelligence, the police and the Guardia Civil.

The right obviously wanted its own man. And it seems to have carried off this first move in the palace coup.

The new chief of staff, General Vallespin, is a former member of the Blue Division (which fought with Hitler's troops in the Soviet Union). So are General Campano, the captain-general of Madrid, and General Vega, the new chief of the Guardia Civil. Since the police chief of Madrid, Colonel Federico Quintero (an accomplished counter-insurgency officer who was trained at the American army special warfare centre at Fort Bragg), is also an ultra-right-winger, there is no doubt who will control the capital in the event of a confrontation after Franco's death.

The key question now is whether the right can follow up its coup within the general staff by removing key ministers in the present government. The two chief targets are Pio Cabanillas and Antonio Barrera de Irimo, a deputy prime minister with overall control of the economy.

The men involved in the leadership of the ultra-right are members of an oddly-assorted alliance of ex-ministers who assembled at a remarkable dinner in honor of the conservative Spanish writer Maeztu on

June 10. Among those present were falangists, monarchists, ultra-conservatives such as Fernandez de la Mora and — to the surprise of many observers — supporters of Laureano Lopez Rodo, the former all-powerful planning minister and leader of Opus Dei.

Lopez Rodo is a man to watch. The butt of falangist attacks in the past, he appears to be grooming himself for the role of economic superminister under a new, ultra-conservative government. His strength lies in the fact that the far right in Spain is notoriously short of economic brains.

One European paper listed these factors whose occurrence would increase the chances of an ultra-right takeover:

- A turning to the left in Portugal, or a confrontation between the

armed forces and the left.

- Left-wing violence inside Spain — Basque or Catalan particularly. The Communist Party is playing a cautious game, aware of the risks.

- A worse economic slump that predicted — possibly from a falling off in tourism this summer.

- A spontaneous explosion of discontent as an immediate aftermath of Franco's death.

The great unknown is how much power Prince Juan Carlos will be able to exercise in the months ahead. He is seeking strength from an alliance with Manuel Fraga Iribarne, the present Spanish ambassador in London, who is popular because of his humble origins and his good image in the ranks of the armed services. Fraga is expected to return to Madrid before the end of the year — if events don't move faster in Spain.

Codes, reinforced closets and bleepers in the belts

Hard times.

Executives and social leaders have been completely queered by the SLA, by the Argentinian ERP kidnappers, and the spate of kidnappings all over the world.

Breaking with a long tradition, the social arbiters of Boston decided not to publish the local debutantes' list this year for fear of tempting kidnappers.

There were more than 400 kidnappings in Argentina last year, netting \$30 million in ransom money. It is believed local mobsters have horned into the act, as in the kidnaping of an Amoco executive, which netted the captors a million dollars.

Now, the mere threat of action is enough to extort millions from corporations, as in the case of Ford Argentina coughing up a million. It has become an international protection racket.

The British magazine *The Economist*, surpassed in prestige only by the New Testament, has emerged with a serious discussion of what executives of multinational companies should do:

- **Keep a low profile.** "This is particularly important for foreign

subsidiaries, which can be camouflaged under a different name (where corporate pride allows that). In trouble areas visiting executives will have to learn to be more discreet about photographs in the press, the use of brightly painted company planes. Locally based executives may have to adopt less conspicuous life styles and, in particular, less obvious cars. . . ."

- **Improve security.** "It is now standard practice in high risk areas such as Buenos Aires for senior executives to use bodyguards and bulletproof glass in their cars and to vary their routes to work. An increasing number have taken to using a bleeper device — worn in the form of a belt buckle, for instance — which might enable . . . the police . . . to track them if they are kidnaped."

A sensible principle, adopted by one of the leading American security firms, is that the basic aim should be to create a safe haven in the home — a small room or closet reinforced in such a way that a potential kidnap victim could take refuge there for ten to fifteen minutes, allowing time for an alarm call to be followed up.

- **Have emergency action plans.** "Any Corporation . . . running the risk of political blackmail should have worked out the tactics to be adopted in advance. . . . One problem is to determine whether the threat is genuine. . . . Executives' fingerprints and voice recordings as well as their handwriting could be compared with material kept on file.

"Corporate planners will have to work out who will do what in kidnaping. Who has the authority to negotiate? How can he determine the scope for bargaining? (Word codes agreed on in advance with senior executives may help to discover something about the kidnaped man's situation)."

Lloyd's of London has become the largest supplier of political risk insurance to executives and other insurance companies are getting into the act.

In the meantime, a new blackmail device has been put into practice in West Germany, and European police fear it will spread. It borrows a leaf from the FLQ kidnappings in Quebec.

Rebels in the central African republic of Chad captured West German doctor Christoph Staewen on April 23, and demanded that the West German government pay them two million Deutschmarks and also that radio Deutsche Welle broadcast statements denouncing French colonialism and Zionism on its Africa radio service. The West Germans acceded to the demands.

Incensed by what it regarded as betrayal by a friendly government, Chad broke off diplomatic relations with Bonn. Israel was dismayed at hearing anti-Jewish propaganda coming from a German transmitter.

The broadcast, dictated by the rebels, was transmitted in French and Arabic three times.

At the same time, a fad of speculating about good kidnap techniques has been started.

Recently, a Canadian mariner pointed out how easy it would be to hijack a supertanker, and what potential disasters it could cause.

Several articles in American magazines have outlined the ease with which plutonium shipments could be hijacked, and have practically given out the plutonium shipment routes and timetables in New York State.



by Claude Balloune



The recent *NATO* conference in Ottawa was the first exposure for most Canadians to *Joseph Luns*, the organization's Dutch secretary-general. My Netherlands correspondent informs me that Luns was arrested during this past winter's energy crisis for driving his car on Sunday. Interviewed about it on Dutch national television, he offered the excuse that he had bought the gas in Belgium, and that, anyway, he was on his way to visit a sick aunt. He was convicted and fined.

After the NATO event was over, foreign journalists covering it were invited to a 'picnic' by the *External Affairs Department*. The 'picnic' consisted of a morning flight to the Halifax naval base to have lunch with an admiral, and then a late afternoon flight to Montreal. About twenty journalists signed up.

Boardroom beat

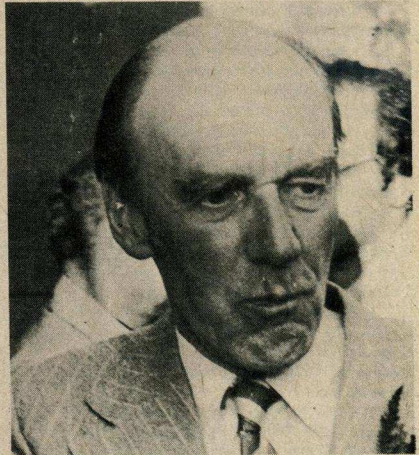
The recent *Alcan* board of directors meeting had a contentious issue on the agenda. It seems that the company offers its staff aluminum foil at the reduced rate of \$2.30 for 200 feet, in boxes marked "For Employees Only". In the stores, the same stuff sells for \$1.30 for a 100-foot roll. Unimpressed with the company's meagre largesse, the staff grumbled, forcing the issue onto the agenda, alongside the problems of dealing with the *Jamaican government* . . .

What was *Larry Zolf* doing dining at Toronto's *Winston Theatre Grill* with *Paul Desmarais*, the *Power Corp.* czar? And why did *Power Corp.* pick up the tab?

All the booze for Solicitor-General *Warren Allmand's* election-night victory party was provided at no cost by *Corby's*. Incidentally, *Mrs. Allmand*, until now a simple housewife, is about to make it big as a radio and TV personality. She has signed a contract with *Master Charge* to be the *Master Charge* home economist with helpful hints on how to manage the family budget. She will be doing this under her maiden name of *Pat Burns*.

The people's network

Recently, the advertising agency handling Olympic gold and silver coins sent out a letter to radio stations telling them, in effect, that the amount of advertising they would get was dependent on the amount of news time they gave to the sales campaign. This is common practice in the broadcasting media, not only in private



Stanfield: the dulllest candidate ever

radio, but even with the *CBC*, as the following bit of correspondence testifies. It concerns a *CBC* agreement to accept money for news and public affairs items promoting the *RCMP* centennial last year in Alberta.

The first item is a memo from *CBC* Alberta regional sales manager *M. Simovitch* to a number of people on the programming side:

Subject: *ALBERTA — R.C.M.P. CENTURY CELEBRATIONS*

Vickers and Benson Limited are representing the *ALBERTA — R.C.M.P. CENTURY CELEBRATIONS*.

The method of placing spots and programs is quite complicated and I will not attempt to enter into each and every detail concerning this unique arrangement. But we will be involved with both Alberta's 100th Celebrations and the *R.C.M.P. Century Commemoration* and in order to receive payment (in excess of \$22,000.00), I must have proof of any and all items, programs, current event segments having to do with the above subject. Each month I must submit to the Agency proof-of-performance of any participation on

LADY PSSD

our part regarding these celebrations.

Therefore, I am requesting each one of the marginally noted to make a special effort to keep me posted on what is in the "can" — what is being proposed, and to funnel this information to me for submission. I am aware, at this time, we have completed a Schools feature "Crowfoot" . . . this kind of content qualifies us for payment.

I know you will recognize the importance of my request and the revenue accrued from this involvement will no doubt be reflected in monies we obtain from ESD for the next fiscal year.

Please keep me posted so I may pass on the information to Vickers and Benson.

Public affairs producer *P. Reynolds* replied to Simovitch:

I assume that the R.C.M.P. drug squad smashing up a suspect's home (see last Friday's Hourglass) doesn't qualify. Simovitch, in turn, wrote to *Armand Baril*, Reynolds's boss:

Pls note the above memo received by me from your "ACE" executive producer . . . I envy him . . . all he has to please are the dope addicts, Eddie Keen, Native people, prostitution, the long haired pseudo intellectuals . . . et al. . . . Shall I pass his memo along to Vickers and Benson as indicative of our approach to their campaign. If Mr. Reynolds is so scornful of his responsibilities, if he harbours animosity towards commercialism . . . the NFB is always there if he has the guts.

Perhaps Messrs *Laurent Picard* and *Pierre Juneau* will find this exchange useful in trying to resolve their differences over commercialism in the CBC.

Election aftermath

A CBS reporter sent up here to cover the election campaign found himself on the *Stanfield* plane. The reporter, a veteran of countless election campaigns all over the world, intimated to fellow journalists that Stanfield was the dullest candidate he had ever seen.

Liberals are spreading the rumour that the real reason *Paul Hellyer* left the *Trudeau Cabinet* a few years back was because the PM had blasted him for funnelling all the important contracts for the mammoth Ste-Scholastique (Mirabel) international airport near

Montreal to his Toronto contracting and engineering friends.

Before the election, the Tories offered an important *Privy Council* job to former *Pearson* man *Ernie Steele* if they won. Steele was deputy minister in the *Secretary of State's Department* in the *Pearson* era, and before old Mike turned things over to *Trudeau* he asked Steele to stay on, promising him a European ambassadorship. *Trudeau* offered him Sweden, apparently considered a career-ender in the diplomatic corps. He refused and went on to further his career flacking for the *Canadian Grocers Association*, where he's been ever since.

The longtime valet of *Maurice Duplessis*, now in his seventies and living in an old-age home in *Sherbrooke, Quebec*, ran (unsuccessfully) as an independent on July 8.

A *CTV* personality, assigned to the election-night broadcast, called up a prominent Montreal fashion arbitrator to ask what to wear on "coast-to-coast TV". He told her he wanted something "not too flamboyant, nor too conservative, but hip." A fashion Conservative, the lady advised him to adopt the "*Ron Collister* look".

Job market

The *B.C. mining industry*, continuing the valiant fight against *Barrett's* socialist hordes, are pushing an ad campaign boasting of how many jobs they've created in B.C. They gave the campaign to an American ad agency.

Nixon's old Defense Secretary, *Melvin Laird*, found a comfortable post-government job with *Readers' Digest* in the U.S. Now here in this country, former PET speechwriter *Roger Rolland* has found a sinecure at a comfortable salary with *Riders' Digest of Canada* (sic). It would appear that RD can be counted on to take care of government friends. It also sometimes takes care of non-government friends. The late *Adrien Arcand*, Canadian fascist leader in the thirties and forties (his party was called the *National Unity Party*, incidentally) made his living after being released from wartime internment by doing translations for *Readers' Digest*.

A while back I mentioned that *Mr. and Mrs. John Turner* advertised in the U.K. for an "affectionate English nanny" for their children. Apparently the results weren't perfect. They're advertising for the same again.

One of my contacts was talking recently with Canadian Rear Admiral *D.W. Piers*, a retired victim of the *Hellyer* unification program of a few years back and formerly Canada's chief liaison man with the *American Joint Chiefs of Staff*. A quote from my column a few issues ago, in which Chilean junta member *General Leigh* predicted a military takeover in the U.S. within ten years, was brought up. The Admiral, who knows his American colleagues well, said: "The Chiefs of Staff are very patriotic men. If there were widespread outbreaks of disorder and chaos, then yes, they would probably step in."

From the people who brought you the tar sands ...

by Robert Davis,
Mark Zannis
and Irwin Block



Herman Kahn, who wanted to put down on paper everything a good God should know, has modified his plan to include the good corporate executive.

Including the good Canadian corporate executive.

Herman Kahn's Hudson Institute think tank has quietly incorporated its Canadian subsidiary and opened an office in Montreal. In line with its initial low public profile, Kahn's Canadian operation is tucked away in a suite of offices bearing the shingle of an obscure firm of communications consultants — Gilles Ste. Marie et Associés Inc. — on Mountain Street in the heart of the city's bistro district. Flanked on one side by the Tall Shop ladies dress store and by a Quebec Liquor Commission outlet on the other, it is an inauspicious beginning in this country for the people who in the mid-sixties seriously proposed that Saigon be surrounded by a moat to serve as the city's first line of defence.

Kahn's Montreal associate, Marie-Josée Drouin, assures callers that the present set-up is only temporary and that more elaborate offices will be established soon in keeping with her boss's grand design for Canadian resource development. Miss Drouin, and Power Corporation vice-president Claude Frenette, are as yet the only Canadian directors with Hudson Canada and they share the Mountain Street office.

It is not coincidental that Miss Drouin's former boss, Supply and Services Minister Jean-Pierre Goyer, has acted as a spokesman for Kahn's grandiose scheme to develop Alberta's oil sands (*Last Post*, March 1974). Goyer is the most enthusiastic advocate of Hudson's idea for a crash program to develop the tar sands by building 20 Syncrude-size plants at a cost of \$20 billion within four or five years. Financed by an international consortium including the U.S. and Japan, the plants would be built by thirty to forty thousand disciplined South Korean coolies. Canada would repay the loan with the oil produced in the first 10 or 20 years.

Until last year, Miss Drouin was a special assistant to Goyer and, in the time-honoured traditions of Ottawa, his mistress. In May of last year, she went to work at Hudson Institute headquarters at Croton-on-Hudson in upstate New York. She now commutes regularly between Croton and Montreal.

Frenette has taken an indefinite leave of absence from Power Corporation to establish a firm infrastructure for Hudson Canada. His ties with the federal Liberal Party are well-known. A former president of the federal Liberals' Quebec wing, Frenette served in Ottawa as special assistant to former cabinet minister Maurice Sauvé, who has since gone into political limbo and is now a vice-president of Consolidated-Bathurst Co., a Power Corporation subsidiary.

Frenette was, and by all reports still is, closely allied with such Ottawa mandarins as Bernard and Sylvia Ostry. He was Peter Newman's No. 1 source and contact when Newman was Ottawa columnist for the *Toronto Star* during the Pearson years, a fact which accounts for Newman's laudatory treatment of Sauvé at the time and his advocacy of Sauvé as a possible successor to the leadership. Frenette is also close to *Toronto Star* editor Martin Goodman.

Located in a Tudor-style building that was once a mental hospital, the Hudson Institute was founded by Kahn in 1961. Holding a master's degree in physics from the Califor-

nia Institute of Technology, the heavy jawed thinker has made his reputation primarily on toughness and his willingness to "think the unthinkable", a phrase which he coined to describe his uncanny ability to consider alternatives from which others turn in horror.

His first job was with the Rand Corporation where he published a series of books containing his ideas on overkill and the option of thermonuclear war as part of American foreign policy. His ideas on preparing the U.S. for the ultimate horror, with plans to build a "spare United States" underground, led to a falling out with his superiors, and he subsequently formed the Hudson Institute.

In carrying out its studies, Hudson takes the "modular approach" to problems. Miss Drouin says this means that a small full-time staff hires experts on short-term contracts to study particular aspects of a problem. "When we studied racial tensions in the United States, we hired several Harlem Globetrotters," Miss Drouin explained. "Kahn likes to say 'We're really crackpots' — sometimes we're on the government side, and sometimes on the other side. If we have to say the Emperor has no clothes on, we say it.

"We would like to do more studies on Canadian problems and we generally think the outlook is quite favourable for Canada," she adds.

"Right now I'm writing a paper on futurology — some people think it's something like astrology," said the jocular lady, adding that the Athabasca plans were all Herman's.

The hiring of Harlem Globetrotters to write papers on race problems is Kahn's way of saying that his group is independent and objective. Hudson's board of directors has ranged from physicist Edward Teller, father of the H-bomb, to American socialist party leader A.J. Muste.

For the first three years of operation, Kahn concentrated on securing military contracts and roughly half the Institute's budget still comes from U.S. Government contracts. Kahn, however, had no intention of being limited by such restrictions. Here's how he described his objectives in his book *Think Tanks*:

"The first year we would put down on paper everything that a good Secretary of Defense would want to know, next year a good Secretary of State, next year a good President, the fourth year a good Secretary General of the United Nations, and the fifth year a good God. And then we'd quit."

Having fallen slightly behind in this schedule, Kahn has modified his agenda to include the good corporate executive.

In 1964, the Hudson Institute, backed by small grants from private corporations, launched a program of advising national governments on national development schemes. Their schemes all seem to follow a convenient blueprint: heavy emphasis on resource extraction, light emphasis on industry, grand hydroelectric projects, the building of mass consumer markets for western products and exploitation of oil and gas reserves.

Most grandiose of all was the Latin American "Great Lakes" scheme. It called for a massive redesigning of the geography of the sub-continent with the damming of rivers to create an elaborate system of inland waterways to promote international trade. As described by Kahn in *Long Range Potential of Latin America: A Year 2000 Ideology*, it included a plan to create seven huge lakes on the Amazon (Peru and Brazil), Caqueta (Colombia), Mamore (Brazil and Bolivia) and Guapore (Brazil and Bolivia) rivers. It is, in fact, reminiscent of the James Bay hydroelectric project which has similar components. Kahn says the scheme would act as a catalyst to continental and regional expansion, as well as promote the

extraction of the area's basic resources.

The scheme was not well received by the nations involved. Here's an Institute spokesman commenting on their objections: "The idea prompted certain Brazilians to state that the ideas would change the climate of the country, perhaps causing less rainfall. Others were concerned about what the lake (Amazon) would do to the area that would have to be drowned to create it. Their concerns were with a few villages, a city, parrots and stuff like that."

Dan Guttman, a Washington researcher who has studied Hudson's proposals, says "they are just as incompetent and stupid as anybody in the government, small and innocuous compared to other consultant groups, and basically a money-making rip-off."

Other critics have indicated that perhaps more than parrots stood in the way of progress and accuse the Hudson Institute of slipshod work in preparing the study. It was put together by a staff of eight, "supplemented by consultants, treats none of its proposals in depth, and does little to support the feasibility of undertaking such vast changes." In our conversation, Miss Drouin failed to mention the Brazil project and was unpleasantly surprised to hear that we knew of it.

The one exception to the rejection of the "Great Lakes" proposal is the Choco River project in Colombia to create two huge lakes of 120 miles by damming the Atrato and San Juan rivers. The system will link the Pacific and Caribbean by canals and channels. The project, to be paid for by the Colombian Ministry of Public Works, is to open the Choco Valley for development and give better access to the oceans for the Cauca Valley, Colombia's prime industrial area. The plan was hastily conceived by four Hudson staffers in one year and has provoked this comment by John Sullivan of the U.S. House of Representatives Committee on Foreign Affairs:

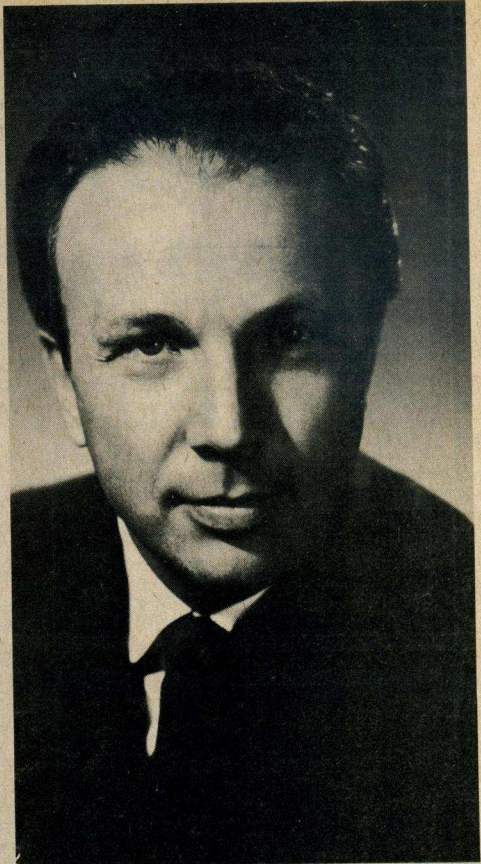
"Generally, the Institute gets hung up on techniques and exhibits little understanding of what those techniques lead to. The Choco project is a good illustration of the technique of making lakes, but they haven't looked at the people the program will displace, its impact on the central government or what it will do to the environment."

Hudson's most bizarre scheme was its plan for the development of the Portuguese colony of Angola. The study was commissioned in 1969 by the Portuguese manufacturing company, Companhia Unias Fabril, for \$100,000. To avoid the possible embarrassment which might come from direct contact with the colonialist oppression in Angola, Hudson conceived the idea of a "flying think tank". For ten days, Hudson staffers toured Angola in four small airplanes. They met each evening to discuss what they saw and write reports. Team member Basil Candella reports:

"We hear all this stuff about murder and war in Angola, but I didn't see any fighting."

One researcher commented that he felt more threatened by blacks in Harlem than by their brothers in Angola. The airborne tours formed the basis for a report that included sweeping generalizations about the military and social conditions in Angola, supported Portuguese occupation, and predicted a fall-off in revolutionary activity. A scenario was written for business as usual, with the formal report penned by Kahn from his Hudson office, without his having bothered to book on the tour.

The Angola project incorporated the following features: development of a large-scale oil refining industry; additional iron ore exploitation; large-scale cattle operations; special companies built on imported middle-class entrepreneurs; a wine industry; television; a big-game hunting industry with



Jean-Pierre Goyer, the federal cabinet minister, used to be Marie-Josée Drouin's boss. Then Miss Drouin went to work for Herman Kahn and the Hudson Institute in Croton-on-Hudson, N.Y. Now Miss Drouin commutes between Croton and Montreal, where she has helped set up the Hudson Institute of Canada, and Mr. Goyer and Mr. Kahn meet in airports.

black hunters to lead safaris; an open immigration policy, and tourism.

The Angola of the future would be promoted by a public relations and advertising campaign to spruce up and change the country's image. Or, in the words of the report: "We should like to suggest selection of about ten noted firms . . . who would be asked to change the image of Angola. A token fee of \$10,000 U.S. would increase their interest."

All of this without Kahn's having set foot in the country and based on the findings of the Hudson flying circus. Naturally, the report included the standard Kahn "water solution". The Congo and Queve rivers were to be dammed with three hydro sites.

In 1966 Kahn co-published *The Year 2000* with fellow Hudsonite Anthony Weiner and launched his career as a futurist. A strange mixture of statistics and crystal-ball gazing, the book's basic assumption is that man has gained a "Faus-tian" command of his environment and therefore can make "surprise free projections" into the distant future, putting the whole enterprise of prophecy firmly in the camp of semi-science.

Although much of the book is now considered to be bunk, Kahn's real intention has subsequently emerged as the promotion of multinational corporate interests in the near, rather than the far future, using the mystique of futurism as a cover for employing his inexhaustible supply of work contracts in international financial and political circles. To his credit, Kahn was the first to predict accurately the phenomenal rise of Japan to the status of a leading industrial and financial power. His aim was to link up a coalition of Japanese, U.S. and European interests to promote and complement each other's efforts in world trade and resource exploitation.

For this purpose he organized an ambitious four-year program entitled "The future of the Corporation and the Environment for Management, 1975-1985". The idea was to involve some 100 of the largest multinational corporations at a fee of \$40,000 apiece for which Kahn confidently guaranteed a return of at least \$1 million in increased profits. It looked like a sure thing for Herman, but before it was over the ranks had thinned to some 40 corporations who were active and sending representatives to conferences. One of the heaviest corporate commitments came from Canada.

One of the participating corporations was Bechtel Corp., which is in charge of the James Bay project; Hudson has also conducted research for Bechtel in various parts of the globe. All of which, along with Kahn's fixation with water, might lead one to suspect some Hudson involvement in James Bay. Miss Drouin denies any such involvement, although she says James Bay has been a topic of discussion in the Institute's corporate conferences "for its scale."

The corporate environment study got off the ground in the winter of 1970 with the first phase of preliminary studies which lasted until June, 1971. Four Canadian companies were later joined by six others. From the beginning the thing which distinguished Canadian participation from that of all other nations was official federal government involvement, as represented by then Minister of Science and Technology Alastair Gillespie. He told a reporter, "We were the only government or government agency to take part [in the study]. It taught us a lot."

It must have, since increasing governmental contacts with Kahn have coincided with a sudden rash of think tanks in Canada. Gillespie set up the Institute for Research on Public Policy and appointed Ron Ritchie as chairman. There is the Great Plains project, chiefly interested in oil in the north and "development" of Western Canada; Boeing Corp., one of the Corporate Environment participant companies, plays a leading role in that one. Finally, the Security Planning and Analysis group was initiated by the then Solicitor-General — Jean-Pierre Goyer.

When Gillespie took over Industry, Trade and Commerce in 1972, he had this to say: "Multinationals are important and they produce results. Do you know that in the U.S. the multinational corporations produce more jobs and more foreign

earnings than the purely domestic companies? They do and we can do the same here."

Finance Minister John Turner subsequently introduced legislation to change the Income Tax Act to favour Canadian multinationals.

Taking advantage of the more favourable climate for multinationals have been several participants in the corporate environment study. Bell Canada, for instance, has come alive through the transformation of its Northern Electric telecommunications subsidiary (*Last Post*, March 1974).

In June, 1971, the Corporate Environment group held a big conference of 160 representatives in Long Island. This ended the preliminary planning phase. Phase I produced two tons of paper which Hudson trucked to the conference. The Canadian delegation had formed its own working committee, which came out with its projections for Canada in the decade beginning next year. It predicted, apart from a growth in population and GNP, over-dependence on natural resources and slow development of secondary industries. Dissent and alienation will also become more common and more obvious.

Subsequent developments include Kahn's visit to Ottawa in August, 1972, to confer with high officials of the Trudeau government. Never one to shun publicity, Kahn called a press conference and tipped his hand as to the role of the Canadian Corporate Environment group. He said, in effect, that the U.S. doesn't need Canadian resources and warned against the belief that Canada has any monopoly on them. He said the U.S. takes Canada's resources for "ideological rather than geographic" reasons and reminded reporters that the U.S. itself is resource-rich, as are Australia, Brazil and Siberia.

Kahn's next publicized visit was the so-called chance meeting with Goyer at Montreal Airport where he outlined his scheme for the tar sands. In November Kahn detailed his plans to the federal cabinet. Typically, it is another hastily-devised program with little thought given to the environmental and economic effects. If all went well, Canada might get some oil out of it after the most accessible portion had been creamed off by the international investor group.

Despite Energy Minister Donald Macdonald's protestation that Goyer was acting privately in promoting Kahn's scheme, plans appear to be going forward. On March 1 it was announced in the Commons that Japan sent an official note through diplomatic channels expressing interest in the project.

Just what the Liberal government's involvement with think tanks in general and the Hudson Institute in particular will lead to is anybody's guess. At the very least, Hudson's simultaneous involvement with the Liberals and with multinational corporations appears to have provided one more channel for corporate influence on government.

And at least some Liberals appear to regard association with the Institute as a matter of pride. Running for election in Toronto's suburban York Centre riding, Bob Kaplan included among his qualifications (apart from co-authorship, along with his wife, of a book on bicycling in Toronto) his status as a "consultant to the Hudson Institute in New York on nationalism in Canada and resource policy" and the fact that he had lectured at Institute conferences in Japan, France and the United States.

By the way, the voters sent Kaplan to Ottawa by a 16,000-vote margin.

Robert Davis and Mark Zannis are freelance Montreal researchers and co-authors of The Genocide Machine. Irwin Block is a reporter for the Montreal Gazette and a regular contributor to the Last Post.

Home is where the \$50,000 mortgage is

by Rae Murphy



One of the salient facts that emerged from the election is that housing supply is an area that the system cannot manage anymore. Not only that, but everybody — politicians and public — seem to know it.

Thus, while a lot was said and written about housing during the campaign, it really didn't become an issue. Pierre Trudeau cast several pearls during his speeches which not only proved his own contention that this campaign was to be more irrational than the last, but also indicated that things were going to get worse before they get worse still. Even David Lewis's proposal to build the New Jerusalem with a mortgage rate set at six per cent got very little play.

Trudeau told a breathless nation that he had asked the Canadian banks to provide 95-percent mortgages to people seeking to buy low-priced homes, while those buying more expensive homes will have to raise a down payment of at least 25 per cent. A good idea except that nobody can define, let alone try to find, a "low-priced home" and even if anyone could, he couldn't find a bank that would lend a prospective home buyer more than a 70-percent mortgage on anything. Banks, you see, are in the business to make money, not solve housing crises.

Another proposal of the Prime Minister's was to expand the Assisted Home Ownership Program to allow families earning up to \$15,000 to buy a home without committing more than 22 per cent of their income on mortgage payments. If this family can find the elusive "low-priced home" it can become eligible for some sort of subsidy on its mortgage and a grant of up to \$600 a year. A good deal, except subsidized interest rates are of little benefit if mortgage loans period are drying up as they are now.

Trudeau also promised an outright grant of \$500 to first-time buyers toward the down payment on their "low priced" home.

Where are these "low-priced homes"? Nobody quite seems to know. The Liberals claim that their grant would apply to almost 66,000 new homes being built this year, but they don't say where. Homes which fall within the definition of "low-priced" literally do not exist in the urban areas of Canada where, incidentally, the housing crisis exists.

In his campaign, Robert Stanfield promised a tax rebate to everyone paying mortgage rates in excess of eight per cent, in effect forcing the public purse to pay for the usury being charged by the banks. And the NDP said that since the bulk of the bank's money is paid for at 4.7 per cent, they should be forced to supply mortgage money to families earning up to \$15,000 at six per cent. The Liberals countered these promises by saying that making mortgage interest rates lower and easier to come by would simply encourage people to buy houses, thus driving the prices higher.

Aside from the simple problem that half of the Liberal housing policy contradicts the other half — gimmicks which are supposed to help and encourage people to buy a home are counter-balanced by high interest rates designed to drive people away from the market — the more complex problem is that despite everything, the old free market idea appears to be riding high again.

It hasn't happened often, but there have been times when John Turner has read one of his pronouncements and one got the fleeting impression that the Minister of Finance actually understood what he was talking about.

One such moment came at a press conference the morning after the May 6 budget was defeated. The proposition Turner was defending on this occasion concerned a tax write-off for



Developers have cut back on apartment construction; commercial projects turn a bigger profit.

anyone who could save \$1,000 a year over a ten-year period and who would then apply the \$10,000 saved to the purchase of his first house.

Apparently ad-libbing, Turner praised the inherent worth of the tax provision, and also added that his proposal would reduce the demand for housing, the rationale being that everybody would be saving his thousand a year and thus wouldn't be in the market until he had the Big Ten, or Big Twenty in the case of a married couple.

The proposal, of course, ignores the probable price of real estate in 1984 and what \$10,000 is likely to buy then, among other things. But beyond that, the essential element in Turner's reasoning is that housing is a commodity like any other, to be subjected to the exigencies of the free-enterprise system. In this regard, Turner was merely expressing the conventional wisdom of government economists, and accepting at face value the central myth that the dismal science has presented to the layman: the myth of the market.

It is supposed to work something like this: supply and demand sit on opposite ends of the teeter-totter, and the price rolls in between defying gravity. When demand goes up the

price goes up and capital flows in that direction, and then pretty soon the supply goes up and whoopee! The balance is altered. The function of government is to add weight, by any number of financial gimmicks, to one end of the teeter-totter or the other to keep things in balance. Its influence can be directed toward increasing the supply, or it can depress demand by tightening the flow of money.

And it is presumably the function of economists to figure out the gimmicks, the function of public-relations men to give the gimmicks a name and the function of sociologists to determine the social needs the gimmicks fulfil — just to give the whole operation a bit of class. Anyway, that is the way it is supposed to work.

There are, however, some problems.

In the last session of parliament, NDP housing critic Ed Broadbent tried to hammer away at housing policies. "Liberal and Conservative governments," he said, "have never seen housing as a basic social right. Instead they have viewed it as being simply another consumer good whose price should fluctuate according to the whims of the market place." This principle, according to Broadbent, has been served by two approaches.

Housing construction has been used as a lever to expand or contract the economy in general. We are trained to see housing starts as one of the indicators of our economy and by the same token one of the means by which the government can influence economic stability. Housing as a social need, and its availability and cost to the public, are incidental.

The second approach is an immutable law of private ownership of land, one of the results of which is that a government must rely upon incentives to get anything built.

There is also a third axiom: public housing, like fluoridation, is a commie plot to destroy neighbourhoods and is fit only for degenerates, hippies, homosexuals and people who spit in hallways and burn garbage in sinks.

With housing firmly in the hands of what we euphemistically call the "private sector" of our economy and with the government diddling about with any number of incentive programs we not only have too few and too expensive homes but we find the whole area cluttered and confused by language and statistics that only economists pretend to understand.

For example, let us examine an aspect of the current housing situation in the Toronto area, which from all indications is typical of Canada's urban areas.

Back in 1966, when the Toronto Real Estate Board began keeping track of house prices, the average resale price was around \$22,000. In the spring of 1974, when property values had skyrocketed to the point that the Real Estate Board decided, out of either embarrassment or panic, not to release monthly resale figures any more, the average resale price of a home hit \$57,461 — up 37 per cent from only a year earlier. One expert estimated that the price of residential real estate was rising at a rate of \$4 an hour.

The big news of June 1974 was a decline of almost \$1,300 in the resale price of homes, a sluggishness of the market reflected in the growing number of unsold houses and predictions that prices will continue to drop.

Does this sluggishness in the market and small decline in prices, with the promise of deeper cuts in store, mean that Canada's worst housing crisis since the end of World War II is abating?

It does not.

New housing starts in 1974 are now estimated to be five to ten per cent lower than they were in 1973. The vacancy rate of

apartments is at less than one per cent and apartment-house construction is declining. Apartment rents are rising rapidly and the big increases are yet to come. One of the big operators in the field, Bertram Willoughby, said this spring when discussing the plans of Toronto landlords:

"And if they hit the public hard this year which they are going to do — they are doing it right now — I think they are only trying to regain some of the money they have lost during the past two or three years."

The rationale for the decline in apartment construction, and the accompanying rise in rents, comes out this way: according to Willoughby, an owner of apartment buildings with an average rate of return of five or six per cent would be much better off with his money invested elsewhere, say in conventional mortgages where the interest rate has long since passed ten per cent. "At the present time," says Willoughby, "I cannot see anyone in his right mind building an apartment house."

High interest rates are thus making it more profitable not to build. Cadillac, one of Canada's major development companies, announced to its shareholders in 1971 that because its rate of profit on residential construction was not as it should be it would emphasize commercial development instead. "We expect," they reported, "there will be a decreased rate of starts of rental apartments in the Toronto area and this will bolster the rental market."

High interest rates have also caused the sluggishness in the home resale market. Bank interest rates have risen twelve times in the past year, and with the Bank of Montreal's late-June announcement of an 11½-percent prime interest rate, mortgages hover around 13 per cent, when they can be got at all.

One Toronto-based trust company has put a ceiling of \$40,000 on first mortgages with a commitment that they will not be given for more than 70 per cent of the appraised value or sale price of the property, whichever is less. Thus, even with prices showing a slight decline (an indication that the individual vendor who is either taking a flyer on the inflated market or trying to get out from under is getting it in the teeth) the actual cost of buying a house has increased. A larger down payment is required, and even with a \$10,000 to \$20,000 down payment the buyer still has to shoulder a mortgage of \$30,000 to \$40,000, which means several thousand dollars a year in interest payments. Small wonder that real-estate agents report an extraordinary number of purchase agreements coming unglued this summer.

So in influencing the so-called free market by making money available for mortgages and allowing mortgage rates to rise as an inducement governments have in fact made the situation worse. Ironically, during the election campaign Prime Minister Trudeau boasted that the small decline in housing prices and the relative inactivity in the market were proof that the Liberal housing policy was working.

In 1973, the Liberals with Conservative support passed the Mortgage Mechanisms Bill. It was a rather complicated piece of legislation, but its aim was simple enough, as our Minister for Urban Affairs, Ron Basford, described it: it was directed at "enhancing the attractiveness of mortgage investment."

Enhancing the attractiveness of mortgage investment. Last year, when interest rates were only ten per cent, Canadian banks, whose profit rates are the highest in the economy (up 85 per cent between 1966 and 1971) put \$255 million into mortgages. We have been assured that the banks will make even more money available in 1974, proving once again that Mary

of the Royal's milk of human kindness has not yet curdled.

But it does seem to be coming out in bigger and bigger spurts. Between 1963 and 1973 the proportion of general loans of under \$100,000 declined from 19.3 per cent to 9.3 per cent, while huge loans of \$5 million or more have increased from 8.4 per cent to 22.2 per cent. It would be very interesting to know how much of the mortgage money goes to individual residential purchases and how much goes in large chunks to the giant developers and speculators who have tied up almost all the available land around Canada's urban areas.

Enhancing the attractiveness of mortgage investment. One day in July, the Toronto *Globe and Mail* posed a question: "What kind of a loan shark requires \$16,467.26 interest to pay off \$1,532.74 of principal?" Answer: our friendly banks and mortgage companies. An average Canadian, according to the *Globe and Mail*, "borrows \$30,000 to finance the purchase of a house. He pays interest on the loan at 11.5 per cent and his payments are amortized over 25 years.

"During the first five years the monthly payments are \$300, for a total of \$18,000. But only 8 per cent of the payments will go toward retiring the principal during those first years."

Incidentally, in Toronto the average mortgage is \$35,000 and the interest rate in 1973 was 12 per cent and higher.

Enhancing the attractiveness of mortgage investment. High interest rates hit everyone except the lenders and it is a lovely situation if one happens to be lender, land speculator, developer and owner simultaneously. And this is precisely what has happened in the Canadian "housing industry."

Over the past two decades, the biggies of Canadian capital have cut themselves in on the action. Organizations such as Eaton's and the Canadian Pacific Railway as well as all of our highly concentrated private banking system have moved in and taken over. Both James Lorimer in his *Citizen's Guide to City Politics* and the authors of the excellent study *Highrise and Superprofits* draw example after example of interlocking directorships between the handful of giant development companies and Canada's banks, trust and insurance companies, major industrial enterprises and merchant empires.

The growth of development companies has been one of the financial phenomena of the past decade or so. Trizec, the largest developer in Canada, was formed in 1960 as a joint venture of the British Eagle Star insurance group and the now bankrupt American developer Webb and Knapp. Its assets in 1965 were \$164.3 million; by 1972 they were \$516 million. Cadillac Development was created in the mid-sixties out of an amalgamation of 29 different companies all owned by the same people, and it had assets of \$272 million in 1971. Its board of directors is typical among major development companies in that it contains representatives of the major banking and financial institutions as well as the major construction equipment and supply companies.

These huge development companies are not only integrated with the major financial and commercial institutions in Canada, but they have also increasingly become conduits for foreign capital. The extent of this penetration is, naturally, one of the better-kept secrets of the business world, but it is known that, for instance, American capital is heavily into Markborough, Swiss banks are behind Fidinam and British interests control Trizec.

One quite visible effect of the movement of the big money into real estate has been the creation of the artificial land shortage in Canada. Last spring, Toronto columnist Harold Greer quoted a consultant for the Ontario Department of Agriculture as estimating that prime farm land on the periphery of

the cities was falling into the hands of real-estate speculators and going out of production at a rate of about 43 acres an hour. Not all this farm land now lying fallow in the hands of speculators is as yet serviced but a good deal of it is.

According to Ed Broadbent, 50,000 acres of "quick start" land is now available around Canada's 15 larger cities — land enough to accommodate a million people. The land is kept off the market by speculators (who reap great tax advantages for doing so, Ontario's anti-speculation tax notwithstanding) to force the prices even higher.

How much this idle land is worth is indicated by the NDP, which proposes that the federal government buy it for \$2 billion. We also know that these 50,000 acres are concentrated in the hands of about ten development companies.

Incidentally, the great Ontario land-speculation tax, which was going to deal a crippling body blow to the speculators and increase government revenue by \$25 million a year, hasn't quite lived up to its press notices. In April, the province didn't receive a penny from the tax, in May it got \$7,600 from 22 sales and during the first three weeks of June it got \$7,600 from 24 sales. Not only that, but the money will probably have to be refunded as the federal government has announced that it won't allow the tax to be used as a business deduction.

Enhancing the attractiveness of mortgage investment. How wonderfully attractive the investments have been. For example, Cadillac Development increased its profits 51 per cent in the first nine months of 1973 over the same period in 1972. The part of their profits coming from land and housing increased by 214 per cent. During the first quarter of 1974, Cadillac's profits rose by a further 61 per cent. Markborough Properties, one of the smaller development companies with 1971 assets of a mere \$76 million, increased its rate of profit by 265 per cent in the six-month period ending in April 1974 over the year-earlier period.

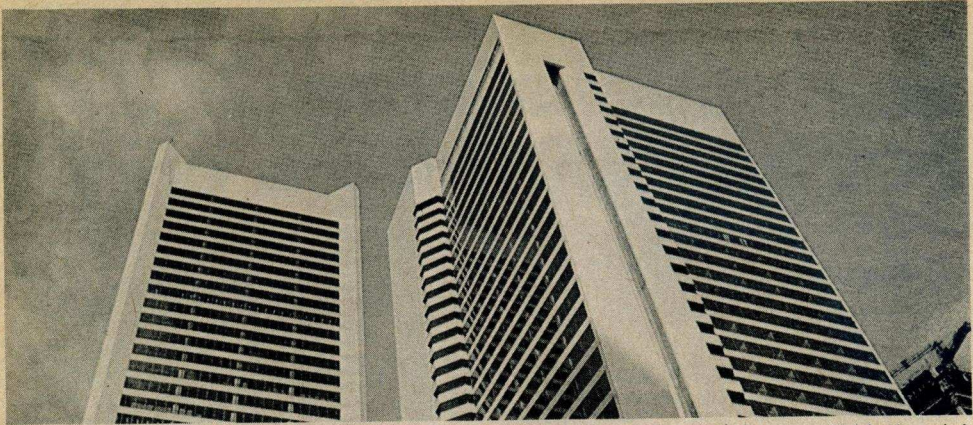
Enhancing the attractiveness of mortgage investment was exactly what the government was doing in 1967 when it lifted the six-percent ceiling on bank mortgages, in 1969 when it removed the ceiling on National Housing Act mortgages, and when it adopted the "roll over" principle on mortgages so that they are opened and interest rates adjusted every five years. In sweetening the pot more by raising the interest incentive for mortgages, the government has all but completed the process of eliminating even moderately priced shelter.

Because it is more profitable to build luxury apartments and homes than moderately-priced ones, the latter are simply not built. And because the same groups who own the land own the money and own the buildings it makes good sense not to build anything — just tie up the land, create the shortage and rake in the money.

The monopolization of the real-estate industry has repealed any so-called law of the market.

Since everybody has to live somewhere, the housing industry has a captive market. The demand is constant. That statement of the obvious is reflected in the proportion of family income that Canadians are forced to pay in order to keep a roof over their heads.

Experts in the field seem agreed that a family contemplating purchase of a home will find it difficult to meet mortgage payments if the price of the home is as much as double the family's annual income. With the average price of housing pushing past \$50,000 in Toronto, most people are really in trouble. It doesn't matter whether a family still cherishes the dream of a home or not, because rents reflect the going rate of property values — and then some.



And so one simply pays. Statistics compiled in the Dennis-Fish report, a study commissioned and then suppressed by the Central Mortgage and Housing Corporation and finally leaked by the NDP in 1972, showed upwards of 1,750,000 Canadian households spending more than the generally agreed-on acceptable maximum of 20 per cent of the family income on shelter and well over a million spending more than 25 per cent. The report said:

"One Canadian household in three spends in excess of 20 per cent of income for shelter, one in five in excess of 25 per cent, one in 14 in excess of 40 per cent, one in 33 in excess of 50 per cent. The 400,000 households spending more than 40 per cent of income for shelter are on the very edge of subsistence."

All this was back in the good old days when one could get an ordinary mortgage for around nine per cent and the 6½-per cent NHA mortgage was being eliminated by Paul Hellyer, the contractor who at that time dabbled in Liberal politics.

Over the years it has mattered little whether Paul Hellyer, Ron Basford or Atilla the Hun has been in charge of housing on a national level, whether Liberals or Tories have held provincial office, and whether Non-Partisans or Partisan-Nons have been in municipal government; all have conducted affairs like Milo Minderbinder, rather unconcerned about the outcome of the war but only wanting to keep it running on good free-enterprise principles.

With governments imbued with the theology of the "market" and other hokum of nineteenth-century economics and holding no other God than that of private property, public housing is treated as a social disease and encouragement of co-operative housing ventures is non-existent. Society is locked into such a narrow conceptual framework that even gimmicks that actually do attempt to house some people merely illustrate the depth of the crisis.

For example, the Ontario government's HOME plan — an arrangement where the purchaser buys the house but leases the land — is flooded with so many applications that in several instances applicants are chosen by a lottery. In one HOME development area there were 9,000 applications for 340 homes. These are families in the \$15,000 income range that have no hope of buying a house on the private market and are unable to afford skyrocketing rents.

The untrammelled rights of "private enterprise" in housing

give rent controls the impact of the proverbial fart in a windstorm, even when they are not ineffective by design. As one realtor said, "rent controls foster a system whereby the renter must pay a premium under the table for the privilege of renting an apartment. The rent for a bachelor apartment may be set at \$160 but to get the key to it you might have to pay an extra \$500. There are always ways to skin a cat."

It can be a humbling experience to be told just who is boss.

It is in this context that the policy developed by the NDP in the last session of parliament and through the election campaign assumes greater significance. Without getting much press, throughout the 29th Parliament Ed Broadbent developed a set of proposals that would, in effect, make housing a direct social responsibility of the federal government. During the campaign, NDP leader David Lewis developed and expanded on the party's proposals which range from removing the tax on building materials to guaranteed six-per cent mortgages, and from tax rebates to extensive land-banking. And then one night in London, before a large rally, Lewis got steamed up enough to proclaim that the speculators and developers should be driven out of the housing business completely, and he brought the house down.

With due regard to election histrionics, the NDP housing program does constitute a radical shift in Canada's housing policy, although it raises as many questions as it attempts to answer. The main one is the NDP itself. It isn't in power and precedents appear to indicate that often in the transition from opposition to government the players remain the same but the program changes.

The essential problem of the NDP is that its chief aim in life is to make the system work — more nicely, perhaps, but work just the same. And one has the unmistakable feeling that the NDP housing program is very much an exercise in system-saving. Even as David Lewis proclaims his resolution to chase the speculators out of the business he says very little about the money-changers. An NDP government, presumably, would ask the privately-owned banks to release at six per cent interest money on which they can charge 13 per cent.

And the banks, presumably, would say no.

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

Jean-Luc is gone, but his spirit lives on

by Eric Hamovitch

As in the past many of the people who are being elected to Parliament this year are people with backgrounds in business. It is not unlikely that many of them are involved in business interests which may have occasion to deal with the government.

Luckily for them, it is still possible for their business interests to transact with the government even as they sit in parliament. The 29th Parliament came and went without any new laws or regulations to do away with this sort of thing.

With the Watergate crisis still not resolved at the time of writing and with other scandals rocking the western world, it is at least comforting to think that political figures are now likely to show a little more circumspection when faced with a possible conflict between their private interests and the public interest.

One would hope, of course, that this would apply not only to elected officials and their henchmen but to civil servants as well. Unfortunately the increasing tendency of the Canadian government to lure business figures into the upper echelons of the civil service is likely to mean that conflicts may arise more rather than less frequently in the future. Only last May a member of the National Energy Board was found to have been engaging on the side in the buying and selling of oil supplies. This is not good. This causes people to lose confidence in their public institutions. Cynics become more cynical. Those afflicted with apathy become more apathetic.

No one can really express much disagreement with the general principles enunciated by Prime Minister Pierre Trudeau when he spoke of conflict of interest in the House of Commons last December 18.

His speech was an elaboration of a series of very general guidelines aimed at directing the conduct of civil servants with regard to possible conflicts of interest. It is not sufficient, ran the thread of the argument, for a person in a position of responsibility to act within the law. No conflict should exist or appear to exist between civil servants' personal interests and their official duties.

On July 17, 1973, Allan MacEachen, President of the Privy Council, had tabled a Green Paper on conflict of interest as it related to members of both houses of parliament. This paper defined conflict of interest as a situation in which a personal or a private *pecuniary* interest is sufficient to influence, or appear to influence, the exercise of public duties and responsibilities.

Both the Trudeau and the MacEachen proposals declared that those on the public payroll should arrange their private

affairs in a manner that will prevent conflicts of interest from arising upon appointment or election to office. How this was to be done was not specified, however.

They must not benefit, continued the proposals, or appear to benefit, from the use of information acquired during the course of their official duties. They should not place themselves in a position "where they could derive any direct or indirect benefit or interest from any government contracts over which they can influence decisions." They should hold no outside office or employment "that could place on them demands inconsistent with their official duties or call into question their capacity to perform those duties in an objective manner." They should not accord preferential treatment to relatives or friends or to organizations in which they or their relatives or friends have an interest, financial or otherwise.

All highly praiseworthy objectives. But nothing appears to have come of them. The Green Paper was not referred to committee. No new conflict of interest legislation was brought forth. And it may be a long time before anything does happen.

Trudeau announced one day that he had laid down the law in the cabinet, allowing a decent interval to elapse after Ontario premier Bill Davis had done the same. He sought thus to avoid the embarrassment that had kept befaling Davis when for a time hardly a month went by without the revelation that one member or other of the Ontario cabinet was involved, or appeared to be involved, in some shady real estate deal.

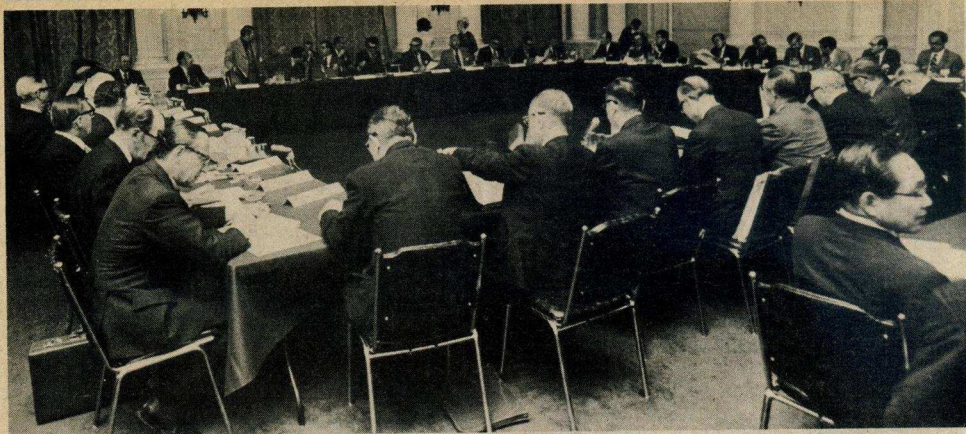
But all that Trudeau really did was to set general guidelines for his cabinet ministers. He asked them to relinquish their capital assets or to put them in a blind trust. But as in the past he was relying upon their individual integrity.

The same applies in the civil service, where conflicts of interest can take a number of forms. One very traditional form is the taking of bribes in return for the performance of favours. Less pronounced in Canada than in many other countries, this is, of course, illegal, and can be dealt with by the suitable provisions of the Criminal Code.

Another traditional form occurs as a result of the upper echelons of the civil service's being drawn predominantly from a particular social class. They can be expected to draft regulations and perform administrative tasks in a manner that reflects their class biases. Regulation of this phenomenon in the cases of individual civil servants is quite obviously impossible.

A third type of conflict of interest, and the one which will likely be the main target of any new conflict of interest legislation, arises when civil servants find themselves in a position to favour particular interests, and can be induced to do so by means other than direct bribes.

A few years ago ITT Canada won a \$72 million contract from the Post Office to supply automatic sorting machines. Two top officials of the Post Office Department at the time



The advisory board to the Minister of Industry, Trade and Commerce, here shown in a 1971 meeting with a visiting Japanese trade delegation. At the head of the table is the Minister of the time, Jean-Luc Pepin. The advisory board has also found favour with Alastair Gillespie, Pepin's successor.

happened to be former managerial employees of ITT Canada. It may be that this was mere coincidence and that ITT was the only company with the necessary expertise, but there certainly was ground for suspicion.

In 1970 an official of the Department of Regional Economic Expansion left the government to take a job with McCain Foods Ltd. While this particular official was with the department, McCain had received three DREE grants totalling \$7.1 million. Mere coincidence? Again, quite possibly. But we have no way of knowing for certain.

The question of members of the House of Commons is a different one in many respects, since they are elected rather than appointed. MPs need make no bones about favouring particular interests if these interests are widely shared. A farmer who is elected to parliament need have no compunction about working for farm policies that will favour the farmers in his riding, including himself. It is a different matter when an MP acts to favour his own pecuniary interests when those interests are not shared with a broad sector of the electorate.

No legislation exists to guarantee either the avoidance or the disclosure of financial interests, although House of Commons rules state that "no member is entitled to vote on any question in which he has a direct pecuniary interest, and the vote of any Member so interested will be disallowed." It is lucky for one or two of the Alberta members who voted on recent energy bills that "direct pecuniary interest" is difficult to define.

MacEachen's Green Paper makes certain proposals regarding corrupt practices, the charging of fees for services, incompatible offices (i.e. government employment) and government contracts, but it is vague on the subject of financial interests, particularly with regard to disclosure: "The rules on conflict of interest should attempt to provide the public with that information which is relevant to the question of conflict of interest while safeguarding the individual Member's right to privacy regarding information which the public does not require." The paper later elaborates on this by suggesting that in any debate of the House or its committees, a member "shall disclose any relevant pecuniary interest or benefit."

The trouble with this, as with the far vaguer guidelines respecting civil servants, is that the individual MP or civil servant is left to decide which interests are "relevant".

Disclosing or relinquishing connections or assets cannot, of course, serve to erase sympathies for particular interests, nor will certain members be banned from returning to the corporate boardrooms whence they came. And no conflict of interest rules can abolish family ties. James Richardson, Liberal minister of national defence, is a member of a wealthy Winnipeg grain-trading family; he has personally held several million dollars in Canadian Pacific stock. Pierre Trudeau's father-in-law, James Sinclair, is a vice-president and director of the Bank of Montreal and sits on the boards of Canada Cement Lafarge Ltd., CIL, Alcan, Sun Life and Cominco, a Canadian Pacific subsidiary. Trudeau's conflict of interest rules are simply incapable of dealing with this sort of thing.

But where conflict of interest rules really get bogged down is when they come up against the Senate. At last count 32 senators held a total of approximately 200 directorships in public corporations. How many interests are held in private companies is impossible to tell.

Senator Hartland Molson, of brewery fame, also sits on the boards of the Bank of Montreal, Sun Life, CIL and Webster & Stone. Senator Louis-Philippe Beaubien sits on 14 boards, Senator Jacques Flynn on 10. Senator Maurice Bourget is Brijco's man in the Senate, and Senator Sarto Fournier (a former Montreal mayor) sits on the board of Canadian Javelin, a company once again under investigation for stock fraud. Senator Louis Gélinas sits on 21 boards, including those of the Mercantile Bank, Canadian International Paper, Hilton Hotels, Lafarge Cement and Seagram's. Senator John Aird's nine directorships include the Bank of Nova Scotia and Consolidated-Bathurst, now controlled by the mighty Power Corporation. Senator Alan Macnaughton's 20 directorships have an international flavour, with such names as Pirelli, Cunard and the Swiss Corporation for Canadian Investments Ltd. Senator Paul Desruisseaux's 12 spots include the chairmanship of Melcher's Distilleries and directorships with the Royal

**Canada
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Trust**

CANADA PERMANENT TRUST COMPANY • CANADA PERMANENT MORTGAGE CORPORATION

30 Metcalfe Street, Ottawa, Ontario K1P 5L3 (613) 237-4550

July 26th, 1973

Mr. _____, M. P.
House of Commons
Parliament Buildings
Ottawa, Canada

Dear _____ :

The Government's plan to implement Conflict of Interest rules for all members of parliament may be a cause of concern to you. It is our belief that Canada Permanent Trust can help you meet the requirements as set out in these new rules.

Through our highly confidential discretionary investor service we can work with you to establish your financial requirements and objectives. From these guide lines a qualified Canada Permanent Investment Officer can build and monitor your portfolio, buying and selling at the most opportune moment while your income is collected with your securities held by us in our name. We report to you regularly as to any changes in the portfolio as well as supply you with detailed statements of the portfolio and the revenue collected. This income is remitted to you or your bank as directed. Our fee for this service is based on a percentage of the value of the portfolio with a minimum fee of \$500.00 per annum.

Another service which may be of help to you is the Canada Permanent Investment Fund. By purchasing units in the fund you gain the expertise of our many years of investment experience. With an initial minimum investment of only \$100.00 you'll experience a wide diversification of investment with above average potential and you'll pay no loading charges of any kind.

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Yours very truly,

CANADA PERMANENT TRUST COMPANY



Edward P. Gavsie
Business Development Officer

EPG/slp

Enclosures

This enterprising trust company has found a way of helping MPs get rich despite possible conflict-of-interest rules. One member of the Canada Permanent board of directors who might find this endeavour particularly close to his heart is Harry Hays, himself a former MP and one-time Liberal Agriculture Minister, and now a Senator. Among the appointees to the board since this letter was sent is former Governor-General Roland Michener.

Bank of Canada and Canadian General Electric.

Senator Ernest Manning, the former Social Credit premier of Alberta, sits on the boards of the Canadian Imperial Bank of Commerce, Canadian Pacific Airlines, McIntyre-Porcupine Mines, Stelco and seven others. J.J. Greene, the former Energy Minister, now sits on the board of Petrofina and in the Senate. Recently appointed Senators Godfrey and Riel each brought a slew of corporate directorships with them. This is only a partial list.

Salter Hayden, senior member of the Senate and holder of 13 directorships, sat on the board of the Bank of Nova Scotia at the same time as he headed the Senate committee that reviewed changes to the Bank Act. Senator John Connolly, a director of Scott Misener Steamships Ltd., was sponsor of a bill relating to steamship companies. An existing Senate rule that "a senator shall not be entitled to vote upon any question in which he has any pecuniary interest whatsoever" is simply laughable.

Some corporate senators have tried to justify their outside interests on the grounds that they are bringing expertise and inside knowledge that the legislative process might otherwise be deprived of. That argument might bear some weight were the total contribution of the Senate to the legislative process not so minimal.

A further area where conflicts of interest may arise is in the advisory boards that have been set up in several government departments.

The most notable of these ministerial advisory boards is the one that advises the minister of industry, trade and commerce. Set up under Jean-Luc Pepin, who has been accused, not without reason, of having difficulty in distinguishing between public interests and those of private business, the IT&C Advisory Council is also looked upon with favour by his successor, Alastair Gillespie.

"The 40-member Advisory Council," according to a recent news release, "includes representatives of trade, industrial and regional interests. The Council normally meets three or four times a year to examine and review the policies, programs and services of the Department. It advises the Minister on the adequacy of the Department's activities and recommends improvements in the light of the changing needs and conditions in Canada and abroad."

Among the trade and industrial representatives on this body are L.J. Adams, president of Avis of Canada (an ITT subsidiary), Robert Bonner, president of MacMillan Bloedel, Gilbert Clarke, deputy chairman of Standard Brands, Marsh Cooper, president of Falconbridge Nickel Mines, Robert Dowsett, president of the Crown Life Insurance Company, H.M. Griffith, chairman of Stelco, G. Arnold Hart, chairman of the Bank of Montreal, D.C. Jones, president of Hudson Bay Oil & Gas, Robert J. Richardson, president of Du Pont of Canada, R.D. Richmond, president of Douglas Aircraft of Canada, Albert Thornbrough, president of Massey-Ferguson, and Ron Todgham, president of Chrysler Canada.

A number of smaller firms are also represented, including stockbrokers, management consultants and other important groups. These 40 men bring with them many hundreds of corporate directorships, and no one has seriously suggested that their presence on the minister's advisory board is likely to hinder the companies they represent from getting handouts through the myriad of grant and loan programs administered by IT&C. Indeed one becomes very suspicious when it is noted that Falconbridge Nickel received a grant for \$1,902,150 shortly after its president, Mr. Cooper, was named to the advisory board in 1972. DuPont of Canada, also

represented by its president, received \$230,140. Robert W. Bonner, until recently executive chairman of MacMillan Bloedel, also sat on the advisory board, and watched his company receive \$708,701 in IT&C grants; IBM Canada, of which he was a director, received a grant of \$550,712 in 1972 and a loan for the same amount. Stelco received \$1,380,702 while its chairman advised the minister.

The minister was Jean-Luc Pepin, no slouch himself. Since his forced departure from politics, he has been named to the boards of Westinghouse Canada, Bombardier, Power Corporation and the Power-controlled Canada Steamship Lines. While he was minister, Canada Steamship's Davie Shipbuilding subsidiary received \$12,467,104.78 in grants from his department. Consolidated Bathurst, controlled by Power Corporation, received \$931,874 during this same period. Westinghouse received \$2,433,133.88, and Bombardier received \$1,290,000. When he lost his seat in the 1972 election, they all remembered good old Jean-Luc.

The advisory board to the minister of regional economic expansion has been the object of very overt suspicions of conflict of interest. One member of this board was Kendall Cork, vice-president and treasurer of Noranda Mines, recipient of a DREE grant of \$3,522,000; a Noranda subsidiary, Gaspé Copper Mines, received \$3,627,000. This is not an isolated instance (see *Last Post*, vol. 2, no. 6).

Then we come to the boards of directors of various government corporations and agencies, like the Bank of Canada, which serves as intermediary between the government and the chartered banks and advises the minister of finance on monetary policy. Among the directors of the Bank of Canada we find R.W. Campbell of Calgary, chairman of PanCanadian Petroleum Ltd., who also sits on the boards of Canadian Pacific Investments (which owns PanCanadian), Natural Resources Growth Fund Ltd., TransCanada PipeLines, Crown Trust and Panarctic Oils; J.L. Lewtas of Toronto, a vice-president of Crown Trust, whose directorships include Dominion Foundries and Steel, Maple Leaf Mills, Salada Foods and Upper Lakes Shipping Ltd.; Jacques Taschereau of Quebec City, who sits on the boards of a number of investment trusts; and others.

The list goes on: Canada Development Corporation (see page 14), Export Development Corporation, General Adjustment Assistance Board, National Energy Board, Canadian Transport Commission, Central Mortgage and Housing Corporation, and many more government agencies and corporations whose boards bring hundreds of private interests to bear on the execution of government policy.

The government did not set up these various boards with the sole purpose of providing additional channels for individual corporate interests to influence government policy and spending, but it certainly did go to pains to see that Canada's corporate élite was well represented. The rationale behind this is to reap the benefit of the managerial expertise which these people can supposedly provide and to give the government additional channels for exchanging wisdom with private business. You can't find a virgin with experience, but expecting the corporate élite to put the public interest on an even level with its own is (as they say in Quebec) to dream in colour.

In all these cases, conflicts of interest certainly do appear to exist, but successive Liberal and Tory governments have interpreted the public interest as coinciding so closely with corporate interests that perhaps they feel it doesn't matter.

Eric Hamovitch writes regularly on federal politics for The Last Post.

Don't fire until you see the red of their placards

A document found its way out of the Department of National Defence recently (and into the hands of the Quebec press) which provides a delightful glimpse into the political contingency planning of the Canadian Armed Forces.

It should be admitted right away, in case we've started any hearts palpitating, that the plans will hardly displace the burning of the Reichstag from its slot in modern history. Nevertheless, "Exercise Neat Pitch" (we have no idea how this odd name was arrived at) does reveal the presence of some rich imaginations in our forces' planning staffs.

Some stories quoting from these documents appeared in newspapers a few weeks ago, but the content is best savoured in long sips.

A couple of introductory points:

These documents are the working papers for a seminar held in April of 1972 at Mobile Command Headquarters in St. Hubert, Quebec.

Little study groups of officers studied various aspects of this problem: What should be done, and how, when the military is called upon to assist the civil power in a situation of political unrest.

Problems are: how to guard VIPs; how to protect VPs (Vital Points); how to operate roadblocks; should APCs (Armoured Personnel Carriers) be brought in? . . . and so on.

The documents don't contain a record of the discussions among the officers, but they contain two rather interesting chapters.

The first is the "fictitious scenario" that they are studying. It is set in the town of Queenston, in the Province of Regina — neither of which exists, of course. This makes the richest reading.

The second document is the report on what the two-day study concluded. This report is by one Colonel R. Bérubé, and is distributed to a list of incomprehensible Pentagon-style military acronyms.

We should only add that spokesmen for the Department of National Defence, questioned by reporters at the time this document was doing the tour of the best bars in Montreal, were hasty in their assurance that the army did not have Quebec in mind.

First we reprint the entirety of the "Scenario", and second, the report on what the gentlemen decided as a result of fooling around with this scenario.

* * * * *

RESTRICTED

MOBILE COMMAND HEADQUARTERS INTERNAL SECURITY STUDY GROUP EXERCISE NEAT PITCH

GENERAL IDEA

SERIAL 2

(This narrative depicts a fictitious situation)

1. Towards the end of 1972 a new popular movement spread throughout NORTH AMERICA. We are not really concerned with its aims; let us merely call it "The Movement". At first the intention of the leaders of "The Movement" was to bring pressure on their governments to achieve their aims. Early in 1973 growing support for "The Movement" in CANADA coincided with severe economic upheaval which had been brought about by a series of crises in the international monetary system. Unemployment rose to 25% in many areas by mid 1973 and indications were that even greater unemployment was inevitable. Serious civil disturbances occurred throughout NORTH AMERICA during the summer 1973 and by September the violence had spread to a number of other western countries. In CANADA the problem was aggravated for the following reasons:

- a. Militant separatist groups in QUEBEC were taking advantage of the widespread disturbances to further their own aims;
- b. Growing numbers of organized criminals were straining police resources;
- c. A large increase in the number of youth festivals, youth marches, demonstrations and similar events were providing further headaches for the police and putting additional demands on their resources.

2. The winter of 1973/74 was uneventful. However, it was clear that "The Movement" was gaining a great deal more support among all sections of the community. Many

felt that the situation had been aggravated by irresponsible TV and press coverage of events and a bitter public debate on this point continued throughout the winter. Early in 1974, the leaders of "The Movement", impatient with the Canadian Government for not yielding to their demands, began to encourage their members and supporters to take more violent action.

3. It is now July 1974, CANADA is in a state of severe unrest and extreme tension. There have been many serious incidents including bombings and riots organized by "The Movement" and other left wing groups. In many cases fighting has broken out between the various groups and this has led to a great deal of damage in many areas. It is significant that most of the serious violence and damage has followed demonstrations arranged by supporters of "The Movement". These demonstrations have been accompanied by individual but apparently uncoordinated acts of terrorism. Targets of this terrorism, so far, have been banks, stock markets, homes of senior government officials and wealth industrialists. Some care appears to have been taken to avoid targets which would cause danger or inconvenience to the working population and the public in general. Latest police forecasts indicate, however, that a new and far more serious wave of terror and violence will soon begin and that it will include attempts to disrupt public services. The terrorists are expected to show little regard for the convenience and safety of the public from now on. Some police forces have been severely over-stretched for some time and a number of municipal police chiefs, in areas seriously affected by the violence, have indicated that they do not expect to be able to cope for very much longer on their own.

4. Intelligence appreciations prepared early in July 1974 indicated that the most serious disturbances would take place in QUEENSTON the capital city of REGINA in Central CANADA (See Annex P). It was believed that QUEENSTON had been selected by "The Movement" as the focus for their campaign because of the recent collapse of a large Federal Government regional development project for industry in the City. The collapse of this scheme resulted in the highest figures for unemployment for the whole country and this in turn led to bitter controversy and widespread dissatisfaction in QUEENSTON.

5. By the middle of July events had proved earlier forecasts to be correct. A series of bombing attacks began early in the month. On 11 July two bombs at City Hall and one at the National Employment Service Building had caused considerable damage but no casualties. By 14 July, a school, a home of a provincial government official, a labour office and a Royal Bank of CANADA building had all been hit. The following day a large bomb blew a gaping hole and injured a watchman at the City Gate No 1 Gas Regulator Station. On the same evening, serious vandalism following a demonstration by student radicals resulted in 95 demonstrators being arrested and 22 demonstrators and six policemen sent to hospital.

6. A number of serious incidents including fire bombings and looting occurred on 16 July. On 17 July a demonstration was planned for 1800 hours in Victoria Park (3334) as a protest against alleged "police brutality" at an earlier demonstration. By 1800 hours on 17 July, 5,000 people had assembled in Victoria Park many of whom had travelled from nearby towns and cities. The QCP by this time was organized on its emergency shift system (Annex



B). At 1800 hours 85 QCP policemen were on duty 30 of whom were members of the QCP emergency platoon (police riot squad) which had riot control equipment available.

7. Despite some incidents, the demonstration ended without serious violence at 2030 hours and most of the demonstrators returned to their homes. However, at about 2100 hours, approximately 300 of the "hard core" demonstrators formed up into a procession and announced their intention of marching on City Hall. A number of serious incidents took place in the next 30 minutes and as a result the QCP decided to break up this procession and using the emergency platoon, did so at 2200 hours. Having been dispersed into small groups of 20-50 and now away from the watchful eye of the QCP these groups resorted to serious acts of vandalism.

8. Early on 18 July, CFHQ confirmed the allotment of formations and units for operations in Aid of the Civil Power in Regions.

* * * * *

**DEPARTMENT OF NATIONAL DEFENCE
FMC 1180-120/C 4-1 (OPS)
Mobile Command Headquarters
St. Hubert, Quebec
5 May 1972**

Distribution List

**INTERNAL SECURITY
STUDY GROUP REPORT**

Reference: A. FMC 1180-120/C 4-1 COS OPS 24 Mar 72

GENERAL

1. The Commander, Mobile Command held a study group on Internal Security at FMC HQ during the period

18-19 Apr 72, in accordance with Reference A. Representatives were present from FMC Formations, CFHQ, DRB, other regions, and the two Staff Colleges.

AIM

2. The aim of the study was to:
 - a. Resolve tactical problems at the section, platoon and company level with a view to establishing doctrinal guidelines.
 - b. Review command and control arrangements at the formation and unit level.

DOCTRINE

3. Discussions were held on protection of personnel, guarding vital points, area domination, crowd confrontation and command and control. Detailed notes were taken of the discussions, and CFP 302(8), AID OF THE CIVIL POWER, will be rewritten to reflect the many points which were raised and agreed upon.

POLICY DECISIONS

4. The following decisions were taken by the Commander during the study and will form part of Mobile Command's policy on Internal Security:

- a. Protection of personnel should not be considered as normal task for the military, however, a standard method of providing this protection must be developed as the military may be required to provide it.
- b. Protection of personnel will be based on escalating levels of protection which may be implemented according to the situation and desired aim.
- c. Construction of bunkers for guards will not be considered normal, but will be one of the measures taken during higher levels of protection.
- d. Individual guards will be given personal means to escalate the application of force. Consideration is being given to issuing each man a hand-held chemical dispenser.
- e. The terminology surrounding vital points is confusing. The term "vital point" will only be used to describe points that will be defended at all costs; other points may require guarding for a variety of reasons but the guard will stop short of weapon fire.
- f. Guards will never be deployed singly; a man must always have protection and back up.
- g. The difference between a check point and a road block will be clearly established. Techniques for establishing a road block will be clearly spelled out in doctrine.
- h. Personnel manning road blocks will not fire at a vehicle simply because it refuses to stop unless the order establishing the road block states otherwise.
- i. Area domination is a normal function of the police but the military may be required to assist them in this task. In principle each military patrol should be accompanied by one police officer.
- j. Batons and shields may be used by snatch squads.

- k. APCs may be used as part of the escalation of force provided their use is authorized.
- l. When firing for effect, aim will be taken at the center of the visible mass, although the intention is to fire to disable, not to kill.
- m. The use of warning shots will be left open to the commander at the time. Guidelines for firing warning shots will be included in the doctrine pamphlet.
- n. Mobile Command troops will train on the use of the rubber baton round. The search for a better weapon will continue.
- o. The metal T-bar and chain come-along as displayed during the study was previously considered by the committee on equipment for Internal Security. It will not be used as the risk of causing permanent damage to the wrist is considered to be too great. The nylon hand cuffs on current issue will continue to be used.
- p. Bayonets may be fixed by small detachments in a purely defensive role.
- q. Joint military/police training on dispersal drills should take place prior to deployment if time allows.
- r. Possible tasks for the tactical reserve will determine its composition and location, and this should be catered for in initial development. Early tasking can probably be carried out by other troops who would be unsuited for employment as reserves by virtue of organization, equipment or training.
- s. The rifle is the standard weapon for Internal Security. Base pools will be established to cater for personnel who are not normally so equipped.
- t. Command of tactical aviation will be held at the senior operational HQ. Allotment of integral air will be at the discretion of the Operational Commander.

R. Bérubé
Colonel

for Commander Mobile Command

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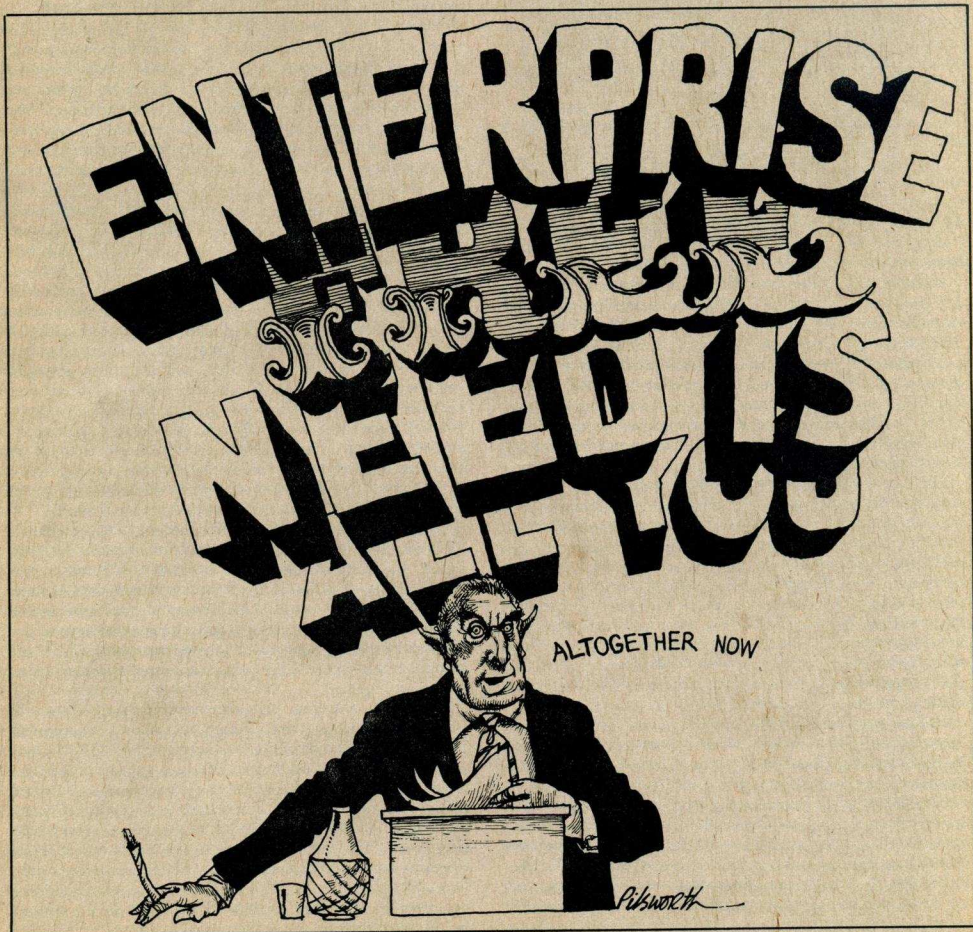
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Some people have more shares than others

by Robert Chodos



"Emboldened by his proxies, the chief officer of the corporation is often moved to deliver a rip-roaring, hellfire-and-damnation speech in defence of private enterprise."

One of the more misleading expressions in the business vocabulary — deliberately so, one suspects — is the phrase “public corporation.”

Public corporations are not to be confused with publicly-owned corporations, whose shares are held by the government and which are subject, in the broadest sense, to government policy direction.

No, the “public” of the public corporation is what is sometimes known as the “investing public,” and that narrows it down considerably.

Still, any person can call up his friendly neighbourhood stockbroker and invest as much money as his economic circumstances permit in the public corporation of his choice. For the price of his common share (plus brokers’ commission) he gets not only the chance to benefit if the value of the company should rise, but also a piece of the company’s profits in the form of dividends, a voice in electing directors to look after his interests, and the opportunity to subject the company’s policies to his searing scrutiny at the annual meeting of shareholders.

Every share is equal to every other one: one share, one vote. The only hitch is that some people have more shares than others.

Since spring is annual meeting time in the world of public corporations, the *Last Post* decided to take advantage of the season to check out just how well the theory of corporate democracy is working these days. I hold one share of Canadian Pacific, and was able to obtain proxies for two other companies, Abitibi Paper and International Nickel.

Actually, having the share and the proxies was an unnecessary precaution. Visitors are welcome at annual meetings and virtually anyone can attend; in fact, at the Abitibi meeting in Toronto, Board Chairman Thomas J. Bell was pleased to acknowledge the presence of a high school class from nearby Mississauga. He apologized to the students for the “rather formal” nature of the meeting, and it was an accurate assessment. For the reason corporations are so relaxed about who may attend their annual meetings is that not much of importance happens there.

The chairman or president makes a formal speech, directed toward the financial pages of the newspapers more than toward the meeting itself. A few questions are answered. Formal corporate decisions such as amendments to by-laws are submitted for formal ratification. Even the election of directors is a formality, since there is always an official slate and it always wins. It is quite rare (although, as we shall see, not entirely unknown) for opposing candidates even to be nominated; a distinct preference is shown for the genteel efficiency of acclamation over the clumsy procedures of balloting.

But shareholder control of corporations is far from being entirely a myth.

About a month before the meeting, each shareholder receives, along with a notice of the meeting and an annual report, a card shaped and coded so that it can be processed by a computer. This card is the proxy, and it is the key to the smooth functioning of annual meetings. On it, the shareholder is asked to nominate the managers of the company as his representatives at the meeting, with full powers to vote his shares. In some cases, there is also space on the card for the shareholder to write in a nominee other than the managers of the company; in others, the shareholder has to make up his own form if he wishes another nominee.

In virtually all cases, the existing managers of the company get proxies for well over fifty per cent of the outstanding shares. That is why they are the existing managers of the

company. They are usually not particularly large shareholders themselves, but they have the confidence of those who are. That allows the large shareholders to stay in the background. The relationship between a shareholder and his proxy is, like the relationship between a president and his tape recorder, a private one.

Emboldened by his proxies, the chief officer of the corporation is often moved to deliver a rip-roaring, hell-fire-and-damnation speech in defence of private enterprise. The top corporate echelons are no place for weak-kneed bleeding hearts, and presidential addresses to annual meetings are not characterized by moderation. Government intervention in the economy is, by its very nature, evil. It is doubly evil if it takes the form of high taxes for corporations. Although profits may be up (and they were up substantially in 1973 for most corporations, including Abitibi, Inco and the CPR), the company’s return on its investment is never high enough, and may, in fact, be dangerously low. If corporations aren’t allowed the freedom they need, they will be unable to pursue their programs of investment, through which they create jobs, stimulate the economy and provide benefit for everyone. What is good for Abitibi, Inco and the CPR is assuredly good for the country, and it is axiomatic that the likes of Thomas Bell, Edward Grubb and Ian Sinclair know best how the economy should be run.

Inco’s annual meeting was held in the blue-and-gold opulence of the Roof Garden atop the Royal York Hotel in Toronto on April 17 (the hotel is owned by Canadian Pacific: with three common directors, the companies are close buddies). It was an efficient meeting, the most efficient of the three. There were exactly the right number of questions to fill up the question period, so the meeting ended on time, an hour after it started. The questions were, on the whole, not embarrassing, and Board Chairman Edward Grubb and the other corporate officers seated with him at the front of the room answered them without difficulty. Comic relief was provided by an elderly, bearded gentleman named Warren who looked like a prospector; he wanted to know if he could get free samples of the company’s product. (He would have done better to go to the Abitibi meeting. Boxes of stationery manufactured by an Abitibi subsidiary were distributed to everyone present.)

In his address, Grubb spoke with pleasure of the company’s 1973 profit of \$226.9 million, more than double the 1972 figure, and its 1974 first-quarter profit of \$75.2 million, but warned of the deleterious effect of the new corporate tax laws in Ontario, where most of Inco’s assets are concentrated. There is, Grubb said, “a serious question as to the fairness and wisdom of a sharply graduated tax on corporate profits,” and he called the new tax “seriously discriminatory against large, efficient companies.”

There was only one discordant note. A spirited lady of middle years in a print dress got up during the question period and wanted to know why the company didn’t hire women geologists. Grubb denied that this was company policy, and noted that Inco had “a large and increasing number of women in supervisory positions.” Later, during the election of directors, this same lady protested the absence of women on the board. At first Grubb ruled her out of order but after the directors were duly elected, he came back to her question. Inco was looking for people with international business experience to serve on its board, he said. It was “not in a consumer industry where there might be a better argument for having a woman on the board. I can’t say when the first woman director will be appointed, although it will probably happen someday.”

After the meeting it was suggested to the lady that she should have nominated a woman for the board. But her intervention had been quite spontaneous and the only person she could think of was Judy LaMarsh, of whom she was not particularly fond. She promised to give it more thought before next year's annual meeting.

The Abitibi meeting eight days later was not as lively an affair, although the company's profit picture (up from \$8.5 million in 1972 to \$29.9 million in 1973, and \$11.9 million in the first quarter of 1974) was certainly cause for celebration. It may have been the setting — a dimly-lit movie theatre in the Toronto-Dominion Centre — that dampened the exuberance of the assembly; whatever it was, the meeting lagged at several points and was wrapped up in a mere fifty minutes.

The main theme of Chairman Bell's address was the fortunate situation of the pulp and paper industry. "There is good reason to believe," he said, "that the pulp and paper industry will be operating in a healthy atmosphere for the next five-year period or longer. There should be a reasonable balance between supply and demand, opportunity to improve earnings and to finance cost-reducing projects."

He also contributed a few thoughts on the subject of inflation. He agreed with those who say that inflation is imported, up to a point, but he said that most of it is the fault of the government, which has been "very much influenced by socialist doctrines that encourage inflation and are anti-free-enterprise in many respects." The crux of the problem, he said, is that "we have not developed an ideological opposition to inflation."

The paper companies have come in for some criticism recently (see *Last Post*, May 1974) as a result of a shortage of their principal product (which is what Bell meant by "a reasonable balance between supply and demand"); small Canadian magazine and book publishers have found their printing costs rising and have had to reduce their press runs because of a lack of paper. During the question period, I asked Bell whether these developments caused him any concern that the government might step in and take some action that might be detrimental to the company. No, he said, because "there is no shortage of paper in Canada nor do I visualize that there will be one." He went on to point with pride to the large amounts of paper that is being exported from Canada; according to the Independent Publishers' Association, that very situation is one of the causes of the paper shortage *within* Canada.

One shareholder criticized Bell for what he described as the company's "timid" pricing policy. It seems that Abitibi's price increases in recent months have not been quite as precipitous as those of some of the other paper companies. Bell assured the worried shareholder that Abitibi would catch up with its competitors by the first of July.

Toward the end of the meeting, there was a minor tizzy when the fellow who had been designated to second the nomination of the official slate of directors and the one who had been designated to move that nominations be closed did their numbers in the wrong order, but they just did the whole thing over again and it was all cleared up.

It was back to opulence for the Canadian Pacific meeting, in the grand ballroom of the Château Champlain, but from the beginning one could perceive a subtle change in the atmosphere.

Perhaps it was because Canadian Pacific is a singularly visible company (although its 1973 annual meeting had proceeded with model efficiency), or perhaps it was the difference between placid Toronto and volatile Montreal, especially Montreal on May Day, when labour unions across the city



An elderly, bearded gentleman at the Inco meeting wanted free samples of the company's product.

were declaring rotating strikes and preparing a mass march for that evening to celebrate the international workers' holiday. A bit of mischief just seemed to be in the air.

Chairman Ian Sinclair's address was predictable enough. While he too was able to express satisfaction at a bright profit picture (\$126.1 million in 1973, up by \$30 million over 1972, and \$37.8 million for the first quarter of 1974), he quickly zeroed in on a dark spot in that picture: the company's railway. For the increase in Canadian Pacific's profit was entirely due to the improved performance of its mushrooming nonrailway investments — its hotels, real estate, mines, oil and gas, forest products and the rest. Profits from the railway have actually been declining. Just in case the shareholders of Canadian Pacific weren't clear on who was responsible for this, Sinclair did not hesitate to lay blame.

The problem with the railway, he said, was rates. And the reason rates were a problem was that the government wouldn't let the CPR raise them. So the government was at fault in the recent tie-up in the west, when there weren't enough CPR boxcars to move the prairie wheat crop. Canadian Pacific "has a long history of courtesy and co-operation in its relationship with the various levels of government," Sinclair said. "But we cannot do the impossible. We cannot create the funds to build cars which are unable to bear even the cost of the labour and materials that are incurred." He also denied the rumours that have been abroad recently that Canadian Pacific wants to unload its railway onto the government, saying that "nationalization of this company, or part of this company, or for that matter of any other company, is as irrelevant to transportation as it is to Canada's other problems."

When he came to the inevitable subject of taxation, Sinclair gave the old theme a slightly different twist. "Every dollar removed from the capital market, because it has been taken by taxation from the pocket of the would-be investor, is a dollar denied to Canadian business," he said. "It is the volume of expenditure of governments which limits the range of private business activity." He pinpointed this state of affairs as a

major cause of the foreign control of our economy: "What sense does it make that large amounts of Canadian money should be invested involuntarily at low rates of return through taxation whilst American money is invested in Canada at high rates of return?"

The meeting then considered a proposed by-law change that would increase the amount of money set aside for the remuneration of directors from \$85,000 to \$225,000. A short, bald-headed gentleman in the back of the room got up to speak to the motion. Sinclair had obviously seen him before for he greeted him by name. His name was Mgr Lavoie.

Mgr Lavoie spoke in French and Sinclair ostentatiously adjusted his simultaneous-translation mechanism (they were available at the back but Sinclair was one of the few people who had one, it being highly unusual for anyone to address the meeting in French). Sinclair's opposition to nationalization was well-founded, Mgr Lavoie thought, but he also felt that a corporation's social responsibility was very important, and if more money was to be spent on remunerating directors then some of it should go to finding directors who would express that responsibility: people from citizens' committees, perhaps, or from universities, or maybe lawyers working in community legal clinics.

Sinclair replied that much of the \$157 million the company pays in taxes is spent by the government on programs for the poor, and besides the board of directors channels some money into educational and charitable projects, and that was enough social responsibility for any corporation.

Mgr Lavoie seemed dissatisfied with the answer.

(The reason Mgr Lavoie was familiar to Sinclair was that at the previous week's annual meeting of Canadian Pacific Investments, a 90-percent-owned CPR subsidiary, he had tried, unsuccessfully, to get that company to put \$10 million of its profits into a low-income-housing project in his Quebec City parish.)

The next item of business was the election of directors. The prearranged nomination of the six official candidates was entered, but then, unexpectedly, a Mr. Inch of Sudbury took the floor, and what had been an unrecurrent pervading the meeting came out into the open. Back in 1971, Clifford Fielding, a Sudbury multi-millionaire and reportedly the largest single shareholder in Canadian Pacific, had resigned from the board in a dispute over the conversion of the company's preferred stock. Since then, he has been at the centre of a dissident group of shareholders. In 1973, that group protested the restrictive nature of the proxy form. This year, it nominated Clifford Fielding for a position on the board of directors.

The nomination was moved by Mr. Inch and seconded in accordance with the rules, Fielding's written consent was produced, and literature was distributed describing the qualifications of the proposed director. Sinclair chose this moment to point out, somewhat gratuitously, that management was voting more than 28 million proxies (somewhat less than 50 per cent of the shares, strictly speaking, but enough to keep the situation well in hand since many of the others belonged to shareholders whose proxies had been delayed by what Sinclair referred to as the "illegal postal strike") and that any nomination in opposition to the official slate was thus futile. The Fielding group wanted its nomination to stand anyway.

There was also another, less well planned, in fact entirely spur-of-the-moment attempt to nominate a renegade director. Feeling that Mgr Lavoie was the sort of fellow who ought to be encouraged, I placed his name before the meeting.

Sinclair asked if I had a seconder, and if I had Mgr Lavoie's

consent to the nomination. I had to admit I had neither. He ruled my nomination out of order.

"You have to be more organized to do something like that," the lady sitting beside me said. "I just thought of it now," I answered.

As a result of the Fielding nomination, the meeting had come alive with activity. One person demanded that a poll be taken instead of the usual show of hands, another castigated Sinclair for his heavy-handedness in invoking the power of his 28 million proxies. In all the bustle, Mgr Lavoie got up and said he was quite willing to be nominated and would be glad to give his consent. A couple of speakers later, a young French Canadian said he wanted to second Mgr Lavoie's nomination.

Sinclair said Mgr Lavoie's name would be placed on the ballot.

But then a paper was handed to him and he told the meeting that Mgr Lavoie was the owner of only twenty shares, not even close to the two thousand needed to qualify as a director. Mgr Lavoie said that, if elected, he would endeavour to acquire the necessary shares. That was not good enough, Sinclair said; he had to have the shares when he stood for election.

Ballots were distributed and filled out. I voted for Fielding as the only protest possible.

Mgr Lavoie objected that Fielding's name appeared on the English side of the ballot but not, as Sinclair put it, "on the back" in French. But that didn't matter, Sinclair said, because "Fielding is spelt the same in French as in English."

While the ballots were being counted I chatted with the lady beside me. She was surprised that no one had objected to the company's more than doubling the money being paid to directors, at a time when railway employees were complaining of low wages and everybody was talking about higher costs. "Why didn't you raise it?" I asked. "Well, I'm not a shareholder, and besides, my husband is a director."

She agreed with me that Mgr Lavoie had raised a valid point about the narrow nature of boards of directors, and I told her about the spunky lady in the print dress at the Inco meeting. She lit up when I mentioned Inco and introduced me to the lady sitting to the other side of her, who turned out to be the wife of Henry Wingate, former Inco chairman and another Canadian Pacific director. All three of us agreed that the absence of women on boards of directors was scandalous, although Mrs. Wingate thought that Grubb's admission that there might be a woman on the Inco board someday represented a considerable softening of position: "A few years ago they just said that a mining company was no place for a woman."

The conversation was interrupted by Sinclair, who was ready to announce the results of the vote. Fielding got 2,863,797 votes and the Official Six got all 28,300,000, give or take a few thousand. The rest of the meeting proceeded uneventfully except for a few more interventions from Mgr Lavoie. The balloting and the other unscheduled events had caused the meeting to last two hours instead of the customary one ("you can usually time it to the second," the lady beside me had said) but most people had seemed rather to enjoy it, even including Sinclair, who had loosened up as the meeting went on and handled most of the interventions with sarcastic humour. On the way out everyone was talking about how the meeting was the most interesting one in years.

One fellow stopped me and said, "You should buy the Monsignor the extra shares and try again next year."

I said I wished I could.

Robert Chodos is a member of the Last Post editorial board.

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Canada gets in line...again

by DRUMMOND BURGESS

Canada's Energy Crisis, by James Laxer. James Lewis & Samuel/Toronto. 136 pp. \$3.95.

Economic warfare can be just as effective as the shooting variety and is, indeed, more common. In fact, in the Western world it is taken for granted that such warfare is virtually continuous, and up to a point its practice is not only regarded as legitimate, but is even supposed to be a highly moral activity.

Jim Laxer's book *Canada's Energy Crisis* — an account of the great oil crisis of 1973-74 — shows just how effective economic war can be. It explains how the United States and the mainly U.S.-controlled multinational oil companies used the largely mythical Arab oil boycott and the oil price revolution to give, at least temporarily, a shot in the arm to America's flagging world power, and to tame for a time the impudence of the Western European and Japanese economies that were challenging American dominance. And it explains very neatly how Canada fits into the overall jig-saw puzzle as a resource colony for the United States.

Cheap Mideast oil was of benefit to the economies of Western Europe and Japan in their trade rivalries with the U.S. It was of less benefit to the U.S., still largely self-sufficient in oil production. But that self-sufficiency was threatened. Becoming reliant on foreign oil would have exposed the U.S. to eventual economic blackmail of the sort it prefers to practise itself rather than have practised against it.

As well, massive oil imports would have wreaked havoc with a balance-of-payments picture that was already producing nightmares in minds that had once thought American power limitless. Yet retaining self-sufficiency by exploiting the oil reserves that the U.S. still had in abundance meant expensive oil for Americans and a continuing economic disadvantage compared to trade rivals using cheap foreign oil.

The oil price revolution solved this problem — though it may be bringing other, no less serious economic problems in its wake. The new oil prices meant lots of money for the

oil-exporting countries — some of them ruled by regimes that are among the most reactionary in the world. It meant lots of money for the multinational oil companies. And it made it economically feasible to develop U.S. oil reserves. This in turn made the retention of oil self-sufficiency a tenable strategy

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for the United States.

Very neat. But the U.S. may have gone too far in helping to beggar its neighbours in Western Europe and Japan (the underdeveloped countries are, of course, also being beggared, but being underdeveloped they are not to be worried about). The recent figures for the balance of payments of the industrialized countries are pretty catastrophic. Prophecies of a new depression have become more general than at any other time since the Second World War. The relatively gentle word "recession" seems to be shrinking in popularity. And if the U.S. was unable to isolate itself from the depression of the 1930s it is rather fond to imagine it could do so today. Be that as it may, the energy game plan is well underway.

As might be expected, Laxer's book is particularly good in its description of Canada's role in America's oil (and other) strategy. With both the Liberal and Conservative parties accepting the desirability of a continental economic community (apart from a few token nationalist gestures) and with the NDP's alternative something less than heroic, it is not surprising the U.S. considers Canada pretty well wrapped up and exempt from the peccadillos that characterize the Middle East and other less stable areas of the world.

Canada's resources, both the U.S. and Canadian governments feel, should be at the disposal of the entire continent. As a result, Canada has adjusted itself to play a lieutenant's role in the renewed U.S. drive for energy self-sufficiency. For example, this country's belated decision to build an oil pipeline to Montreal so that the east can be supplied with western oil will be a guarantee to the Americans that Canada will never be subject to Arab, African, Caribbean or other non-U.S. oil pressure.

Laxer paints a disturbing picture of the connection between Canada's massive resource exports and the underdeveloped state of this country's manufacturing.

Canada in 1970 had a \$2½-billion deficit in trade in manufactured goods. We are the world's leading importers, on a per capita basis, of foreign manufactures. We have been left behind in the development of high-technology industries and

our basic research is inadequate. Among Western countries, only Greece and Ireland, Laxer finds, have a lower percentage of their work force employed in manufacturing. The machinery, electrical, chemical, and scientific and professional equipment industries are in an especially dismal state.

Further, the record of American-owned firms in this country is bad and getting worse; from 1966 to 1972, according to a study by the Ontario Waffle, employment growth in Canadian-owned firms, for the sample studied, was three times higher than for American-owned branch plants. New jobs, the study found, were increasingly being passed on to the parent company in the U.S. or to its subsidiaries in other foreign countries.

This situation fits hand-in-glove with massive American imports of Canadian raw materials, for these create a trade imbalance in Canada's favour. This imbalance is corrected by Canada's massive imports of U.S. manufactured parts and goods. And with such a huge part of Canada's manufacturing sector in U.S. hands this is a situation that Americans can control in the interests of a continental economic strategy which awards Canada the role of resource hinterland.

Laxer sees the answer lying in the nationalization of major resource industries, such as the oil companies, the phasing out of energy exports, and a redirection of economic development and growth from the resource to manufacturing industries to provide Canada with a modern, technologically advanced economy.

So far only some of the smaller political parties — including the Waffle movement of which Laxer is a leading figure — have embraced such a program. As the recent election campaign shows, the Liberal and Conservative parties are lost hopes. Even the NDP, from which more might have been expected, ran a curiously evasive campaign, unwilling, no doubt, to prejudice in advance the possibility of a renewed alliance with one of the major parties.

As the U.S. wages economic warfare to retain its dominance of the Western world it can be sure of one thing — Canada, at least, will be there saying "Ready, Aye Ready".

The Rencontres: a film-maker's first

by MARC RABOY

Although film-makers from Latin America and Africa have been meeting more or less regularly during the last few years and European and North American radicals have always known how to sniff each other out at places like Cannes, the *Rencontres Internationales pour un Nouveau Cinéma* in Montreal in June was the first time progressive third-world and western film-makers had come together in large numbers.

In another time or place there might have been a grand attempt to launch some sort of cinematic International but here the emphasis was on the practical, on a cross-cultural comparison of experience and on nuts-and-bolts arrangements to sharpen the focus of the progressive film movement.

This is not to say that the week went by with no one challenging anyone else's ideological positions. In fact, the debates that did take place often reached a level we rarely hear in this part of the world.

It is unfortunate that only the converted were there. For what the *Rencontres* showed, more than anything else, was the emptiness of the concept of the film-maker as creative individualist. This concept, emerging from the traditional film industry as an unchanneled response to the alienation of working within the commercial stream, may be a short-term answer for the individual film-maker, but it is an answer for no one else.

The only people at the conference in full possession of their country's cinematic apparatus were the Cubans, and this

lent their words a certain authority. But as the "haves" of the radical film world, they were also vulnerable to various attacks, from the charge that their cinema is "triumphalist" and uncritical towards their revolution to the slur that they had abandoned the class struggle in favour of narrow national interests.

Soon after they started building their national film industry on the remains of a colonial infrastructure, the Cubans found that ownership of the economy does not by itself wipe away the effects of generations of coca-cola culture. To illustrate, Julio Espinosa of the Cuban Institute of Art and Cinematography told this story: a worker, coming across a friend who has a notorious passion for Hollywood-type movies, asks him, "Don't you realize that life isn't really like that, people don't

really act that way?" His friend replies, "Go on, comrade, don't you realize that's only a film?"

Present Cuban policy is aimed at overcoming this attitude. Espinosa explained that Cuba may own its theatres, but there are not enough good films to fill the screens. Even if there were, a significant cinema must remain in touch with the people. So until the consumer demands of the Cuban people can be met with ideological consistency, the country will continue to import the best possible foreign films, including many which are politically inferior.

Many third-world countries are engaged in similar efforts to build national film industries, but they are generally less committed to an eventual socialization of film production than the Cubans. Still, many militant film-makers choose to work inside nationally-conscious regimes.

One of the most celebrated of these is Fernando Solanas, co-director of the classic political history of Argentina, *La Hora de los Hornos* (The Hour of the Furnaces) and author of the manifesto "Towards a Third Cinema". A few years ago Solanas was practising "guerrilla warfare with a camera", but since the restoration of the Peron regime he and several other Argentine film-makers have been helping the government develop its television and film policy.

Solanas came to Montreal to talk about cinema, culture and decolonization, and was confronted with questions about politics and Peronism. While few actually suggested Solanas should not be doing what he is, there was a good deal of discomfort at seeing one of the theoretical godfathers of radical cinema so closely tied to a nationalist movement with obvious limitations.

But most of the time the discussion was directed at developing mechanisms for collaboration between different movements of the left, despite divergences in objective or principle. Espinosa pinpointed it during an intervention which capped the Solanas debate. "It is not enough to possess the truth," he said, quoting Brecht, "One must know what to do with it."

Militant film-makers who have no institutional base face a separate set of problems. In the third world they must often deal with the threat to their physical as well as professional survival. In the west the problem is more subtle, and the solution less clear.

Film distribution and exhibition in western Europe and North America is

largely controlled by a few multinational conglomerates, regardless of the local conditions for film production. (The situation varies from country to country, but nowhere is it worse than in Canada. Here, American chains control over 80 per cent of the theatre system, and Canada remains the only one of the so-called developed countries without any legal protection for its own films.)

The distribution monopoly can afford to keep its own films off the market if they turn out to be politically hot; it also has a history of buying independent productions and leaving them on the shelf indefinitely. And government is no better a friend, except on a fair-weather basis. Most of the smaller capitalist countries subsidize film development, but while working through government programs is often convenient and useful it is by no means reliable, especially in times of

political crisis.

Quebec film-makers, for example, have been finding it more and more difficult to put any social or national relevance into films produced at the National Film Board. The Dutch say it is virtually impossible to produce a radical feature in Holland. Even the Scandinavians, who have probably had more success than any other western group at working within public agencies, cannot count on them to make the films that they feel need to be made.

The response to this situation in the last few years has been the sprouting of independent production and distribution groups in just about every western country. While the commercial monopoly feeds the relatively passive consumer market, the cultural opposition searches for more dynamic ways to use film, usually finding them in schools, union halls,

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church basements and the occasional theatre.

With about twenty of these groups in Montreal, the contacts and arrangements made during the week should spark a flurry of activity on the parallel circuits in the near future, promising a wider circulation for both local and third world films in the west. At the initiative of the Swedes, who have been the most outspoken at calling for an international alternate distribution network, the Europeans will meet again before the end of the year to set up an organization. There was similar talk among the Americans.

In Quebec, the experience of the *Rencontres* should itself serve to stimulate the present debate going on within the film community about the direction to be taken by political film-makers. The *Comité d'action cinématographique*, an ad hoc group set up by conference organizer André Paquet to host the event, will continue to function, riding shotgun on this debate. At the suggestion of the Pan-African Federation of Film-makers, Paquet's committee will also become at least a temporary liaison between the

third-world organizations and progressive film-makers in the west.

Whether the *Rencontres* will influence the film scene in English Canada is more difficult to predict. There weren't many English Canadians at the conference, and the few who did attend suggested this was an accurate reflection of a general lack of interest in political cinema among the country's film-makers.

Ironically, the organizers of the *Rencontres* had hoped to open the week with a National Film Board production, Robin Spry's long-awaited double film on the October Crisis, *Action and Reaction*. However, film commissioner Sydney Newman ruled that the film could not be shown publicly before the July 8 federal election, which provokes the obvious question: If releasing the film before the election would have prejudiced someone, wasn't holding it back prejudicial to someone else? But that's another story.

The following are some of the more notable films that were shown at the *Rencontres*. Some of these and other

political films are available in Canada from DEC Films, 200 Bedford Road, Toronto, Ontario M5R 2L1.

Attica (USA, Cinda Firestone): Over live footage shot in the Attica yard before and during the massacre, inmates and ex-inmates describe and analyse prison society and its role in the US social schema.

History Book (Denmark, Jannik Hastrup): Nine animated shorts and a tenth in the oven giving a popular view of world history from the beginning to today. Intended for 8-12 year-old Danes, but suitable for adult products of Canadian school system.

Les Bicots Nègres (Mauritania, Med Hondo): Epic historical poem composed by a cinematic Fanon; the African experience from every angle: cultural colonization, phony independence, neo-colonial corruption, the new slavery in Europe, dehumanization, rebellion.

Cuando Despierta el Pueblo (When the People Awake, Chile, collective): Sketch of Chile's social history to November, 1970; class struggle during Allende years to June 1973; MIRist view, showing determination of upper classes to hold power and working class fears that Allende's reliance on parliamentarism and hesitancy to mobilize the masses would lead to what it led to.

Mistashipu (The River Moisie, Quebec, Arthur Lamothe): First of a long series on Quebec's native people; the Montagnais of the northeast talk of their land and its occupation by private fish and game clubs for American weekenders.

Tupamaros (Sweden, Jan Lindqvist): Production itself a guerrilla action. The Radio Sverige film crew, ignorant of the real purpose of its assignment, interviewed equally ignorant Uruguayan politicians, while another talked to a Tupamaro leader, filmed inside the people's prison, and smuggled the film out of the country.

Giron (Cuba, Manuel Herrera): Partly dramatized documentary on the Bay of Pigs invasion.

El Tigre Salto Y Mato (The tiger sprang and killed, Cuba, Santiago Alvarez): Concise, lyrical tribute to victims of the coup in Chile and victims of repression around the world.

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Mediacrities

by RICHARD LISKEARD

*Canadians selling
deodorant witness
revolution in Lisbon.*

—Toronto Star, April 29

I don't believe anyone needs convincing that foreign news is not the strong point of the Canadian press. But when I'm reminded that the Senate Special Committee on the Media reported we needed more Canadian correspondents abroad "in order to get that particular Canadian view of world events," my eye wanders to that headline, which is glued onto my office wall as a warning that no matter how bad things are they can always get worse.

I will only briefly recall to your attention at this point a story which enshrines best the values of our foreign correspondent corps. When the Toronto *Star* sent Jack Cahill, its former Ottawa man, to cover the Canadian peacekeeping contingent in Saigon, he reported on a murky little plot the Polish contingent was cooking. As if they thought we were all stupid, these swarthy people were importing crates of secret electronic equipment and marking the crates with stencilled symbols of umbrellas and wineglasses.

Cahill acutely observed that no one would be importing thousands of umbrellas because the monsoon had not yet started, and the wineglasses were a transparent dodge as no one would drink the terrible Vietnamese wine. Therefore darker things were afoot — possibly hanky-panky between the Poles and the Viet Cong. Well, this ran two editions before it was, I gather, gently explained to the foreign desk of the *Star* that umbrellas were an international symbol for "keep this crate dry" and wineglasses a symbol for "fragile."

I only repeat this story because I was sitting at home listening to the World At Six report on the Portuguese coup, and found myself an audience to that most awful of journalistic practices — getting a local angle on a foreign story. You know — Canadian toy manufacturer flees as Mao seizes Peking.

The World At Six had enterprisingly reached by telephone a party of Canadians staying at a Lisbon hotel and the ensuing conversations established the following:

- that they didn't know what was happening.
- that they hadn't seen anything because they hadn't been out.
- that they didn't speak "Portoogeesec."
- that my taxes were being wasted by fools.

But the CBC was not the worst offender in the Portuguese coup coverage.

Day by day we were treated to the spectacle of people in Canadian newspaper offices whose closest experience with foreign news was a junket to Antigua heaping blessings on this spontaneous release of liberty on the Iberian peninsula.

Spinola began to sound like Timothy Leary; and one had the impression that Portugal was being taken over by free-love advocates and willowy girls sticking flowers into soldiers' guns. Never have I seen so much approval heaped on a foreign event since the Americans invaded Korea.

Spinola's less liberal views, extending to his working with the Wehrmacht on Hitler's Eastern Front during World War II, faded quickly into the distance and could be detected only in the back pages of the New York *Times*, and then with a

magnifying glass.

What I don't understand is, why this unrestricted praise? It wasn't that slow a news week. We have no particular tie with Portugal. I can see no self-interest involved which would justify such an eager reception.

I suspect that the answer is banal — the phenomenon of a story writing itself. A military coup bringing in flower power is indeed a good story. A realignment of the contending forces in a second-rate country is not. Ergo: the first story gets written.

The same phenomenon leads to knowing the intricate gripes of every ballet dancer in Moscow; to not knowing the name of the President of Peru because he doesn't have his wife's preserved body boxed away in his bedroom; to knowing every intimacy about Ugandan politics without being able to find Chad on a map.

I would venture this guide to the foreign policies of the Canadian press:

Military coups (in western countries): regrettably necessary to restore stability and social discipline.

Military coups (in socialist countries): The legacy of decades of undemocratic rule.

Military dictatorships (in the west): Already liberalizing under pressure from moderates, while the new constitution is being worked on.

Inflation (in Latin American countries): The price of years of bad business management.

Inflation (in North Atlantic countries): Caused by the Arab sheiks (who also eat eyeballs for supper).

OPEC and other raw material producers' conventions: Holding a pistol to the industrialized countries' temples.

GATT: Bringing discipline and stability to the market.

China: What's impressive is the way Peking mobilizes the entire population to one goal, and de-emphasizes the individual for the good of the mass, and keeps the bureaucrats and intellectuals in check.

Soviet Union: A brutal subjugation of individual rights to the grinding state apparatus.

Qaddafi: A psychopathic idiot.

Lon Nol: Ailing.

Italians: Unstable.

north country

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All this and much more in the June-July issue of **North Country** — the new magazine for working people. Subscriptions \$4.00. Write **North Country, Box 1776, Brantford, Ontario.**

French: Troublesome.

British: Belaguered.

Germans: Not to worry.

Japanese: Could revert any second.

Russians: Consoling themselves with alcohol.

Chinese: Clean.

* * * * *

I have received a little electronic pocket calculator (get one with a memory, they're worth the price) and it's more fun than showing slides.

Since the CBC was in the news recently stomping on its own radio network's budget, and bloating its television plans, I decided it's time we figured out how much the television network is actually costing us.

So I turned to my calculator.

I happen to know that the budget of *Up Canada* is approximately \$15,000 an edition, so let's take that as an example of a half-hour program.

Since a television show is about 28 minutes long I punched in:

$$\$15,000.00 \div 28$$

Which reveals that each minute of *Up Canada* costs 535 dollars and 71.428 cents. Call it 71 cents, for the sake of argument.

Now I believe the average taxpayer's annual contribution to CBC-TV is about ten dollars. So simply:

$$\$535.71 \div \$10$$

Gives us fifty-three point five seven one.

This seemingly innocent figure actually reveals that this program devours fifty-three and a half taxpayers every minute. Which is shocking.

But this is not all.

$$53.571 \div 60$$

Gives us .89285.

All of which, after a couple of more flash calculations, reveals that the program devours a Canadian taxpayer every 1.210762 seconds.

Which, roughly speaking, means you own just over one second of *Up Canada*.

I call for an end to this shameful waste of public funds and taxpayers.

LAST POST PUZZLE

by Claire Balloune

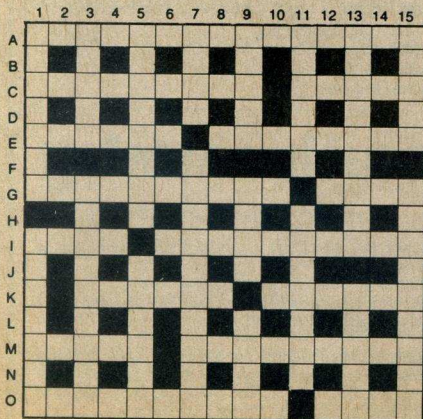
Clues are cryptic, consisting of at least two elements, one of which is a direct reference to the answer, the other a rebus, anagram, hidden word, play on words or a pun. Any proposed solution to a clue may therefore be checked against the whole clue to see that it fits in with all the elements. Anagrams are usually flagged by the inclusion in the clue of a word such as "confused" or "upset"; puns are flagged by words such as "we hear". Letters in the solution may be indicated in the clue. Thus S may be indicated by "south", P by "soft" (music), M by "thousand" (Latin), IE by "that is", EG by "for example", MD by "doctor" and so on.

Specimen clue: "Preserve a District Attorney in the country"

CAN A D.A. CANADA

PRIZES

First three correct answers received get copies of *Aislin: 150 Caricatures*.



CLUES—ACROSS

A1 O'Neill play loses cool, gets sack, announces Liberal fund drive. (3,6,6)

C1 Labour activist George flew over Canada. (5,4)

C11 More liberated about reefers lose directions. (4)

E1 Rat sex on stage? More! (6)

E8 Mr. Charisma's party faithful do. Oh come let us too. (5,2)

G1 PC knicker fetishists have to do it, we hear, without prostration. (10)

G12 Vulgarly genital about union organization. (4)

I1 Terpsichore, for example, was around these birds. (4)

I6 Knows the answers in school, but is beaten up. (4-6)

K3 Sam Sam the fur trade man. (6)

K10 Eastern loser about otherwise. (2,4)

M1 Glowing recall of missing about a thousand. (5)

M7 Bland, grey giveaway mags. (9)

O1 French on Caouette, I back a woman for Cr ditiste art school policy. (10)

O12 Lewis would bank what Yanks own. (4)

CLUES—DOWN

A1 & I1 Pierre used to be a jour-

nalist on the campaign? (7,7)

A3 Endless Tory vice around to kick out. (5)

A5 Ann, you all lose nothing if confused every year. (8)

A7 I can't afford it in me at home. (4)

A9 No child, we hear, but Alta. cabinet minister is in secret photos ... (5)

A11 ... for which hippie killers will accept these (K10). (6)

A13 Trudeau concerned about sleeping next to these republicans. (9)

A15 Rabbit gets many, Alta. Minister X would like one! (5)

F7 Ryan can, 'til he's confused like the government. (10)

G3 Prince Philip is dull, we hear from a Russian Canadian streaker. (9)

G9 What Minister X was — non-U, but with love to the point of entanglement. (4)

G15 Here he is again, like a cheap pizza. (9)

H11 Married to an accountant in a taxi? (3,4)

I1 See A1.

J5 Drapeau's office sounds quite contrary. (6)

K13 Creepy Ms. Turner gets one. (5)

L9 Do newsmen's thirties give them purpose? (4)

SOLUTION TO PREVIOUS PUZZLE

ACROSS

A1 Republican

A12 Much

C1 Managed

C9 Averted

E1 McLelland

E11 Dildo

G1 Elope

G7 Sugar cube

I2 Petawawa

I11 Duty

K1 Youth

K7 Malignant

M1 Onion

M9 No sense

O1 Nuns

O6 Usher

O12 Adam

A5 Big blue machine

A7 Indians

A9 A mad dog

A13 Until

A15 Hydrogen

B11 Reader's Digest

G13 Untrained

I7 Aimless

I9 Allende

J1 Bytown

J15 Stream

K3 Union

DOWN

A1 Remember

A3 Penal code

LAST POST

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