

THE LAST POST

OCTOBER 1975/75 CENTS

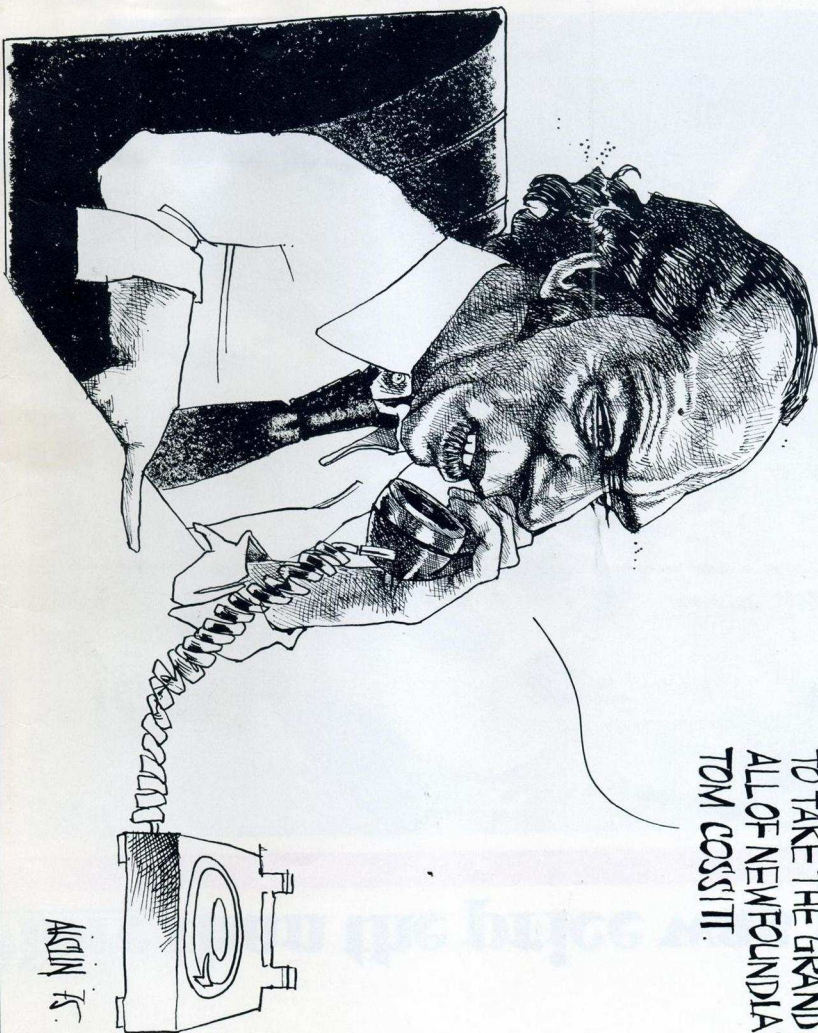
The world's
biggest strip-mine

More than the price was right.



SIMON REISMAN
the Weston conglomerate's Ottawa lobbyist

HELLO MITCH? I JUST
BAMBOOZLED THAT IDIOT
BREZHNEV; HE AGREED
TO TAKE THE GRAND BANKS,
ALL OF NEWFOUNDLAND &
TOM COSS' III.



ASPIN '75

THE LAST POST

October 1975, Vol. 5, No. 1

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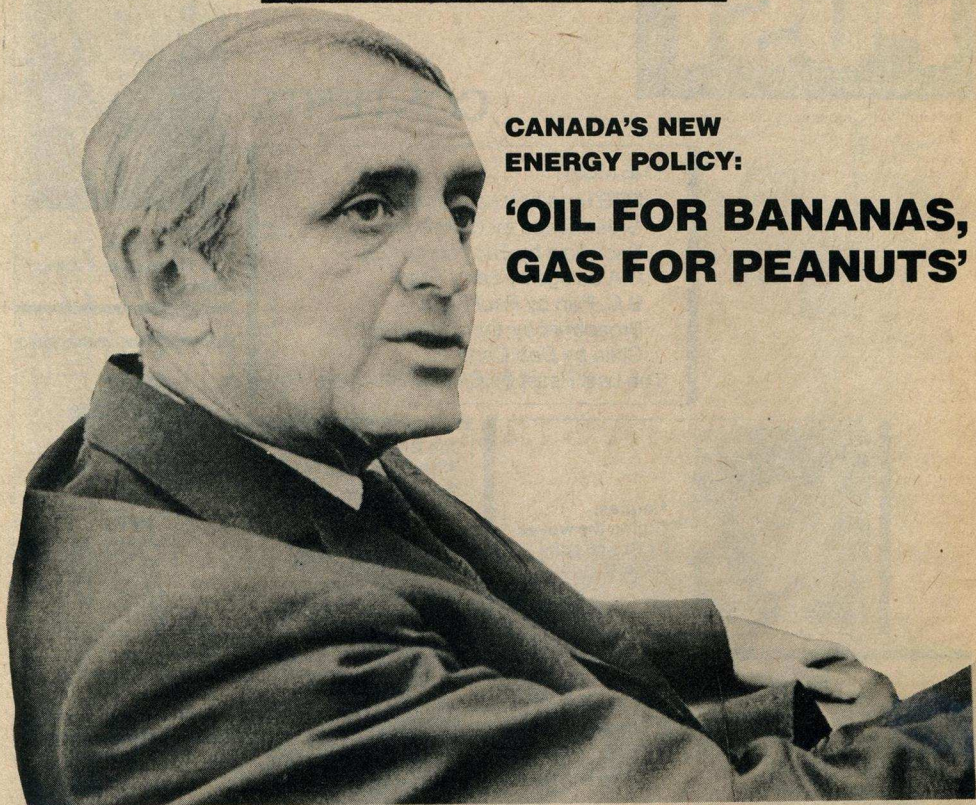
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THE MONTH



**CANADA'S NEW
ENERGY POLICY:**

**'OIL FOR BANANAS,
GAS FOR PEANUTS'**

Remember Joe Greene? The gas turned out to be hot air

by **LARRY PRATT**

EDMONTON — Back in September 1970, *Oilweek* magazine wrote an 'open letter' to Tommy Douglas, then-leader of the federal New Democratic Party:

"If you manage to halt increased gas exports, future generations of Canadians will be most grateful to you, Mr. Douglas, for ensuring that Canada will never deplete its stock of such a non-renewable natural resource. As they rely on such sources as solar and nuclear energy, it will be a great comfort to them to think of all the obsoleted reserves of oil and natural gas that have been left in the ground, undiscovered, unutilized, com-

pletely virgin. After all, it must be recognized that the nation's potential gas reserves could be depleted in a little more than 300 years at the current production rate, while synthetic gas supplies from coal, tar sands and oil shales could be depleted in perhaps another 2,000 years, at the present rate of exploitation."

Written with the humourless bile that endears its readers, *Oilweek's* editorial was designed to "demonstrate that export sales of surplus natural gas are vital to the national interest." Two weeks later the National Energy Board, in evident agreement, approved long-pending gas export applications totalling a massive 6.3 trillion cubic feet. Energy Minis-

ter Joe Greene felt obliged to apologize for the fact that the NEB had whittled back the 8.9 trillion cubic feet originally requested in the various export applications before it. And it went on to deny that Ottawa was trying to pressure the U.S. into opening up its market for larger Canadian oil exports by holding back gas.

"The government of Canada," declared Greene, "does not trade oil for gas or oil for bananas or gas for peanuts and it would be very wrong to do so. The only thing that we can do in the national interest is to sell the surplus, and that's exactly what we've done here." Remember Joe Greene?

The problem is, just what is a 'surplus'? In July 1975 Ottawa made public the NEB's much-awaited report on natural gas supply and demand, and, although the emphasis on scarcity was by now no surprise, the effects of the board's earlier decisions were much in evidence. Domestic and existing export contracts "are virtually certain to exceed the supply available until the connection of natural gas from frontier areas or from other major new sources of supply if and when adequate reserves are available." And, "if export commitments are to be met, frontier gas if available is needed as soon as it can be connected," added the board.

Not only is Canada apparently facing serious gas shortages (the coming oil scarcity was documented by the NEB last fall) but we are in the remarkable position that our own energy needs are, in effect, being met from what is left over after our export commitments are paid up.

"We are in the position," admits the energy board, "that long term export contracts running to some one trillion cubic feet a year, with a total of some 14 trillion cubic feet still committed to export are, in effect, a first charge on our production while Canadian requirements have to be satisfied from what is left over. This situation, if allowed to prevail, reverses the priority for Canadian requirements as set out in the National Energy Board Act." A "new approach to exports" is necessary, adds the NEB.

Indeed.

If you think this is a strange way to run a country, wait until you see next winter's heating bills. The NEB, predictably, intends to deal with the coming gas shortages through the price mechanism instead of by cutting back exports or recommending severe conservation policies.

As gas prices rise, and returns to producing companies increase to 20 per cent after taxes, we are assured that "a high level of reserve additions will be maintained."

To use the economist's jargon, gas supply is regarded as price-elastic: allow gas prices to rise to full commodity value — this already is federal policy — and the "marketplace" will resolve the scarcity issue. It is pure perversity that forces me to add that prices and profits have risen steadily for both gas and oil in Canada since 1972, but reserves have declined markedly.

The real strategic significance of the new NEB report is probably to be found

in the legitimacy it lends to oil industry voices who advocate the early construction of a Mackenzie Valley natural gas pipeline. Having rejected the alternative option of cutting back the exports it so generously approved, the NEB's only fall-back position is to take up the cudgels on behalf of the Arctic Gas consortium, whose application it will soon be assessing.

If the energy board's supply and demand projections are right — and, let's be fair, there's always a first time — then Ottawa is going to be under considerable pressure to move ahead with oil and gas development north of 60. Meanwhile, Canadians will share the shortages with our foreign customers, pay excessive

FREUDIAN SLIP DEPT.

30. STEPPING-STONE TO A NEW JOB

Leaflet — Ottawa, 1975. Explains the Canada Manpower Training Program which offers training courses to those persons looking for work, in a dead-end job, or working part-time.

— *Information Canada Bulletin*, June 27, 1975

prices for our remaining conventional reserves, and underwrite the high costs of rapid exploitation of frontier energy. For a great deal of this, and more, we have the National Energy Board to thank.

GREENPEACE:

OTTAWA PLAYS A STALLING GAME

by CAROLE ORR

PARIS — Most people know of David McTaggart as the intrepid soul who singlehandedly took on the French Navy and its atom bomb in his boat *Greenpeace III* in the summers of '72 and '73.

For the most part, the press has played up the David and Goliath aspect of the story, telling how, on the first occasion, the French warship *Paimpolaise* rammed the *Greenpeace* after McTaggart and his crew refused to leave the French nuclear test zone around Mururoa atoll in the Pacific. Worse still, on the second occasion, in 1973, how armed commandos of the French Navy boarded the *Greenpeace* and beat up McTaggart and his crew and hauled them off to jail while the bomb went off.

What most people don't know is how Ottawa has acted throughout the affair. If they did, more people might have doubts whether or not the honourable members up there really *are* looking after all of us. Worse, evidence suggests that the Canadian government may have been in cahoots with the French on the boarding.

Mitchell Sharp, then minister of external affairs, tried at a very early stage to put everyone off the scent by announcing that McTaggart was not a Canadian citizen and that the *Greenpeace* had been flying a Peruvian flag. Neither statement was true and it is hard to understand an error of this magnitude in a public state-

ment. (McTaggart said simply that Sharp was a liar, and has since received rather cool treatment from that quarter.)

A statement like Sharp's sticks in the public mind and in spite of subsequent retractions, many were able to dismiss the case as foreign crackpottery.

McTaggart's pleas for help in prosecuting his case against the French government for damages to his boat, his crew and himself, fell on deaf ears; with the public disarmed, as it were, and uninformed, Ottawa carried on as it pleased, and it pleased to do nothing very much.

In March 1974, Sharp and Trudeau promised that the Canadian government would espouse the case — espousal means taking on the French government at the diplomatic level to settle the case on McTaggart's behalf. The "good offices" of the Canadian embassy in Paris were promised.

The promise of espousal evaporated into delays. First the June '74 election, then letters from Trudeau and the new External Affairs Minister Allan MacEachan, telling McTaggart to wait a few more weeks.

Meanwhile, time was running out for McTaggart, who by law had to prosecute the *Paimpolaise* case within two years of the event. Ottawa told him not to worry, that he had 30 years, and the Dept. of External Affairs advised his lawyers not to bother preparing a case as it would all be settled.

BETTER DEAD THAN RED DEPT.

★ CONYERS, Ga. — The Rockdale County grand jury indicted Mr. and Mrs. Richard Maultbie on Friday for murder and cruelty to children in the July 11 death of a 9-month-old Vietnamese orphan. . . .

An autopsy showed the girl had massive head injuries, a broken collarbone and other injuries.

The child had been staying at the Maltbie's home since being brought to the United States in April from a Saigon orphanage.

—Associated Press, August 10, 1975

When the French announced another test for the summer of '74, McTaggart sailed in again in the *Greenpeace* to protest both atmospheric testing of the atom bomb and the French usurpation of international waters. Sharp wrote that a settlement had been near on the *Paimpolaise* case and that now McTaggart had ruined it, so there was little more the government could do. (The government still had not espoused the case, which is a serious diplomatic step; they had talked some with the French.)

In a letter the previous April, though, the Dept. confirmed that the French had already rejected all polite solutions.

The Canadian embassy in Paris acted similarly. It too, through Secretary Roger Gilbert, assured McTaggart the limit was 30 years, and that his file was "not considered urgent". When McTaggart and his lawyers decided to go ahead and take the French to court (the limit is two years for the *Paimpolaise* case), they met with might be called lack of full co-operation from the embassy. Translation and certification of necessary documents for court presentation was at first refused (this, according to McTaggart's Paris lawyer Thierry Garby-Lacrouts, is a normal service of an embassy), then given too late to be in accordance with proper court procedure. Garby-Lacrouts says that they could have been thrown out of court on this technicality, but the defense lawyers failed to pick up on it.

From Trudeau, McTaggart received a letter slapping him heartily on the back for his courage and inspirational example in standing up to the bomb — and more promises.

McTaggart is a Canadian citizen who suffered a severe beating and loss of sight

in one eye at the hands of French commandos who had illegally boarded a Canadian ship in international waters, that is, Canadian territory. His boat — our boat — had been rammed, then confiscated by the French.

Our government then paid the French \$12,000 to get it back! (The money did not, as everyone seems to think, go to McTaggart. It went to France).

The mystery is why? Why not leap to the aid of a citizen in distress in such a clear cut case? No one in Ottawa is disputing that McTaggart was in the right, that France cannot cordon off international waters for war practice.

Trudeau has publicly declared McTaggart's action legal, even noble. Then why the shilly-shallying, and worse, what appears to be sabotage?

On March 25 of this year, the French dropped another bomb, this time in court. As evidence of their innocence, they produced a letter written on August 23, 1974, a week after the boarding incident, from Vice Admiral Christian Claverie to General Soula, Director of the Centre for Nuclear Experimentation, in which Claverie states that he ordered the boarding "after having been assured by (General Soula) that no measure of retaliation would be taken against our Air France and Cotam and their stops in Montreal by the Canadian government" (Cotam are French military flights).

"At that moment, in court," McTaggart says, "I felt more alone than ever."

In Parliament, M.P. John Reynolds threw this at the government. Herb Breau replied for the Dept. of External Affairs, admitting that there had been conversations between the two governments prior to the boarding, and that the federal government "had expressed concern for the safety of Mr. McTaggart and his crew." He did not say that they forbade the boarding, only to be careful of the crew, says McTaggart. He has been refused access to the relevant files at the Embassy and in Ottawa.

Attempts to see Claverie or Soula are hopeless. Claverie is never in at the office or home and Mrs. Claverie does not, she says, have a phone number where he is. Soula is on a "secret mission at an undisclosed location".

Roger Gilbert has, since the spring, been moved from the embassy back to Ottawa, but in an interview earlier on in the proceedings in Paris, he became extremely agitated when the Claverie letter was brought up in questions, angrily saying he had never seen it and that the whole idea of collusion or acquiescence

was "ridiculous". (Gilbert also said the embassy had done its best by McTaggart, that it had gotten the translations and certifications done in time and that it was not a normal embassy service, but a favour. Thierry Garby-Lacrouts says the opposite. On the 30 year limitation "mislead", Gilbert says they got an outside opinion and passed it on to McTaggart.)

McTaggart has won the *Paimpolaise* case and is appealing the decision against him on the boarding case, with every chance of winning — against the French government, in a French court. For all the prejudices there, and the frequent astounding leaps of legal logic heard from the French judges (they tried to make out that the *Greenpeace* had rammed the *Paimpolaise*, at one point. It was one of the rare bits of humour in the case), McTaggart seems to have gotten more justice at last from the French judiciary than from his own government. Why?

Thierry Garby-Lacrouts thinks the Canadian government tried to keep the whole thing out of court so that the Claverie letter would never come out, or at least the information in it, in any form. If the Canadian government did directly or indirectly authorize the boarding, then it could hardly espouse the case and prosecute the French. It could only hope McTaggart would get tired and go away.

In that case, why would the Canadian government do such a thing? Several possible reasons present themselves.

Trudeau wants to extend our own territorial waters to 200 miles off the coasts and is even now clashing with France over that issue at St. Pierre and Miquelon. He may have been reluctant to get involved in prosecuting France for overextending her limits, when he wants to pull off something similar.

The federal government has also been engaged in a rivalry with Quebec over the hand of France. France, as the European nation most outspokenly independent of the United States, represents a way for Trudeau to show his independence from the U.S., too. So

HOW'S THAT AGAIN?

(Footnote for parents: although it comes with an Adult label it is a film which most older children would benefit by seeing. Some of the younger ones might be intrigued by the idea of wife-swapping, if only it weren't so explicit.)

—Ottawa Citizen, July 27, 1975

both he and Bourassa, who wants to show his independence from everybody, came over for Pompidou's funeral last year, then Trudeau again in the fall to see President Giscard d'Estaing, Bourassa again last Christmas laden with gifts, then Trudeau again. (The huge, near hairless Christmas tree Bou-Bou brought over brought lots of laughs from passersby at Porte Maillot in Paris where it was set up. It was judged pathetic.)

The visiting is also connected with the

James Bay hydro development, and the plant tentatively to be built at Sept-Iles, in which the French government is to take part in a cost (and profit) sharing arrangement. France would be a major customer for the enriched uranium to be produced there.

McTaggart and his lawyer are going to go ahead and appeal the case on their own, if they can raise the money. They simply don't trust the Canadian government any more, even if it were to finally

espouse the case, as they would lose control over it. So far the affair has cost McTaggart over \$25,000, and Garby-Lacrouts has been working for nothing (hopefully the court will award costs).

Any one wishing to help the McTaggart case can do so by sending donations to: McTaggart Legal Fund, c/o Thierry Garby-Lacrouts, 39 Avenue George Mandel, Paris, 16, France.

COMPUTERIZING MONEY:

WILL THAT BE CASH OR...?



Mastercharge and Chargex may be superseded by a massive electronic payments system

by ERIC HAMOVITCH

OTTAWA — As a means of payment, cash *does* have its merits, whatever the associated risks of loss and theft. But now that transferring money by other means has become more lucrative for certain interests, the role of cash is being steadily downplayed.

Recently we have witnessed the explosion of general credit cards — Chargex and Mastercharge — issued by the banks

and accepted at a large variety of retail outlets. For those who pay their accounts on time, there is no direct charge for this service, but the banks take a cut of roughly four per cent on all credit purchases to cover administration, carrying charges and profits. This four per cent cost is spread around and shared by all customers, credit-buying and cash-paying alike. General credit cards have been a boon in helping independent merchants compete against the large depart-

ment store chains, but the greatest beneficiaries have been the banks, especially with the high interest rates on overdue accounts.

But the best is yet to come. Financial institutions, computer manufacturers, telecommunications carriers and the federal government are working toward what is called an electronic payments system. This involves a vast computer link-up with terminals in a wide variety of outlets, so that at some point in the

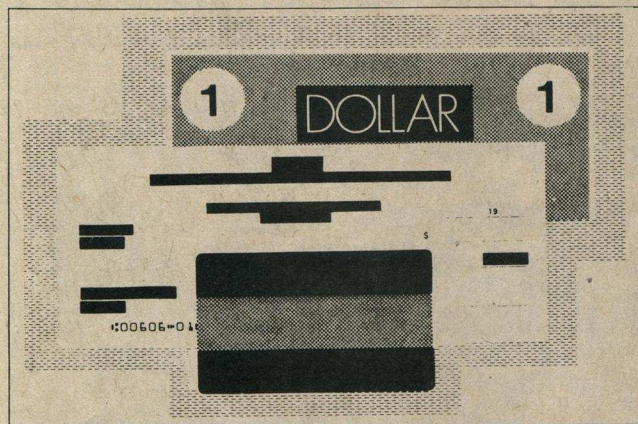
future, instead of pulling out cash, credit cards or cheque-book to pay the butcher or the hydro company, you will simply produce a specially coded plastic card which will be inserted into a computer terminal; the money will be transferred electronically from your bank account to theirs, and the transaction recorded automatically.

Many employers now pay wages directly into employee's bank accounts, finding that it reduces administrative costs. Similarly, many people have the bank look after their utility bills. This kind of unseen transfer of funds is the principle behind electronic payments, but equipment of much greater sophistication is to be brought into use.

Some banks now have computer terminals which record transactions and annotate customers' pass-books. These

which recognized the importance of data networks in the national communications grid.

These government proposals have a number of advantages over the more anarchic forms of development favoured by some interests. It provides for standardization of equipment, thus avoiding wasteful duplication and problems of interconnection. The fee-for-use system provides a greater relative benefit to smaller institutions, such as credit unions, *caisses populaires* and the smaller banks and trust companies, which cannot afford to set up their own networks as can the larger banks and trust companies. The proposals also eliminate the possibility of dependence upon any single supplier of computer equipment, and ensure Canadian rather than multinational control.



systems are internal to the banks using them: they connect only the branches of one bank, but not other banks or financial institutions. What the government proposes, in a position paper presented last January, is a system which would link all financial institutions with each other and with their customers on a fee-for-use basis.

It is not characteristic of the present Liberal government to take major initiatives in directing developments of a commercial nature. The myth of "the free play of market forces" still has a strong grip on the Department of Finance, though not necessarily on the Department of Communications, with which it is jointly working on this initiative. In fact, this may be regarded as one of the tangible offshoots of the recent Green Paper on communications policy,

IBM was less than pleased with the government proposals. As an offshoot of its activities in the U.S., it had been pushing for a system of computer terminals and related equipment that would encourage each bank to develop its own computer-communications network and use IBM equipment exclusively. This, of course, would be contrary to most of the considerations mentioned above. The government was quick to reassure IBM, however, that they stand to benefit handsomely nonetheless from the expanded markets for computer equipment any system of electronic payments would create.

The biggest winner is Bell Canada. Telephone lines are already used very extensively for data transmission, and Bell, as by far the largest telecommunications carrier in the country, is bound to play a pre-eminent role in transmitting

SORRY, CARYL

Remember Caryl Chessman, on death-row for 14 years in California? He educated himself, and by the time of his execution was a changed man.

— editorial, *Toronto Sun*, August 14, 1975

payments data. Over 60 per cent of Canada's population lives in Bell territory, which encompasses most of Ontario and Quebec, where all the major banks have their headquarters. Bell totally dominates the Trans-Canada Telephone System, which groups most of the telephone companies operating in Canada. According to an estimate in *The Financial Post*, Bell's present capital investment is about \$5,000 million for the entire Canadian telecommunications industry.

Bell plans a construction program of \$836 million for 1975, the majority of this in expanding and upgrading basic telephone service. It raises this money partly by borrowing, partly by sales of stock and partly by the large profits on its consolidated operations.

By far the greater part of its operating profits comes from basic telephone service, which, as well as being the largest part of Bell operations, is also the longest established and therefore the best amortized. With its lower debt charges, the basic telephone service is in effect supporting newer fields of endeavour such as data transmission.

Using the revenues from one operation to finance another is normal corporate practice, but Bell has been appealing for higher telephone rates on the grounds that the money was needed to maintain and expand telephone service. Using telephone revenues to support data services might be more acceptable to telephone users were there some assurance that this arrangement was reciprocal, and that future profits from data transmission could be used to finance telephone service. However, Bell has a nasty habit of retaining profits in subsidiaries so that its general profits will appear to be lower and they can thus appeal for higher rates on the basis of insufficient returns on equity.

Bell Canada rates are substantially higher than those in western Canada, despite the fact that Bell serves large areas which are densely populated and therefore cheaper to service. Before the latest increases in both places, a residential telephone cost \$3.90 monthly in Win-

nipeg and \$6.25 in Ottawa. Bell has had three rounds of rate increases in the past two and a half years, and application for a fourth increase is to be examined at public hearings this autumn.

In submitting a recent "emergency" application, Bell threatened that unless there was an immediate rate increase service would decline and some 6,000 workers would be laid off. This may have been a useful threat at a time when the majority of Bell employees are breaking away from the company unions and forming unions which may work harder to protect their interests, but it did not stand up to serious examination. Bell is not adverse to using other forms of intimidation, such as refusing to provide service to new suburban subdivisions in an effort to blackmail the government into allowing them to increase their rates.

In addition, Bell has applied for a formula which would give it an automatic yearly rate increase without public hearings, something it hopes to get through before the implementation of a recent Act of Parliament transferring the policing of telecommunications from the fumbling and incompetent hands of the Canadian Transport Commission to a restructured CRTC, to be known as the CRTTC (Canadian Radio, Television and Telecommunications Commission).

Testimony provided for Bell's 1974 rate increase hearings showed that only \$650,000 was to be spent that year on specialized data services for financial institutions, but this is not even the tip of the iceberg. Over \$65 million was allocated for 1974 alone on equipment for computer communications and network services, which would help provide the backbone of an electronic payments system, and there were additional amounts under different headings.

The amounts are likely to be much higher in the near future, and a portion of this money will come from increased telephone rates. Bell has investment funds available for Dataroute and for electronic payments, but not, it seems, for cable to link up new telephones. In the years to come telephone companies across Canada are likely to be digging more deeply into their customers' pockets to install equipment for the bankers to transfer our money around.

Bell Canada has a lot in common with the banking fraternity with which it will soon have such intimate relations. Bell will be the largest carrier of electronic payments data, and the major banks will be the biggest users of the system. The five giants (Royal, Commerce,

Montreal, Scotia, T-D) hold between them 91 per cent of the total assets of Canadian chartered banks, and they offer an almost identical range of services and interest rates both to borrowers and depositors, sheltered by the Bank Act against prosecution under the Combines Investigation Act.

As with the banks, what Bell says and what it does can be quite different. It says that any services classified as competitive should not be subject to regulation, and where practicable, competition should be fostered. At the same time Bell feels it should continue to control all the coaxial cable used for cable television distribution, much to the chagrin of the cable companies, but disapproves of Telesat owning and operating all its own ground stations for satellite communication. Monopoly is fine, provided we are in control, says Bell in effect.

MORE ON THE CIA:

SPOOKS IN GOD'S COUNTRY?

by LARRY PRATT

EDMONTON — As is well-known by anyone who (a) reads Hansard, and (b) believes it, there are no American spies in Canada without the knowledge and consent of the RCMP and the federal cabinet. After all, we have the prime minister's word for it.

However, a few skeptics persist in the belief that God's Country is spooked — and not only by the KGB. They argue that since the U.S. intelligence establishment exists in large part to secure and expand the investments of American businesses operating abroad, it is only logical to assume that the CIA must take a continuing interest in a nation where the book value of direct U.S. investment is about \$75 billion.

Canada is also of vital security interest to the U.S. as a supplier of raw materials, including raw energy, and because of obvious strategic/geopolitical considerations. Any active or potential threat to this set of interests would arguably result in a rapid expansion of CIA activities in Canada.

During the past summer, some interesting bits of information surfaced in the West in support of this reasoning. Though fragmentary and inconclusive, the evidence does point to the now-

OVERREACHER OF THE MONTH

Nepean Township may redefine the family — and in the process plug a legal loophole and eliminate orgies.

—*Ottawa Journal, August 6, 1975*

The government's plans for electronic payments fit perfectly with Bell's vision of things. The basic concept of the system is intrinsically monopolistic, to an even greater extent for telecommunications carriers than for financial institutions. Supreme among these carriers will be a larger and more powerful Bell Canada, something to think about next time you have to pay 20 cents at one of their pay phones.

familiar pattern of external penetration, information-gathering and political intrigue by the CIA. And, notwithstanding the reassurances from 24 Sussex Drive, there is reason to believe that these covert activities are known to the appropriate Canadian authorities.

On May 9, in a move that angered many provincial gun-buffs, the Lougheed government issued a decree banning the registration of automatic weapons and machine guns in Alberta. The circumstances surrounding this action remain rather murky, but it is known that the action was taken in response to the discovery by customs officials in Lethbridge of a shipment of machine guns bound across the border. One version of the story had U.S. consular officials involved in the gun-running, but this has not been authenticated. The incident, in any event, provided the necessary opening for two enterprising Calgary newspapermen looking for some unusual links between U.S. intelligence and the Alberta oil industry.

Armed with information on the machine gun incident, the two *Calgary Herald* reporters, Steve Krueger and David Climenhaga, approached the U.S. Senate subcommittee on intelligence — chaired by Senator Frank Church (Dem., Idaho) — and offered to swap tales of



Did the CIA try to compile dirt on Premier Dave Barrett?

intrigue.

On June 27, the reporters revealed on the front page of the *Herald* that during 1973 the CIA "controlled an American oil company executive working in Calgary who may have used his influence to ensure continued supply of Canadian oil for American markets." Quoting a source active with the Church committee, Krueger and Climenhaga noted that the information on the unnamed spy — said to be "high up in the Calgary oil industry" — was contained in a CIA report on international industrial espionage written in 1973. According to this report, the intelligence body had "some kind of sex thing" on the executive and it had used this as leverage to enlist his co-operation.

The oil man's directive was clear-cut. A priority of the CIA's industrial spying activity lies in ensuring secure energy

supplies from foreign countries. "The CIA," the source was quoted, "would, first, want an ensured supply and the lowest possible price for energy products coming into this country. Second, it would be willing to assist anyone who helps fulfill the first objective by driving up the domestic oil price in some other country."

The *Herald's* source added that the Church committee had obtained information which showed the CIA tried, as recently as November 1974, to infiltrate Mexican government organizations planning development of Mexico's newly discovered oil fields. "The CIA, apparently acting on orders, wants to see the control of that development in U.S. hands," remarked the source, adding the Americans continue to hope for "some kind of North American energy market."

Investigative journalism is not a prized craft in Calgary. Following publication of the *Herald* story, a barrage of criticism descended on the newspaper and the two reporters were soon informed that they would be writing on less controversial subjects in future. As things turned out, that was something of an understatement.

A few weeks after the *Herald* story broke, Edmonton publisher Mel Hurtig charged at a press conference in Vancouver that he had "100 per cent reliable information" (again from a Washington source) that the CIA had compiled reports in 1973 about "potentially embarrassing" situations involving B.C. Premier Dave Barrett and two other cabinet ministers. Hurtig claimed an urgent request for such reports had come from a high-ranking (but non-elected) official of an opposition party, evidently Social Credit, shortly after the NDP swept to power. The reports were duly compiled after contact was established with the CIA through an American consulate official who reportedly believed that socialist governments were becoming dangerously popular in western Canada and that the election of socialists in B.C. was "wrong". The reports, however, were never used.

At his press conference Hurtig also mentioned that the RCMP were aware of the B.C. intrigues of the CIA. But next day the Mounties issued a press statement denying the whole story, and Hurtig has been unable, to the time of this writing, to force them to retreat from the denial.

Meanwhile, back in Calgary, the *Herald* refused to run the Canadian Press account of the Hurtig charges. Steve Krueger and David Climenhaga, the two reporters who had broken the first story and who apparently fed Hurtig information from their Washington source, quickly resigned from the newspaper in protest.

AND THEN IT'S OFF TO THE PADDY-FIELDS

The Chinese influence is prominent in Montrealer John Warden's new collection for Molyclairae.

Taking a cue from the coolies, he fashions his pyjama pants straight, tops them with loose smocks nipped in with sashes that wrap twice around the waist-line.

—Stasia Evasuk. *Toronto Star*,
July 3, 1975

B.C. PEN INQUIRY:

THE BIG QUESTIONS WEREN'T ANSWERED

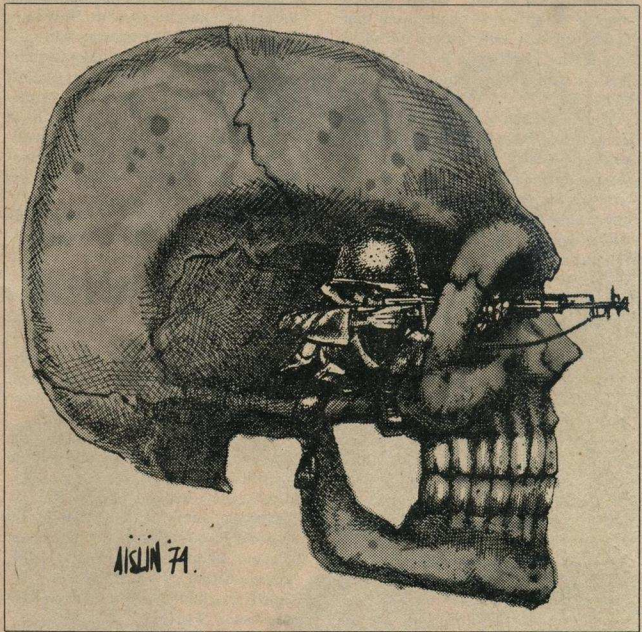
by PAUL KNOX

VANCOUVER — Some day soon, we are probably going to learn which prison guard killed Mary Steinhauser early on the morning of June 11 at the B.C. Penitentiary. It will be no thanks to the police, the prison authorities, or the judicial inquiry investigating the seizure of 15 hostages by three desperate lifer inmates. And even then, we'll be left with a lot of questions concerning the operation of Canada's penitentiaries, the treatment of prisoners, and whether the prisons should exist at all.

Steinhauser died and convicted murderer Andy Bruce was seriously wounded when a so-called "tactical squad" of prison guards burst into a room at the B.C. Pen where Bruce and two other knife-wielding inmates were holding 15 hostages, demanding safe passage out of Canada. Ostensibly, the guards charged in to assist the hostages in an attempt to overpower their captors. Dark rumors filtering out of the prison suggest that a deliberate attempt was made to murder not only Bruce, but also possibly Steinhauser, a reform-minded corrections worker who was not popular with her colleagues.

The ludicrous attempt to conceal the identity of the killer guard, and the bungled police work which followed, are bad enough. Six weapons were used in the charge, one for each member of the "tactical squad", the inquiry headed by B.C. Chief Justice John Farris was told. Issued to the squad members in a darkened room before the assault, they were collected immediately after the shooting on the grounds that one of the inmates — all by this time either unconscious, bound or shackled — might have grabbed one of the guns. (This excuse was described by Farris as "an insult to the intelligence" of the commission.) The man who collected the guns was guard supervisor Albert Hollinger, a former Montreal cop and 10-year veteran of the penitentiary service whom Farris accused of deliberately mixing up the weapons to conceal the identity of the killer.

It gets worse, or better, depending on your point of view. In secret testimony before the commission, some of which Farris later made public, one unidentified guard actually claimed



to shooting Bruce. But none of the six could say whether they had shot Steinhauser. Yet later police ballistics evidence indicated that the bullet which smashed Bruce's jaw "could have been and probably was" fired from the same gun that killed Steinhauser. The ballistics expert added that this was the only weapon which had definitely been fired: two "could have been"; two others "quite possibly" were not and he could determine nothing about the sixth. (There is no indication that each guard was asked whether he had fired during the assault.) Finally, the fatal weapon was the only one with a lanyard ring attached to the butt — but even this distinguishing feature couldn't jog the guards' memories.

The Prisoners' Union Committee, the leading West Coast critic of the penitentiary system, has released affidavits from prisoners who say they were in a position to observe what was going on. One, Phil Jackson, swears he had a clear view of the events from his cell window, 100 yards away. Describ-

ing the climax to the incident, he says: "Suddenly I saw and heard shots, broken glass and a scream from a man which were not words but were rather a sound of pain. I then heard more shots, some of which were louder than others. I then saw guards rushing into the classification office as all the lights were turned on. I then heard a woman's voice shout: 'Don't shoot, don't shoot!'"

Another inmate, Ralph Cochrane, gives substantially the same account, and identifies the male scream as the voice of Andy Bruce. It is possible, then, that quite a few seconds elapsed between the shooting of Bruce and Steinhauser. This would be consistent with the theory that a trigger-happy thug on the "tactical squad" in some twisted way blaming the "con-loving" Steinhauser for the incident, deliberately plugged her.

The one man who could shed some light on all of this, of course, is Andy Bruce himself. The acknowledged leader of the escapade, Bruce sat during

the entire 41 hours in the room outside the vault where the hostages were held, constantly holding a knife at Steinhäuser's throat. Bruce might confirm the prisoners' contention that he was shot first, raising anew the question of why Steinhäuser had to be shot at all, or he might say which guard shot Mary.

The commission had plans to hear Bruce as soon as he was well enough to testify. But early in August the inquiry abruptly ended after a private interview between the convict and the commission counsel. A statement from Farris said Bruce "refused to answer several key questions" and would not be allowed to "pick and choose" the ones he wanted to reply to. Bruce's lawyer was present during the interview, however, and reports that the only thing he refused to do was rat on whoever gave the inmates the knives and a quantity of gasoline used in the incident. All other questions were answered.

At this writing, Bruce has plans to take the risk (all three convicts face a number of charges in connection with the incident) of issuing a public statement describing what actually happened in the final moments. Even if he does not, the truth, or something resembling it, will likely come out at the inmates' trials.

But incredulous followers of the Farris inquiry are still wondering at the justification given for hearing so much crucial testimony in camera. (Secret evidence was also heard from the hostages who, according to the official story, triggered the guards' assault with a precipitous attempt to overpower their captors.)

Lawyers for the prison personnel claim their lives will be in danger if they are compelled to testify in public; Farris replied, back in June, that policemen go on the witness stand all the time to implicate dangerous criminals, and the guards could be in no greater danger. Yet the evidence was heard in secret anyway. Farris later said that was the only way it could possibly be heard, since the inquiry could not cite persons for contempt if they refused to testify.

Whatever the rationale, the effect has been to allow the commission to pick and choose which evidence will be made public, and to steer the inquiry and the public discussion surrounding it in a certain direction. People searching for a place to point the finger may now direct it at Hollinger, thanks to the chief

justice's exposure of his role. But there is more to Steinhäuser's death than that. At the moment, the public knows nothing of the "tactical squad" which the prison authorities sent in. How were they selected? What training had they in the use of the hand guns they carried? Did any of them hold grudges against any of the convicts? Pen warden Dragan Cermetić said he would have preferred to call in an "outside squad" whose members would have no "emotional ties" with the prison, but this was apparently not pursued.

The chief justice and his two fellow commissioners — Henry Popp, security chief of the penitentiary service and Jack Lynch of the John Howard Society — have also been paying a great deal of attention to the tightness of security within the prison. It's as if slapping the wrists of those responsible for keeping prisoners in line will change the climate that leads to convicts' desperate bids for freedom.

Cermetić was grilled as to why the three inmates were allowed to enter the classification area (where the hostages were seized) without passes. He was forced to admit that he was "not satisfied" with security in the prison kitchen, where the knives used in the hostage-taking presumably were obtained. But neither he nor anyone else was asked what kind of a "corrections" system it is that produces men such as Bruce, Dwight Lucas and Claire Wilson — two of them with criminal records going back to their early teens.

Those who believe Mary Steinhäuser might have been murdered say this is the very question she would have asked. Thirty-two, with a master's degree from Simon Fraser University, she is said by prisoners and other former acquaintances to have become extremely disillusioned during her one-and-a-half years as a classification officer at the B.C. Pen. A friend says she was in "continuous trouble" at the pen; "she had a sense of balance which angered her immediate superiors, and the difficulties she ran into made going to work an agony."

She believed current "rehabilitation" programs were hopeless dead-ends which trained convicts to do jobs non-existent in the outside world. She wasn't a bleeding heart whose only solution was to throw open the doors of the prison and let everyone out; perhaps more because of the prison system than of anything else, she realized, many

inmates couldn't function outside. A network of corruption involving guards and inmates within the institution (in some ways, a microcosm of the outside) gave the inmates relatively easy access to alcohol and drugs, which they seemed to find the money to pay for. This made it that much less likely that the Pen would actually help an inmate. Mary became so depressed by all this that she'd decided to quit her job the day before she was taken hostage.

There will be more hostage seizures in Canada in the coming years, and each one will fuel the debate surrounding the "corrections" system. In the U.S., where the prison system's role in the suppression of political dissent has been highly visible in recent years, there are well-established prisoners' rights organizations, many of which go so far as to call for the outright abolition of incarceration in any form. The Prisoners' Union Committee is the first such organization in Canada, and has yet to develop a clear political stance towards the prison system. Many questions remain to be answered.

Are prisons a worthwhile place for political organization? Some would label the prison population, as a whole, one of the most oppressed sectors of the working class, and say the primary question is one of union organization, in the same way that unionization of workers generally is seen as a first step on the road to political consciousness. Others would say many prisoners have never held steady jobs; that most could be termed lumpenproletarians among whom political work will yield few results.

Then there is the question of prison reform. Liberals initially welcomed the trend away from long periods of incarceration, toward forms of probation, parole, pre-release centres, and so on. Such forms of "correction", however, give the authorities as much control over the convict's life, and increase the opportunities for arbitrary application of regulations and punishment. Is anything to be gained by demanding such changes (or "reforms" within the institutions themselves?) If the answer is no, the prisoners' rights groups will have to come up with some cogent arguments as to why society wouldn't be endangered if prisons were to be abolished entirely. If the strength of opposition to abolition of capital punishment is any measure, that will not be easy.

ED BROADBENT:

LEADER AT A TURNING POINT

by ERIC HAMOVITCH

WINNIPEG — One of the reasons delegates to NDP conventions don't have as much fun as their Liberal or Tory counterparts is that they seem more willing to endure the many hours of often tedious policy debate and endless procedural wrangling that are so much a part of their gatherings.

Internal democracy in the NDP is not all that it is sometimes cracked up to be, but all the same there seems to be a widespread belief among convention delegates that their wishes will eventually find expression in the House of Commons and elsewhere.

Another reason delegates to July's convention in Winnipeg enjoyed themselves less than they might have is that the array of leadership candidates was something less than dazzling. None of the three NDP premiers nor any of their cabinet ministers showed any great eagerness to give up the perquisites of provincial office in exchange for the leadership of a small and dispirited rump in the federal parliament. Added to this, the NDP's well justified suspicions of anybody from outside the party (the name of Eric Kierans had been mentioned) helped keep the list of candidates short.

Ed Broadbent was widely regarded as the "establishment" candidate, a label which was justified since he had the open backing of most of the union delegates, of many federal council members, of three provincial premiers and of a majority of federal caucus members.

This represents a certain shift, because in the 1971 leadership contest many of these same people distrusted him, seeing in him someone who was too eager for their liking to seek compromises with the Waffle. But the atmosphere was changed in 1975, with very little of the sharp and acrimonious polarization which had characterized the Lewis-Laxer duel.

Rosemary Brown emerged as the least establishmentarian of the main candidates, calling for a clearer and more fundamentalist socialist line and for a stronger emphasis on public ownership. Her 41 per cent on the final ballot, a more than respectable showing for a provincial back-bencher making her first foray into federal politics, cannot be attributed solely to her strong feminist support. "The delegates knew," wrote a columnist in a



In the old days, Ed Broadbent could ham it up while party establishmentarians Grace MacInnis and Stanley Knowles took things seriously

Toronto paper, "that there is more to socialism and more to national politics than feminism." Happily, Rosemary Brown showed herself to be quite well aware of this.

Lorne Nystrom is a pleasant young man from Saskatchewan who pledged to work hard to build the party and to concentrate more effort on political education. He holds a seat in the House of Commons, which is surely to his credit, but he has attracted no special notice for his performance there, nor for his speeches in the course of the leadership campaign. "The trouble with Lorne,"

one delegate remarked, "is that he's about as exciting as a glass of water."

John Harney finished fourth this time after having finished third in 1971, and after having won and lost a seat in the House of Commons. He was the only candidate who is a strong orator, and the only one whose French is not painful to the ears. He devoted more time than the others to international issues (something to which the NDP attaches less priority than in the past), stressing the important but neglected question of socialism in a world of scarcity. He claimed that if cho-

sen leader, he would propose a fresh approach to the problem of Quebec's place in confederation, but this question seemed to have lost much of its urgency. With only 35 delegates present accredited to Quebec ridings, and with nothing more frightening being heard from Quebec than tales of tainted meat, it clearly was not this year's big issue.

Douglas Campbell, poet, taxi driver and coffee-house operator, was back again, after somehow failing to knock off David Lewis in the 1973 convention. There were some doubts as to whether he had the monopoly on working-class wisdom he seemed to imagine he had, but he clearly cornered the market on self-righteousness and antagonism. He got 11 votes.

Which leaves Ed Broadbent as leader. But leader of what? The NDP has no immediate prospect of taking federal office: the Liberals seem to have that taken care of, having in the past eight decades been in power as many years as the Communist Party of the Soviet Union. Looked at from the other side of the fence, the NDP seems more committed to *re*forming our economic structures than to *transforming* them. And Broadbent is seen by some as belonging to the

more conservative wing of the party, that which is social democratic in outlook as opposed to socialist. The next couple of years will tell whether or not this perception is correct.

Still demoralized after its dismal showing in the 1974 election, the NDP is seeking a clearer sense of direction. The traditional concerns of social democrats, things like social benefits, labour legislation and farm subsidies, have lost much of their urgency now that Liberal and Tory governments have gotten around to implementing some of the suggested programs. Meanwhile the Canadian economy is increasingly showing the distortions caused by outside control of industry and by an excessive dependence on raw material exports, and the NDP is now beginning to concern itself more with matters of basic economic structure.

Delegates to the Winnipeg convention rejected a resolution on natural resource policy because it did not insist strongly enough upon the importance of public ownership. (At the 1973 convention, regulation and control were considered adequate, but that was before the Syn-crede boondoggle.) A resolution calling for tighter control over multinational corporations was also referred back to

the resolutions committee because it was not considered tough enough.

Curiously, the NDP seems more willing to move to the left in the absence of an organized left-wing lobby.

Broadbent has spoken of drafting an economic plan for Canada, to be presented to the 1977 NDP convention and to be used as a major plank in the 1978 election campaign. Now there is nothing new about the principle of economic planning: the large corporations have been doing it for decades. Nor would the Liberals and Tories necessarily find the idea of comprehensive state planning repugnant to their way of thinking: in fact they may well see it as a means of further coordinating government policies with those of their corporate allies.

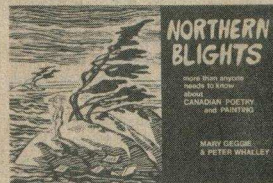
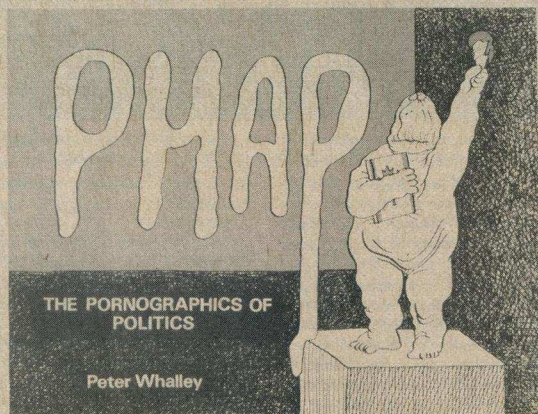
Much depends on the type of plan Broadbent proposes, and how far it would go in putting Canada's priorities ahead of Exxon's and ITT's. David Lewis was able to win back the allegiance of disaffected party members and at the same time to stir up popular interest with his attacks on the corporate tax structure in 1972. It remains to be seen how far Broadbent will be willing to go in attacking some of the more fundamental aspects of corporate power.

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CHILE'S ECONOMY: INVESTING IN THE JUNTA

by BOB CARTY
of the Latin American
Working Group

A month after the coup in Chile, General Pinochet announced that foreign companies would be welcome to return or bring new investment to Chile. One of the first on the scene was Canadian.

Noranda Mines Ltd., Canada's eighth largest corporation and a major world copper producer, had been in Chile since 1964, exploiting a small copper mine through its subsidiary Chile Canada Mines. The company was taken over by the state corporation for small mines in 1971 and Noranda left the country. But shortly after the coup, and even before the regime's release of its foreign investment statute favouring multinationals, Noranda returned to Chile Canada Mines with a \$600,000 infusion of new capital — one of the first and largest new investments in post-coup Chile.

Over the past two years Canadian mining firms, banks, traders and manufacturing enterprises have been assessing or making deals with Junta representatives and local business interests. From their point of view the "new" Chile looks like an opportune place to do business, where taxation laws and the repression of the working class allow for the taking of maximum profits. From the Junta's point of view Canadian business interest in Chile, while on a different scale than that of the U.S. and Europe, is a welcome form of support for its policies.

Canadian investments in Chile at present include the mining interests of Noranda Mines, an office of Canadian Pacific Airlines and a substantial subsidiary of the world-wide network of the Bata Shoe company.

Directed from the Don Mills headquarters of the world's largest shoe manufacturer, the Bata subsidiary in Chile operates three plants producing the majority of the nation's total shoe output. A lack of demand within Chile for Bata products may be hurting the company's domestic sales. But with the help of a recent International Shoe Fair in Chile, Bata is finding international buyers. The company has just started to export

600,000 pairs of shoes valued at \$3 million to the United States (for more on Bata, see *Last Post*, Vol. 4, No. 3).

Meanwhile, several Canadian banks have been involved in short-term loans to the Junta and the Canadian forest industry giants are being courted by the Junta for participation in a \$100 million program for development of Chilean forest products.

But the key "Canadian connection" at this time is in the mining sector where Canadian-based corporations rank high in the Junta's esteem both for reasons of their sheer size and for their presumed nationality. After the coup, the World Bank was looking for someone to do an assessment of the financial viability of the Chilean copper industry on the basis of which new loans would be forthcoming. Noranda was chosen specifically as a Canadian company whose report would raise fewer skeptical questions than an American firm. For Noranda the World Bank study afforded an opportunity to get to know Junta representatives and facilitated their return to the country.

The Junta depends on copper. New investments in three copper deposits in northern Chile could total \$1,500 million, providing a capital inflow to offset Chile's balance of payments deficit and producing more copper for export. Eight foreign companies from Canada, the U.S., Japan, Brazil and Europe have submitted separate propositions to the Junta's foreign investment committee which is expected to announce its selection shortly.

How Canadian companies will fare in the bidding is unknown. However, business magazines report that Falconbridge Nickel Mines Ltd. (of Sudbury, the Dominican Republic, Rhodesia and Namibia fame) is interested in a \$300 million investment in the El Abra deposit; Noranda Mines Ltd. has made a proposition to develop the Andocollo find, but is running second to Amoco Minerals, a subsidiary of Standard Oil of Indiana; Canadian Javelin, which recently received the axe from the Panamanian government in favour of the development of a copper deposit in that country by Texasgulf, has exploration activities in the Taital area of Chile; Vancouver-based Cominco Ltd. is also ex-

ploring Chilean copper mineralizations; and another Vancouver company, Stokes Exploration Management Co. Ltd. (SEMCO) has placed an exploration specialist in Chile and is developing a small mine jointly with a Chilean firm.

If the president of SEMCO, Ronald B. Stokes, is any indication, the attitudes of Canadian mining men towards Chile are enthusiastic. Says Stokes: "... there is not the slightest doubt that conditions are much clearer regarding foreign investments in the mining industry and as soon as the great corporations are completely secure in that their investments will be protected I'm sure that capital will begin to arrive."

Even if the Junta falls from power the companies may be counting on the reins of government passing to friendly hands. If changes come the companies may consider it important to get in on the ground floor with rights on new projects that take three to five years to begin production.

Despite the intense activity of mining companies in Chile, all is not well with the Junta's attempts to attract investments. The Buenos Aires business magazine *Latinamerican Week* paints a gloomy picture for its entrepreneurial readers: while interest in new Chilean investments is on the rise, concrete results are yet to be seen. Only \$40 million has entered Chile since the coup. Multinational corporations may be sympathetic to the Junta but still fear the possibilities that the Chilean people could one day bring about its downfall.

SO BRING BACK DDT

Mr. Drury said free trade is "almost like the prescription for curing inflation."

"Theoretically it's very sound," he said. "If you want to be healthy expose yourself to the greatest hazards, perils and exertions. If you survive you'll be healthy and if you don't survive, that's too bad."

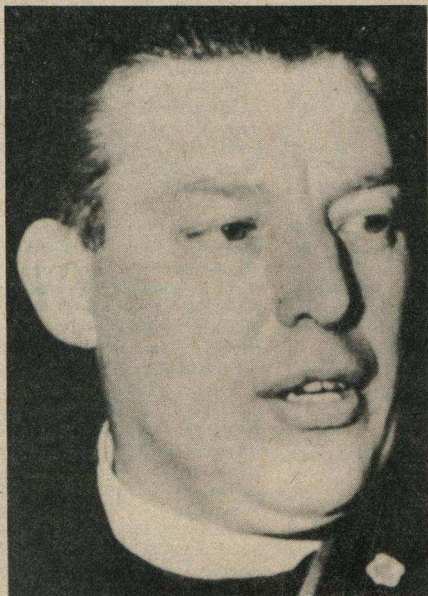
"Free trade as the answer to all our problems suffers from this defect."

—*Halifax Chronicle-Herald*,
August 11, 1975.

the Last Pssst



by Claude Balloune



Preparing for the worst, Ian?

Ireland: The Rev. **Ian Paisley**, known for his attempts to foster peace and harmony in the olde sod, has taken steps to cement Canadian-Irish relations by buying a 200-acre farm spread in **Manitoba**. On the other hand, **Terry 'Aislin' Mosher** recently purchased a one-quarter acre spread in the Irish Republic.

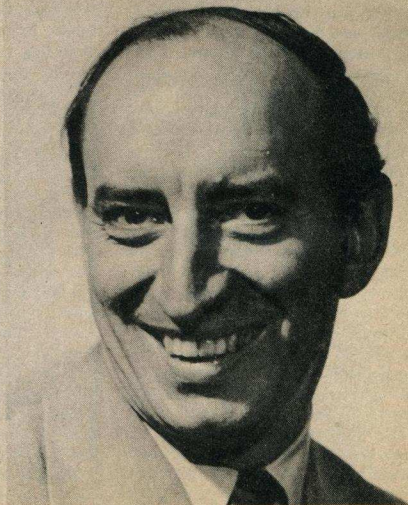
Montreal: The recent kidnapping of young **Samuel Bronfman** reminds me there was a crackpot Montreal plot a few years back to kidnap the family patriarch, the late **Samuel Bronfman Sr.** Plan was to scoop up the remains of the dead man from a local cemetery and hold them for ransom, which was to be food distribution to the poor. The above ground plot never got under ground, as it were.

Japan: In August, a group of **Canadian Indians** travelled to Japan to see mercury poisoning victims in **Minipata**. The **Canadian Broadcasting Corp.** decided to cover the event and hired a local Japanese film crew. After the filming, the Nipponese crew decided the foot-

age was so good they refused to hand it over to the CBC and instead sold it to Japanese networks. CBC is now dickering with the latter to buy their own film back.

New York: Police and Waldorf-Astoria employees found the head of Newfoundland's government dead drunk in a bathtub filled with champagne, while six ladies of the night were engaged in a full-scale brawl in his luxurious suite. Before **Frank Moores'** lawyers start getting to work I hasten to add the culprit was **Sir Richard Squires** and the date was 1928. The story was told to me recently by an old contemporary of Sir Richard's. Sir Richard robbed Newfoundland blind and his story helps add a little spice to this column.

Ottawa: One of **Marc Lalonde's** new executive assistants is **Michel Drapeau**, 31-year-old son of the much beloved Mayor of Montreal. The Minister and his aides refrain from talking about the Olympics when Drapeau the younger is in the room to spare his feelings. Meanwhile, Lalonde, **Trudeau's** new Quebec leader, has reportedly completed his purge of former leader **Jean Marchand's** boys in the Quebec federal Liberal organization. They claim to have eliminated Marchand's 'short list' of contractors and consultants for patronage purposes, but other sources say they simply have revised it.



Of course, hiring Michel isn't patronage

British Columbia: (Or Canadian Columbia as some French Canadian nationalists prefer to call it.) The NDP's federal secretary, **Cliff Scotton**, has taken a year's sabbatical to work in B.C. where he hopes to take over the Nanaimo-Cowichan-The Islands Commons seat once **Tommy Douglas** steps down.



It was double or nothing for Ted

London: A CBC film crew set up an interview with **Ted 'The Grocer' Heath** and as is the quaint custom in the British Isles, offered him \$250. It appears the BBC pays all politicians for interviews, something no other country does since politicians are, after all, public servants. At any rate, \$250 wasn't enough for the former prime minister of England and he haggled, refusing to do the interview until the fee was bumped up to \$500. The going rate for backbenchers there is £20.

Immigration: The unfortunate General **Dang Van Quang** may be having troubles with Canadian Immigration, but his wife isn't. She has landed immigrant status, mainly because she was sponsored by her children. However, her children were under 18 at the time and ineligible to offer sponsorship. A curious oversight on the part of our zealous immigration folk.

RCMP: When the **Solicitor General** set up the **Commission of Inquiry** into the RCMP, the bigwigs in Canada's finest thought the force was in for a smooth white wash. Well, when old **Judge Morin** and his travelling troupe flitted across the country, so many disgruntled RCMPers stepped forward with their bitching, it now appears the Inquiry could only manage a white-wash with considerable difficulty. There's been an almost complete collapse of RCMP morale and now the chiefs are worried about what may come out.

Gaspe: The federal government about four years ago decided to create **Forillon Park** in economically depressed Gaspe. The provincial government was given the task of routing the inhabitants, buying their homes and resettling the fishermen and farmers (about 1,500 in all) in bigger communities. All the abandoned homes were burned to the ground to clear the parkland. Now, the federal government is about to build and re-create a typical fishing village for the tourists. Terrific planning. What the hell, the homes and buildings they burned probably weren't authentic anyway.

Toryland: Hottest gossip in the Tory leadership

stakes concerns a **trust account** set up by the Tories for **Claude Wagner** back in 1972 when they enticed him away from a judgeship to run as Stanfield's Quebec lieutenant. Stories and rumours at the time put the trust fund at \$200,000, enough to assure him financial security after having foresaken the security of the Bench. Wagner is concerned the story may resurface to haunt him in his leadership bid. There is debate on whether it's legal or illegal, ethical or what. Various news organizations are onto it but hesitant to bring it out. The **Toronto Star's Bruce Garvey** actually wrote the story, then on orders re-wrote it several times, finally got it typeset, but unfortunately saw it killed at the last minute by Editor **Marty Goodman**.



But it's really old news, Claude

Corpus delicti: Federal, provincial and municipal authorities found themselves in **Montreal** when a strike shut down the city's two main **Catholic cemeteries**. After a few weeks, bodies started piling up at an alarming rate in funeral parlours and morgues. There was a critical shortage of refrigerated storage space and many of the cadavers rotted. Municipal and funeral officials tried to get permission to store the bodies in the only place where there was enough refrigeration capacity — meat packing houses. Aghast at the idea so soon after the tainted meat scandal, both provincial and federal health authorities nixed the idea.

The law is an . . . : Ottawa's faithful **Law Reform Commission** put out their fourth annual report in August calling for their usual overhaul of this and that. Members feeling depressed since they are convinced the latest report will be totally ignored, just as their three previous ones were.

The world of Islam: McGill University's **Institute of Islamic Studies** is now regarded as the most important of its kind in North America, especially since they were able this summer to pick up the best scholars and library of the now defunct Islamic section of the Hartford Seminary Foundation in Connecticut. Quebec is kicking in funds to the McGill Institute to give the Arabs a good impression, while Institute director **Chas. J. Adams** was off to Kuwait with the good news. When you consider that a large part of Arab aid to underdeveloped countries consists of giving 'em mosques, you know that McGill's and Quebec's devotion to Islam is bound to help.

photo: Wide World



Garfield Weston in 1955: he played the major role in Weston's enormous growth. His dislike for publicity is notorious.

by David Cubberley & John Keyes

the Weston conglomerate

When Simon Reisman retired as deputy minister of finance earlier this year, he gave up one of the most powerful jobs in Canada. But it was not the end of a career. Reisman has gone on to set up an Ottawa lobbyist operation, along with Jim Grandy, former deputy minister of industry, trade and commerce. The *Financial Post* commented that "it's widely expected that they will be very influential. But they will succeed only if they both operate so quietly and smoothly that no one else realizes whom they are working for." One company Reisman will be working for is Weston, Canada's largest corporation, where he has been appointed to the Board of Directors and named to handle lobbying with government. This appointment of a man with a multitude of contacts in government was timely in view of the recently announced Royal Commission on Concentration in Industry, which is chaired by Robert Bryce, Reisman's predecessor as deputy minister of finance.

The name is Weston. In Canada it's a familiar trademark, a brand name that stands out on the sides of the packets of baked goods and breads that so many of us devour for breakfast. Behind the name there lives a family of industrious bakers, now in its third generation. At the head of the family stood George Weston, a Toronto breadwagon driver who founded a successful biscuit manufactory in the late 1800's; after him came a son, Willard Garfield, who used the bakery as a base for his entrepreneurial talents and transformed the humble concern into an industrial giant; today two grandsons, Galen and Garry, are busy consolidating their father's prolific work and moving it in new directions.

Details of domestic life do not concern us here. But the intricate development of the family business is of compelling interest, in particular because of the pervasive and largely unexamined influence this corporation exerts over the food chain in Canada. It concerns us the more so because of the dearth of information available to the public on the size, dealings and history of the company.

Members of the Weston clan remain bakers to this day, but the parent firm of *George Weston Ltd.* serves as well as a holding company under which are clustered financial interests in at least some 279 companies. Most of these diverse firms are not connected by the general public as elements of a unified group acting under a central authority. Yet these interests are so extensive that there can be few Canadian communities that fail to come in contact with Weston influence, whether it be by shopping in retail stores owned by Weston or in independent outlets supplied by Weston-owned wholesalers; whether through the purchase of foodstuffs, dairy products and confectionary goods manufactured by Weston-owned companies or goods packaged in Weston-made containers or packed by Weston-owned firms.

In July of 1975, the *Financial Post* ranked *George Weston Ltd.* the largest merchandising firm operating in Canada, with sales of \$4.73 billion and assets of \$1.29 billion.

Yet despite this preeminent position in the Canadian corporate community, little is known of the company or of those who administer it. Willard Garfield Weston was mentioned only once in John Porter's *Vertical Mosaic*, where he was

lumped with those Canadian "promoters" who, like Lord Beaverbrook, had "gone to live permanently abroad." The 1974 edition of *Who's Who In Canada* lists none of *George Weston Ltd.*'s 15 corporate officers, none of the 11 corporate directors and none of the four members of the firm's executive committee.

Since December of 1974 the company has made two notable additions to its board of directors. Mark Hoffman, previously a director of Hambros Bank in London, England, and formerly with the World Bank in Washington, took a senior vice-presidential position and directorship in January 1975. Then, in April, the former deputy minister of finance under the Trudeau government, Simon Reisman, was appointed to the board of directors. At the 53rd Weston annual shareholders meeting, held in Toronto on May 9, W. Galen Weston, chairman of the board of directors and president of Loblaw Companies, introduced Reisman as the member of the management team mandated to look after government-company relations at all levels. In light of the recently announced Royal Commission on big business in Canada, this is a timely appointment.

If little is known about the Weston family, it is hardly by accident; indeed, a low profile — and at times outright secrecy — typified the formative years of the conglomerate the family has fashioned. As we search what literature is available on the subject, three dominant features will emerge: the first is the company's sheer size and the rapidity with which it grew through acquisition and takeover from a tiny bakery into a multi-national conglomerate of "byzantine complexity"; the second is the secrecy in which the architects of its growth shrouded its development; the third is the success with which the expansion has been engineered with control kept firmly in the hands of the family.

A 1948 article in *Maclean's* magazine called Garfield Weston "the biggest manufacturer of bread in the world, the largest biscuitmaker in the British Empire and Canada's largest wholesale grocer." Biscuits and baking are the base and backbone of the Weston empire; they constitute the original field over which W. G. Weston exercised his innovative genius. Weston is reported to have returned from World War I

to his father's biscuit business fascinated with the high quality of English biscuits. After developing his skills in the Canadian market for a number of years and successfully expanding his father's firm, Garfield Weston gave in to a dream of entering the British market.

If he had been taken with the quality of British biscuits, he was unmoved by their productive techniques; in the gross inefficiency of their productive process Weston saw the means to make his mark. Initially the trick lay in exploiting to its fullest the potential of the automated production line, in applying the manifold fruits of mechanization to biscuit manufacture. Plant redevelopment at the Scottish firm of *Mitchell & Muir*, purchased in 1935, allowed Weston to sell fancy biscuits "at exactly half the price at which they were sold by the world-famous firms all around him;" as a commentator later observed, he literally "coined money".

Weston's success in British baking circles was immediate, profound and pressed to best advantage, culminating in a round of acquisitions that pushed him to prominence in the eyes of the world business community. A vignette culled from the *Maclean's* article, one of the few attributable to Weston, permits us a glimpse of his outlook:

"One day in 1937 Garfield Weston was showing me over his new biscuit factory at Slough. Biscuits were being turned out in millions by great ingenious robots, on an assembly line all the way from pastry to packet. In the last stage of one product a tube was spreading a layer of chocolate on the finished biscuit. 'Look at that closely,' said Weston, and he pointed to a small jet that was blowing air on each biscuit to spread and thin out the chocolate. 'Ah,' I said, 'that's blowing the chocolate off.' 'Oh, no,' he replied, 'it's blowing the profit on!'"

Somewhere in the course of his British "spree" Weston became Britain's largest wholesale and retail baker, a position his company, through *Associated British Foods*, retains to this day. In 1966 *The Economist* said he controlled the 7th largest industrial firm in South Africa and was "still expanding fast"; as well, he had by then graduated to the fore in Australian baking circles. Weston was an ardent exponent of the principles of the British Empire and clung hard to a belief that the only ingredient lacking in the contemporary British formula was enough "enthusiasm" to bring the mixture to a boil. His affair with British culture culminated in a stint as a member of the British House of Commons from 1939-45. But Weston had no abiding interest in politics; he termed his participation an "experiment" and in 1945 he abandoned it to return to — of all places — his native Canada, whose untapped potential for industrial development had apparently caught his eye.

The great expansion

When a corporation wishes to break into a field of operation outside its known area of expertise there are, broadly speaking, two ways in which it can proceed: it can enter the market by launching a wholly new venture and hope that it has purchased sufficient expertise to allow it to carve out a piece of the action for itself; or it can cast about for an established firm to buy up, one with an assured portion of the new market or with what market analysts call "market potential". The advantage of the latter growth technique — particularly in regard to concentrated sectors of the economy — is that it permits the parent firm to absorb the developed

experience and tied accounts of a battle-tested competitor and, if handled properly, sidesteps the often enormous operating losses attributable to startup in monopoly markets.

In the period of its mature operation, diversification of its corporate holdings through takeover and acquisition became the staple method of growth of the Weston group. The wholesale food market was entered quite early with the purchase of *Western Grocers* in 1944; chocolate and dairy products were affixed through control over *William Neilson* in 1948; specialty paper products and packaging materials came with the acquisition of *Somerville Industries* in 1957; fishing and packing of food products with *British Columbia Packers* in 1962; and newsprint and fine paper with the purchase of *Eddy Paper* in 1962.

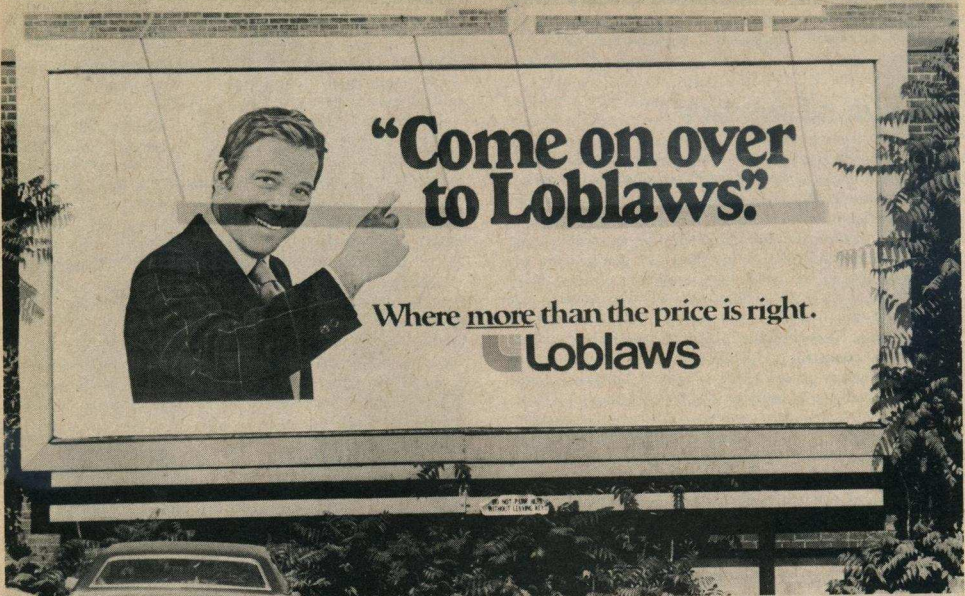
However, the most significant development in Weston history lay not with these acquisitions in related manufacturing fields, but with the unpublicized takeover of *Loblaw Groceries* completed quietly over a six year period. This purchase touched off a reckless spurt of growth so great that *The Economist*, in a retrospective article, remembered the years 1954-61 as an epoch of "headlong expansion" into food retailing. After acquisition Loblaw's became a holding company under which were initiated numerous takeovers in wholesale and retail food merchandising including *National Grocers* (1955), *Atlantic Wholesalers* (1959) and *Kelly, Douglas & Co.* (1958).

In 1948 *Loblaw Groceries Company* comprised a 119-store chain of "supermarkets" (then a novel conception in food retailing) serving the prosperous Ontario food market. Under the capable guidance of co-owner Milton Cork, Loblaw's pioneered the introduction of self-service, mass-merchandising techniques and effectively set a new profit structure for the retail food market; by 1948 Loblaw's was drawing accolades as the firm selling more food per store than any other in the world. The closest competitor was *A&P*, the grandfather of food retailing, whose sales of \$430,000 per store were a full \$200,000 below Loblaw's average.

Fielding teams of layout specialists and display artists, and utilizing for the first time the concept of "impulse buying" achieved through end-isle exhibits and eye level gimmickry, Loblaw's huge retail outlets and centralized supply facilities allowed Cork astronomically increased returns at considerably reduced markups. While gross profits rose giddily, Cork stole the market from independent grocers by dropping profit margins from \$7.96 per \$100 sales in 1933 to \$2.06 per \$100 sales in 1948. In much the same manner that Weston's automated biscuit manufacture allowed him to mass produce a cheaper product and corner consumer allegiance, Cork's use of mass merchandising as "a precision instrument of selling" allowed him to dominate the field.

From Weston's point of view there was no healthier firm available to form the base of the retail wing of an integrated food empire. Loblaw's was not only a profit leader, but was as well a tightly integrated outfit with a developed distribution network, an expansive packing and manufacturing wing for the production of house brands, and an exceptional buying network with representatives "scattered from the tea gardens of India's Travancore to the fisheries of Alaska."

In 1947 the aging Cork, then 77, sold "a big block of shares" to Garfield Weston. For a time his son, Justin Cork, continued to run the business; but by 1953 Weston was in control. The investment was simultaneously W. G. Weston's best — in terms of its long range sales potential and with



Actor William Shatner beckons Canadians to "come on over" in a massive billboard campaign.

respect to its immediate profitability — and his worst. Its failing lay in the end with Weston's inexperience as a food retailer, a limitation which prevented him and his top management from discerning the future course of the industry. As regards consolidation and furtherance of Loblaw's sales leadership, Weston failed to anticipate the cutthroat competition that would typify the retail oligopoly in the 'sixties and early 'seventies; because of this he failed to take steps in modernizing and streamlining the chain and thus fell prey to the tactics of his competitors.

There was, however, a natural identity of style and philosophy between Cork's fledgling monopoly and W. G. Weston's maturing conglomerate; both appreciated the essential connection between sales volume and competitive advantage, between monopolistic and integrated structures and assured returns. "Suppose you've got a small bakery business that uses 200 sacks of flour a week," Weston once proposed. "You'll have to pay, say, \$5 a sack. But look what happens if you have a 50,000-sack business! Buying flour on that scale you can get it for \$4 a sack. You are making \$50,000 a week just by doing a bigger business. And people say it's hard to get rich!"

For most men and women it remains hard to get rich, economies of scale notwithstanding. However, Weston did show the world that once you are big it's not hard to get a whole lot bigger. In 1963 *D.F.C. Inc.*, a holding company for the Loblaw's group, acquired controlling interests in *National Tea Co.*, a massive American food retailer. When in 1969 71.45 per cent of *Loblaw Inc.* of Buffalo was ceded to National Tea by its parent firm, the consolidation graduated Weston to the class of fourth largest food retailer in

the United States, with about 1,000 outlets under his control. Consolidated sales for the huge group of Loblaw companies had grown from \$176 million in 1953 to an astounding \$2.5 billion in 1969.

There is a limit to the benefits an ethic of growth can produce of its own accord and Weston bumped into that limit sometime during the 'sixties. The growth was impressive in dollar terms, but poorly planned and often redundant; as with any appetitive beast, gluttony eventually leads to chronic indigestion. As acquisitions Loblaw's, Loblaw Inc. and National Tea were undoubtedly coups; as business propositions they were or were allowed to become inefficient, outdated and poorly integrated; because of this, they all fell victim to the price wars in Canada and the U.S.

As one commentator noted in 1966: "National Tea was slower than competitors in spreading into non-food products where markups and profit margins are larger. It inherited many narrow-fronted stores in heavily built up areas with little room for expansion; it failed to work with real-estate developers to get into new shopping centres. And, until 1962-3, it failed to prune stores. More outlets, rather than better and more profitable ones, was the slogan. In part, it's been the same story in other retailing sides of the empire."

Weston was a baker by trade, not a grocer. He and his management favourites chose to wage competitive struggles on the basis of sheer size, a bulky but ineffectual weapon. "Loblaw's," an official close to the company recently allowed, "was a company of 1950's vintage trying to operate in the 1970's." Stagnation rather than growth became its typifying feature; instead of profits, losses formed the staple discussion of market analysts. However while these failings

were a direct result of inappropriate management — which bungled the job of integrating lucrative monopoly structures — the failure to deal with this problem must be laid at the door of W. G. Weston's abject fear of public scrutiny.

The cult of secrecy

Much of the frenzied Weston accumulation went on behind tightly closed doors, a family secret unannounced to shareholders, regulatory agencies or the general public. In 1966 an article in *The Economist* began with an apology: "surprisingly little is known about the network. We've tried to trace the outline but admit it's none too sharp and that some of the figures we quote are no better than intelligent guesses. Why this obscurity? It's partly deliberate. Mr. Weston does not look for publicity."

Nor, it might have continued, does he search for candour. Year end statements for the Weston and Loblaw groups were chock full of glossy photos of food displays, but gave no hint of the real connections between the firms. Shareholders attending annual meetings were treated to free food baskets, while their queries about corporate holdings were evaded or deflected with platitudes ("the Good Book tells us we must be as meek as a lamb and as shrewd as an adder.") Sales grew meteorically, but subsidiary firms were only erratically listed and thus no clear picture of the scope of Weston holdings was allowed to emerge.

While company officials justified the secrecy as a necessity given the parent firm's desire to keep vital information from falling into competitor's hands, its pervasiveness suggests a paranoid dimension. Garfield Weston and his chief executive George Metcalf guarded zealously the conglomerate's anonymity during the 'fifties and early 'sixties, so completely that "documents from subsidiaries often were sent to Metcalf's home rather than his office." Companies within the group were kept secret from one another and referred to by code names, at once puzzling and childish: B. C. Packers was known as "phisch", Power Supermarkets was named "Number One", while Donlands Dairy was called "Dee Squared". As an interview with Metcalf later allowed, the secrecy was so total that "many a company executive of Loblaw and Weston subsidiaries did not know several of his competitors were in fact his inlaws."

The extent of Weston's North American holdings and its links with the Loblaw group of companies were inadvertently stumbled upon in 1966 during the investigations of the Federal Committee on Consumer Credit. After an evasive interchange concerning lines of ownership with officers of *Atlantic Wholesaler Ltd.*, who either would not or could not identify their ties with Loblaw's, Senator David Croll concluded: "I am becoming a little perplexed here, that the two top officials can come here from the company and cannot give us this information. Someone has to know what fees they pay or who controls the company. I am finding difficulty in following that. We asked a question about who controls the company, and you mentioned Harbour Investments. We asked who is Harbour Investments, and Mr. Hamm says he does not know. It is very hard to understand why you do not know who controls the company. Surely you must have some idea of somebody who does. It is not just a seal or a corporate seal. Some face must appear there, and that is all we want to know."

Commanded to make available their holdings, Weston and Loblaw's decided to comply with the committee's request. During 1966 the full holdings were released to the *Financial Post* and a chart was dutifully appended to the shareholders' reports of both companies. The chart portrayed an intricate combination of holding companies from which were suspended approximately 160 distinct firms.

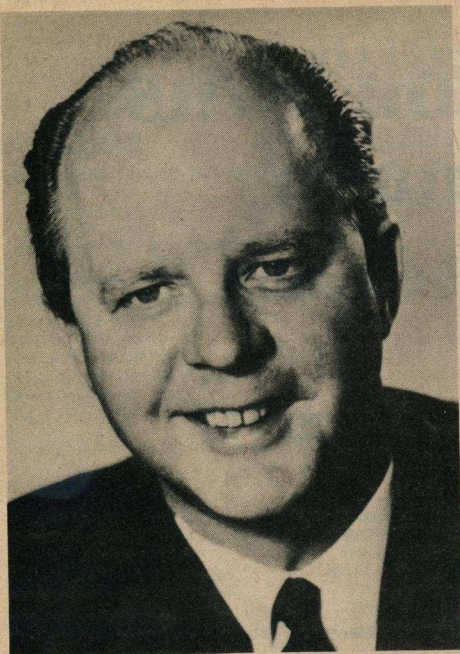
The reasons behind Weston's secrecy were evident at the moment of disclosure. N. W. Baker, an analyst with the Montreal firm of Morgan, Ostiguy and Hudon, estimated that at disclosure Weston interests handled about 28 per cent of all of Canada's food sales. He ventured as well that resistance to consolidation and full exposure probably derived from "an anxiety to avoid problems, with anti-combine legislation" based on its concentrated market control. In England, where Weston holdings were quite above board, a commentator suggested concerning the secrecy and evasion that perhaps "Mr. Weston wants to conceal his domination of the Canadian food markets from the Canadians." In any event the paranoia was ill-founded, for in Canada those charged with the power to assess monopoly and restrain it have been notably lax in applying their legislative powers, as Weston's good luck will attest.

The sheer size of it all

The mixture of awe and outrage with which disclosure was met by the public is easily sensed by a glance at the accompanying corporate map. Within the labyrinth of companies, an observer must engage in a strange game of corporate snakes and ladders to get to the pinnacle. Without such a map, someone interested in the lineage of a firm like Atlantic Wholesaler would have to have weeded through a confusing network of five other firms, three of them holding companies, to get to the parent corporation.

Even success at this exercise would not fully reveal control or lay bare the larger structures within which the operations of the first firm are integrated. *George Weston Ltd.* is 52 per cent owned by *Wittington Investments Ltd.* which in turn is 84 per cent controlled by the *W. G. Weston Charitable Foundation*, the family's personal control vehicle. At this point one is finally at the base of the mighty tree, a gargantuan whole of which the North American holdings form one large branch. From this trunk stems as well *Associated British Foods Ltd.*, the parent firm for Weston's overseas holdings.

Through a deceptive complex of dual corporations at the highest level, an entire global network of companies is controlled. Two legally distinct corporate entities, *W. G. Weston Charitable Foundation*, and *W. G. Weston Charitable Foundation (U.K.)*, crown the North American group and the European group respectively. In England, Associated British Foods Ltd. acts as the major operating subsidiary of Wittington Investments Ltd. (U.K.) which is controlled by the foundation. A.B.F. is, in essence, the European counterpart to *George Weston Ltd.*, acting as a holding company and serving as the locus of control over the non-North American members of the Weston group of companies. Garry H. Weston is president of A.B.F. and both Garfield and Galen sit on its nine member board of directors with him. This same trio sits on the board of directors of *George Weston Ltd.* in Canada.



Garry H. Weston heads up the European group

This wing of the conglomerate is itself substantial, a diversified group of companies which — according to the 1974 *Who Owns Whom, UK Edition* — are centred in Britain (303), Australia (83), Ireland (22), Rhodesia (9) and South Africa (168), but with representatives in Canada, Guernsey, New Zealand, France, Germany and Japan. Under this wing of the family conglomerate are clustered almost 600 companies, substantially focused upon baking, milling, food packaging and retailing, but with insurance, property development, construction and pharmaceuticals covered as well.

Weston's involvement in South Africa and in Rhodesia has been so financially rewarding that humanitarian considerations have carried no sway. The exploited indigenous work force, and the racist governments that police it and keep it in place, have long made these nations a favoured haunt of multinational corporations. For Canada, Weston won the distinction of being the "first major businessman to make an investment publicly in Rhodesia after UDI." "Sanctions or no sanctions," he trumpeted for the world to hear, "I am investing in Rhodesia now." With regard to complaints made by shareholders and the general public about the ethics of doing business with apartheid, he gave a cavalier dismissal: "historically, black South Africans have no right to the country. This never was a black man's country."

Humanitarian considerations aside, Weston is most certainly — in the recent words of one of his managers — "the most outstanding example of success of a Canadian entrepreneur that there is", at least in gross financial terms. The Associated British Foods group is large enough as a multi-

national to qualify for 68th position on *Fortune's* 1974 list of the 300 largest industrial corporations operating outside the United States, based on 1973 sales of \$2.08 billion.

If, for the sake of comparison, all of the sales made under the Weston family's corporate umbrella are totalled, they swell to a magnitude approaching \$7 billion annually. Seen in a consolidated fashion, this sales level would easily qualify the family for a spot in the top 20 on *Fortune's* list of the world's 50 largest industrial corporations. That would make it the only Canadian representative on the list.

Yet despite this magnitude and obvious international presence, the Canadian-based Weston conglomerate remains largely uncomprehended by the general public and, perhaps not surprisingly, by many of its own employees. This hidden strength may be worked to the company's bargaining advantage. During the spring and summer of 1974, according to a representative of the Amalgamated Meat Cutters and Butcher Workmen organizing *Sayvette Ltd.'s* employees, efforts were obstructed by management's misrepresentation of the firm.

On the one hand *Sayvette* counselled its employees against signing up with a huge international union, citing expatriation of dues and poor control of funds as its reasons. At the same time *Sayvette* employees were given to believe that they were bargaining with a small company that would be at a disadvantage in negotiations with such a powerful union. The fact that *Sayvette* formed part of an integrated multinational conglomerate with sales approaching \$5 billion annually was not volunteered.

Corporate giantism and public interest

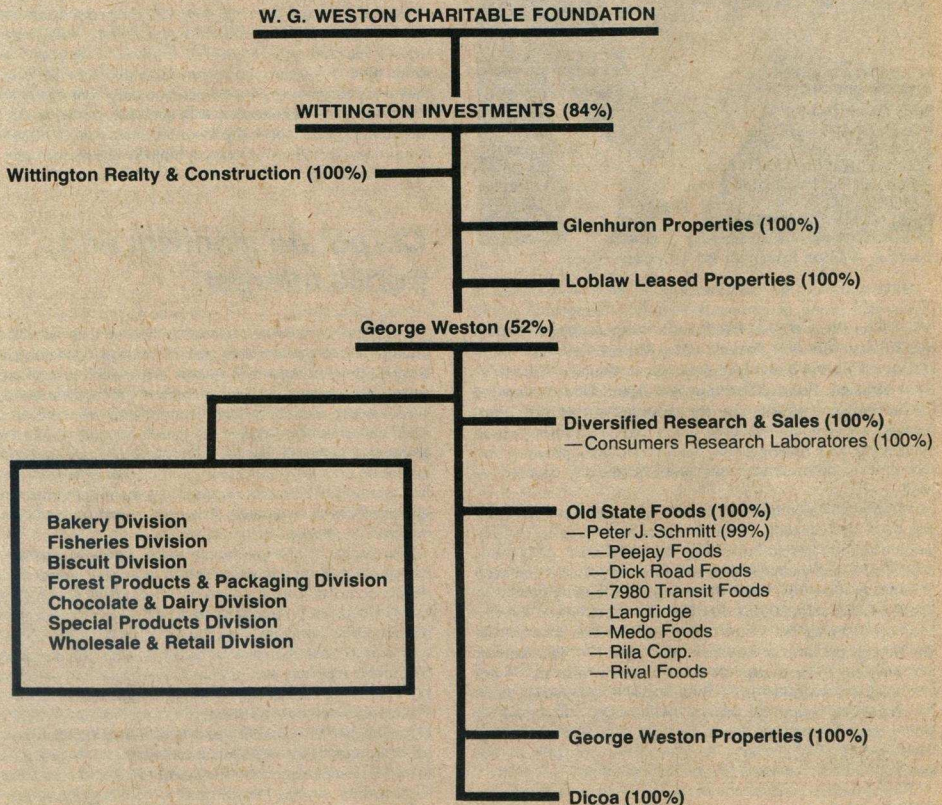
Economic orthodoxy teaches that the lack of effective competition engendered by the increasing concentration of ownership in all industrial sectors brings with it certain compensatory advantages, like increased product variation, assured supply and the hidden economies attributable to large scale undertakings. Looked at without the normal ideological gloss, it is apparent that the advantages claimed on behalf of corporate giantism fall squarely in the lap of those who own and control the enterprise, presenting them with unparalleled opportunities to overcome the vagaries and fluctuations of a competitive market.

The degree of manipulation possible through conglomerate enterprise was announced to the Ontario Legislature during a debate on bread price hikes. At that time NDP leader Stephen Lewis, focusing on the integrated control over all steps in the baking process exercised by Weston's, noted: "Loblaws said they had to raise the price of bread because of the increased cost to the supplier, the supplier being Weston's, which owns Loblaws . . . Weston's said it had to raise the price because of the increased cost to its suppliers for milk and sugar . . . Donlands and Royal Dairy and West Cane Sugar, all owned by Weston's. Weston's then said that the flour had gone up from their suppliers . . . McCarthy Mill and Soo Line . . . both wholly owned subsidiaries . . . They then said that distribution costs were going up which would require an increase in bread — and the distributors involved were National Grocers and York Trading . . . Now since all of the price mechanism is controlled within the same corporate em-

(continued on page 28)

What Weston owns in Canada

The overall structure



The divisions (part 1)

BISCUIT DIVISION

- Interbake Foods Inc. [U.S.] (100%)**
 - American Biscuit (div.)
 - Southern Biscuit (div.)
 - Johnson Biscuit (div.)
 - Bates Packaging Services (div.)
- Interbake Foods (100%)**
- Paulin Chambers (100%)**
- Kambly (of Switz.) Canada (100%)**
- McCormick's (100%)**
 - Imperial Cone (div.)
- Weston Foods (100%)**
 - Jackson Newport Foods (div.)
- Marven's (100%)**
 - G. J. Hamilton & Sons (100%)

FORESTRY DIVISION

- Eddy Paper (100%)**
 - E. B. Eddy Co. (100%)
 - J. E. Boyle (div.)
 - Eddy Forest Products (100%)
 - Rudolph McChesney Lumber (100%)
- Eastern Fine Paper (100%)**

BAKERY DIVISION

- Weston Bakeries (100%)**
 - Lane's Bakeries (100%)
- Allat's Bakery [1973] (100%)**
- Stuart (86%)**
- Soo Line Mills [1969] (100%)**
- McCarthy Milling (68%)**
- Wittich's Bread (100%)**

CHOCOLATE & DAIRY DIVISION

- William Neilson (100%)**
 - Willard's Chocolates (100%)
- Devon Ice Cream (100%)**
 - Nassau Dairy Products (100%)
- Donland's Dairy (100%)**
 - Charles Yeates & Co. (100%)
 - Royal Dairy (100%)
- Clark Dairy (97%)**

SPECIAL PRODUCTS DIVISION

- Niagara Food Products (100%)**
 - Prince Edward Food Products (100%)
 - Culverhouse Foods (100%)
- McLaren's Foods (100%)**
- Bowes (100%)**
 - Cdn. Extract & Supply (100%)
 - Saxonia Fruit Preserving (div.)
 - Watt & Scott (100%)
 - Rose & Laflamme (100%)
 - Harry Perkins Sales (100%)
 - Chocolate Products (100%)
 - McNair Products (100%)
- Westcane Sugar (100%)**
- Somerville Industries (100%)**
 - Somerville Packaging (div.)
 - Consolith (div.)
 - Somerville Plastics (div.)
 - Somerville Games (div.)
 - Somerville Automotive Products (div.)
 - Mastico Industries (50%)

FISHERIES DIVISION

- Connors Brothers (96%)**
 - H. W. Welch (div.)
 - Lewis Connors & Sons (div.)
- Megargy Investments (100%)**
 - British Columbia Packers (82%)
 - Packers Steamship (100%)
 - B.C. Packers [Nfld] (50%)
 - B.C. Packers [Quebec] (100%)
 - Brunswick Development Corp. (100%)
 - Blaine Myers & Co. (100%)
 - Blaine Myers Fisheries (100%)
 - Great West Packing (100%)
 - North American Testing (100%)
 - Nelbro Packing (div.)
 - Seafare Packers (100%)
 - Queen Charlotte Cannery (100%)
 - United Oilseed Products (33.3%)
 - Productos Alfa SA (100%)
 - Nelpack Fisheries (100%)
 - Nelson Brothers Fisheries (100%)
 - Canadian Packing (100%)
 - McCallum Sea Foods (100%)
 - McCallum Sales (100%)
 - Rupert's Certi-Fresh Foods (100%)
 - Willapa Oyster Farms (100%)
 - Coast Oyster (98%)
 - Humboldt Oyster (100%)
 - Sea Breeze (100%)
 - Sea Breeze Foods (100%)

This chart of the Weston operations in Canada and the United States was compiled by David Cubberley, an administrative analyst with the Saskatchewan government; by John Keyes, a graduate history student at Waterloo University; and by David Robertson, research co-ordinator of the Ontario Public Interest Research Group (OPIRG).

Only the Canadian and, where indicated, the U.S. operations of Weston are included in this chart. Overseas operations in Britain, South Africa, Australia, Ireland, Rhodesia and elsewhere are of a similar magnitude.

A conglomerate is an ever-changing organism and no corporate chart can hope to be the last word. Last summer Weston carried out a corporate re-organization that greatly simplified its operations. But to simplify can also be to obscure; the historical pattern of corporate growth can be hidden. This chart incorporates many of Weston's latest changes, but it also includes companies today listed by Weston as inactive, in order to show the conglomerate's historical growth in Canada.

The divisions (part 2)

WHOLESALE RETAI

Perrin Instrments

Loblaw mpanies

Loblirs (99.4



photo: David Lloyd

Wavertree (100%)

Loblaw Inc. [U.S.] (91%)

- Orchard Park Foods (100%)
- Department Store Food Corp. (100%)
- Department Store Meat Corp. (100%)
- Loblaw Supermarkets (div.)
- Nu-Trend Food Stores (100%)
- Food Arena (100%)
- Farmers Supermarkets (div.)
- Westons (div.)
- Better Foods (div.)
- Lewis Stores (div.)
- Empire Stamp & Distributing Co. (100%)

Food Market Holdings (100%)

- Atlantic Wholesalers (87%)
- St. George Foods (100%)
- Shamrock Stores (100%)
- Harrison's Markets (100%)
- Save-Easy Super Markets (100%)
- Chignecto Holdings (100%)
- Kitchen Brothers (100%)
- R. McGregor & Sons (100%)
- Power Supermarkets (100%)
- Busy-B Discount Foods (100%)
- National Grocers (99.8%)
- Lucky Dollar Food Stores (div.)
- Red & White Food Masters (div.)
- Gordon's Supermarkets (div.)
- Super-Save Markets (div.)
- O.K. Economy Markets (div.)
- Bolten-Ellis-Weaver (100%)
- Gold Medal Products (100%)
- Super City Discount Foods (100%)
- York Trading (100%)
- Dionne (100%)
- Shelly Bros. (100%)
- Pickering Farms (100%)

Sobey's Stores (40%)

Weston owns 40 per cent of the shares in Sobey's, a Nova Scotia based corporation involved in supermarket operations in the Atlantic provinces and Quebec. The remaining shares are held by the Sobey family. The company is also involved in regional shopping centres. Sobey's directly controls 10 subsidiaries, and along with Sobey Leased Properties, an affiliate company with four subsidiaries, it shares an 80 per cent interest in Canadian Shopping Centres and its three subsidiaries.

Investments (100%)

Companies (81.2%)

Investments (99.4%)

M. Loeb (18%)
 Weston holds an 18 per cent interest in M. Loeb Ltd., Canada's seventh largest merchandising firm. Centred mainly in the grocery trade under the IGA banner the company, through its subsidiary, National Drug & Chemical, is also a major wholesaler of drug and chemical products. M. Loeb has 20 direct subsidiaries and controls another 15 through National Drug. The Combines Investigation Branch has objected to this Weston holding. Weston says the Loeb shares are in a blind trust, awaiting sale at a price that would not cause a loss.

Edward Douglas Investments (100%)

Kelmac Investments (100%)

Makeup Lab (75%)

Tip Top Meat Market (100%)

—Ziggy's Fast Foods (100%)

Sayvette (96%)

—Hawkhurst Investments (100%)

Dunedin Investments (100%)

—Zehr's Food Markets (100%)

—Blue Chip Premium (100%)

—George Tamblin (94%)

—E. G. West & Co. (100%)

—Dault & McLean Drugs (100%)

—Carter Drug (100%)

—Owl Drug (100%)

—Tamblin [Nfld] (100%)

—Tamblin [Western] (100%)

—Tamblin [N.B.] (100%)

—Tamblin [N.S.] (100%)

Glenmaple Holdings (100%)

—National Tea Co. [U.S.] (78%)

—Crosby Properties (48%)

—Canal Villiere Foods (div.)

—Standard Grocery (div.)

—National Supermarkets (div.)

—National Laboratories (100%)

—Wm. H. Heineman Bakeries (div.)

—Big D. Foods (100%)

—Del Farm Foods (div.)

—Kare Drugs

—SoFresh Produce (100%)

—Joyce's Supermarket (90%)

Kelly, Douglas & Co. (81.2%)

—R. E. Sang (100%)

—W. H. Malkin (100%)

—Nabob Holdings (100%)

—Dickson's Food Services (100%)

—Nabob Foods (100%)

—Sussex Manufacturing (100%)

—Fairview Farms (100%)

—Co-ordinated Financial (100%)

—Kim Drugs (50%)

—Kelly, Douglas of Canada (100%)

—Maverick Markets (100%)

—Super-Valu Stores B.C. (div.)

—Cloverdale Paint & Chemical (56%)

—Sidney Paint Supply (60%)

—Monarch Paints (div.)

—Cloverdale Laboratories (100%)

—Super-Valu Stores (100%)

—Kingsway Frozen Foods (div.)

—Campco Pacific (100%)

—Issac's Pharmacy (100%)

—Tamblin [Alberta] (99%)

—Tamblin [Manitoba] (100%)

—Tamblin [Pacific] (100%)

—Barber Drug (100%)

—Liggett Drug (100%)

—Grand Union Markets (100%)

—Buy'n Save Food Stores (100%)

—Murray Jam (100%)

—Regal Fruit (100%)

—Squirrel Brand Products (100%)

—Superior Food Stores (100%)

—Meteor Meat (100%)

—Western Commodities (100%)

—Cal-Van Canus Catering (100%)

—Foremost Foods (60%)

—Westfair Foods (100%)

—Ensign Stores (100%)

—Westfair Wholesale (100%)

—Westfair Properties (100%)

—Shelly Brothers (div.)

—Gateway Food Factors (100%)

—Loblaw West (div.)

—Econo-Mart (div.)

—Shop-Easy Stores (100%)

—G. McLean (100%)

—Dominion Fruit (div.)

—Northern Potato (100%)

—O.K. Economy Stores (div.)

—Western Grocers (div.)

(continued from page 23)

pire, is the minister going to look at the possibility of price fixing?" The minister, of course, was not going to look at the possibility, having made up his mind about such questions a good deal earlier in life.

Behind the variety of individual corporate names referring to seemingly independent industrial entities, Lewis was pointing to the unified central authority that controls their destinies. This reality — in itself hard for the Canadian public to perceive, since they are given none of the clues — is further disguised by the unending proliferation of brand name products manufactured and distributed by these firms, each with an apparently distinct existence. A recent trip through a Zehr's store, a retail subsidiary of Loblaw's operating in central Ontario and one rarely thought of as Weston-owned, turned up six nominally competitive brands of that Canadian staple, white bread: Weston, Dietrich, Zehr's, Christie, Hollywood and Wittiches. What is hidden behind such profuse differentiation is the fact that the only non-Weston brand on the shelf is Christie.

The point applies to most aspects of the Weston conglomerate and may be exemplified in regard to its prodigious interests in fishing and packing. John Rodriguez, the NDP M.P. for Nickel Belt, made the case succinctly before the House of Commons in 1974. "The consumer might be deceived into thinking that the Weston company is in a death-lock competition with other manufacturers of food goods," he noted, "but in fact George Weston Ltd. is [often] in competition mainly with George Weston Ltd.

"Let me use salmon as an example. The consumer is confronted with an overwhelming array of brand names, a few of which are the following: "Carnation, Universal, Surf, Ferndale, Overwaitea, Rose Marie, Red Rose, Pine Tree, High Seas, Sea Lord, Silverline, Fraser Gold, Swallow, Clipper, Tip Top, Streamline, Sea Trader, Queen Charlotte, A & P, Clover Leaf, Maple Leaf, Paramount, Laguna, Sea-Gift, Robin Red, Loblaw's and Thunderbird.

"But . . . the confusion does not end there. There is coho [salmon] and keta, sockeye or whitespring. Then there is red salmon or pink salmon, minced or creamed salmon . . .

"Little does the consumer know, as he or she struggles to determine the per ounce price of the different brands and can sizes, that it really does not matter what brand is purchased — the money is going into the same pocket, in this instance the George Weston superpocket."

The problem spills over into the realm of retail and wholesale food outlets; here, in marked contradistinction to the other members of Canada's retail food oligopoly, Weston's fronts a variety of chains that the public rarely places together. On the retail end Loblaw's sells under its own name, but commands as well Dionne, O.K. Economy, L-Mart, Super-Valu, Economart, Zehr's and Shop-Easy, and owns substantial interests in Sobe's. Through these outlets Weston directs about 23.4 per cent of the total number of chain store outlets listed in the 1974 *Canadian Grocer Survey of Groups and Chains*.

On top of this Weston is likely Canada's largest wholesale grocer. Through a variety of wholesaling subsidiaries Weston services many of the small and medium sized retail grocers throughout Canada, independent agents selling under names like Red & White, Lucky Dollar, Tom Boy, Super Save, Maple Leaf, Valu-Mart, Shop-Rite and others. Its influence is felt through 62.7 per cent of the voluntary group outlets in British Columbia, 24.5 per cent of those on the Prairies, 74 per cent of those in Ontario and 50.8 per cent of those in the

photo: CP



Simon Reisman: Weston's man in Ottawa.

Atlantic Region. Its Canada-wide market share amounts to 31.7 per cent of all outlets and the only province in which it has not made significant wholesale penetration is Quebec.

Future of the conglomerate

"Food," mused one of the Weston group's year-end reports, "is the most stable business in the world." Market domination, it could have added, is certainly the most stable way of conducting that business. That Garfield Weston, innovator and entrepreneur, appreciated the subtle advantages of empire, and not just its sheer size, cannot be denied. "All my life," he is reported to have said, "I've been looking for tied accounts, the sort you don't have to sell every day. That's the whole point behind overlapping businesses and interlocking directorates."

It's true as well that the breakneck speed with which the conglomerate — and particularly its North American retail wing — was fabricated could have left little time to work systematically through the problems of full integration. There is little doubt either that incredible mismanagement accom-

panied the retail acquisitions and that for a number of years the whole investment was "questionable."

Perhaps more than anything else, the secrecy that surrounded the Weston empire did more to inhibit the realization of its full potential than it did to enhance it. Garfield Weston's paranoia about public disclosure, perhaps fueled by a fear that with it would come regulation and perhaps even breakup of his handiwork, lacked entirely a material correlate. Weston's only real censure until recently was a U.S. Federal Trade Commission ruling that for ten years National Tea could not buy up any new chain stores without FTC approval.

In Canada the Combines Branch of the Department of Consumer and Corporate Affairs, the agency charged with reviewing the depth of concentration in Canadian industry, has been lax in its approach to Weston's. However the 1973 purchase of a 24.6 per cent interest in *M. Loeb Ltd.*, one of Canada's largest diversified food wholesalers, jangled even the sleepy sensibilities of the Combines Branch. Untouched by Weston's claim that the purchase was strictly a business "investment" with no intention of takeover, the branch has ordered the company to sell off its interest. Had ownership been established, Weston's control over the wholesale grocery market might have approached 39.4 per cent and its market advantage increased immeasurably. To date, its interest has been diluted to 18 per cent, with this remnant being held in trusteeship.

In any event the work of the third generation of the Weston clan is, for starters, internal and lies with the more mundane but financially rewarding job of consolidation. On one level this means internal expansion, the initiation of new companies to tap the vast captive markets of the manufacturing empire and to eliminate external dependencies. With Weston companies devouring an estimated 12 per cent of all sugar sold in Canada, the development of a venture like *Westcane Sugar* makes eminent sense. On another level, it means a concentrated campaign to buy out minority interests in the many companies gobbled up by Garfield Weston without full ownership. Recent offers for shares of *Loblaws Inc.* of Buffalo, *George Tamblin Ltd.*, *Sayvette Ltd.* and *National Tea* indicate that this plan is in motion. Another interesting move, instructive for those intrigued by the tricks used by conglomerates to consolidate ownership and control, is the reported sale of *Kelly, Douglas & Co.* from the Weston arm to the Loblaws' arm (where it was originally placed), in return for shares that will raise Weston's interest in Loblaws' to 81 per cent from its current 63 per cent.

More important and impressive as a managerial feat — because of its dollar contribution to Weston's total sales — is the redevelopment of the retail wing under the direction of Galen Weston, Garfield's son. Under his auspices Loblaws' has stripped itself of almost 100 inefficient outlets, revamped its operations and inaugurated an aggressive television advertising campaign that has put its market share up to about 22 per cent. House brands, typically manufactured within the family, now account for 17 per cent of sales as opposed to 10 per cent just one year ago. Similar steps have been taken at National Tea and Loblaws Inc., and market analysts predict a return to full profitability in the coming year.

In all of this the affections of Canadian consumers, so necessary to conglomerate retail sales, have been won by William Shatner's charming recitals of Loblaws' weekly customer promises. Under the banner of that by-now odious phrase, "more than the price is right", Loblaws' has re-

turned to the fore in food merchandising. Strangely, while the phrase has aggravated the pro-corporate Ms. Plumtre ("meaningless and junky"), it has drawn compliments from Ms. O'Grady of the Consumers' Association ("it's a catchy, effective campaign") and lack of interest from Consumer and Corporate Affairs.

The Weston saga provides a fascinating glimpse of the cloth from which our national economic life is currently cut. To be sure, much of what has been related was examined for its uniqueness as a homegrown juggernaut in a league typically dominated by foreign-owned giants. But its general features, its immensity and its means of growth, point to behaviour increasingly preponderant in our society. The mammoth, diversified corporation and the concentration of power that is its reason for being more and more stand as the fact of social life. As a liberal capitalist nation, Canada must wonder whether such power is an exceptional phenomenon, or whether its continued creation is a destiny towards which the country is impelled; it must question whether the Weston clan and their corporate bretheren are aberrations in a system of free enterprise, or whether they in actual fact reveal its true profile.

When queried long ago as to why he wanted to own 100 companies, Garfield Weston congenially replied: "I love the game;" so, presumably, does everyone else on the inside of the corporate elite. Yet from the bleachers the end product of this game is a strange one indeed, nothing short of an elimination of its players and a violation of all its hallowed rules. Concentrated ownership contradicts the prevailing free enterprise ethos, yet it appears as a necessary upshot of the workings of the system itself. Size begets greater size, indeed to such an extent that capitalism's professed accessibility is finally eclipsed. Even the *Financial Post*, chronicle of the business world, stumbled on this one while worrying publicly about Power Corp.'s bid to take over Argus. "The diffusion of economic power," its editorial ran, "is an implicit condition of any free enterprise system and it is achieved in large measure by wide public ownership. Neither the prospects of competition nor accountability tends to be enhanced where control rests in few hands."

The owners and managers of the Weston behemoth will no doubt wonder at this display of naivete, for it is precisely as a means of eliminating the competitive pressures of the marketplace that their monopoly control has been so assiduously developed. With size, dependence on outside businessmen for finances and supply of raw materials is largely overcome. Once in motion, the huge needs of the corporation itself are sufficient to guarantee the success of new ventures; with tied markets the competitive free enterprise struggle — which is the mechanism claimed to have brought us the finest products at the lowest of prices — is neatly sidestepped. Indeed with the current holdings of the Weston family, assured undertakings like *Westcane Sugar* could occupy the attention of its offspring for years.

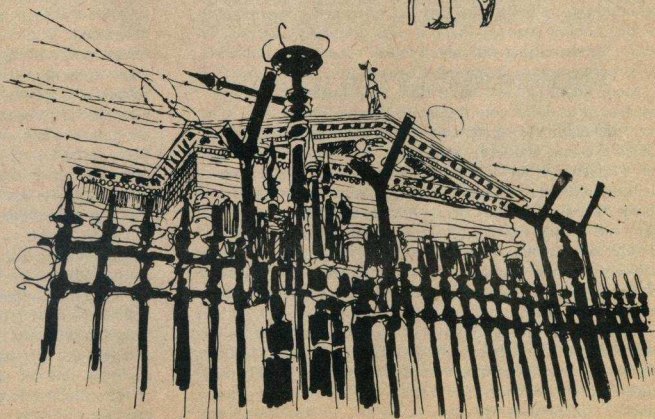
To the public — who are expected to sit still while this accumulation continues and to content themselves with the consumption of its products — the impact of the process may appear less beneficial. And in the long run, Canadians are unlikely to be satisfied with palliatives such as the Combines Branch's directive to Weston to sell its interest in one of its competitors; for, as the density of this conglomerate makes apparent, this can never be more than a ludicrous caricature of the official referee assigning penalties in a match whose results are already ordained.

NORTHERN IRELAND SKETCHBOOK: JULY 75



Lower Falls Rd. - Belfast

The Belfast buildings above, long since gutted, stand witness to the event that precipitated the current troubles in Ulster. It was here in 1964 that Ian Paisley called together thousands of his followers to protest the innocuous display of a flag of the Irish Republic from a window. The protest led to two days of sectarian riots and the troubles have continued since. Cartoonist Terry Mosher ('Aislin') recently returned from a visit to Northern Ireland with these sketches.



The Belfast Cent Hall

DOWN THE LINE
NO POPE HERE
NO SURRENDER



Bombed out telephone box.
Shankill Rd. - Belfast.



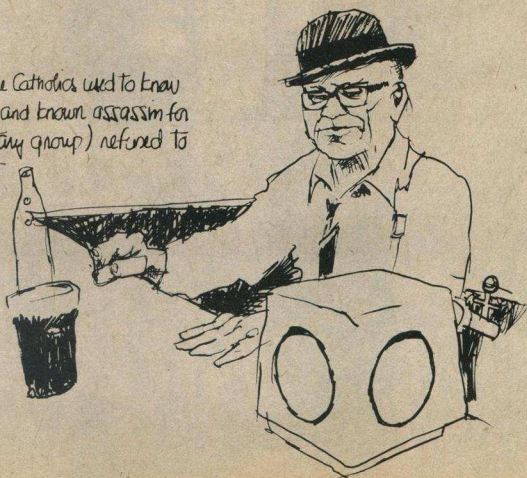
Two Belfast teenagers in
typical dress (including
stomping boots).



Discussing the very real problems of Northern Ireland with these very warm and open women, I found it very difficult to buy myself a drink as they were very fast on the draw. Within 24 hours, the sixteen year old son of the dark haired woman (centre of drawing) was shot dead by a British Soldier on The Falls Road.

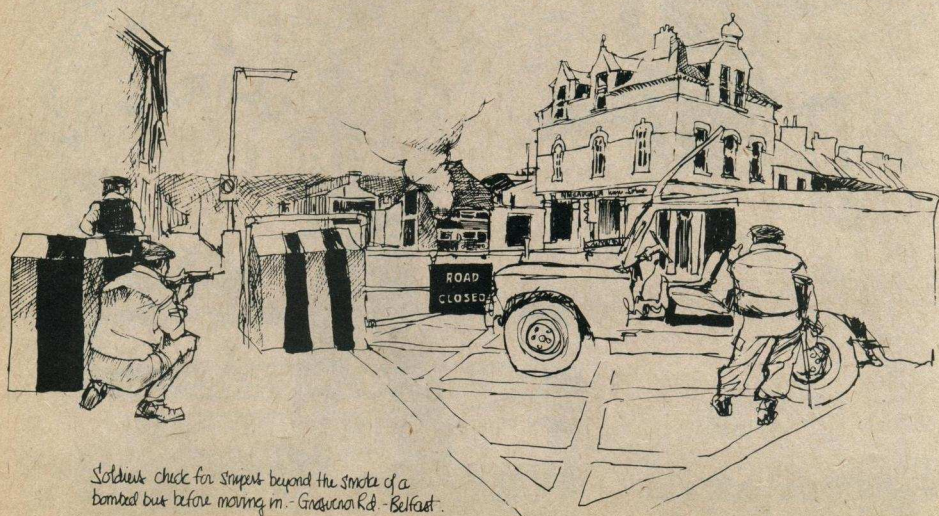
Sandy Row Publican - Belfast.

"I don't know what's happened. The Catholics used to know their place." A patron of the bar and known assassin for the U.F.F. (Protestant para-military group) refused to be sketched or photographed but grudgingly admitted: "Give me an army of Provisional I.R.A. men & I could take over the world."



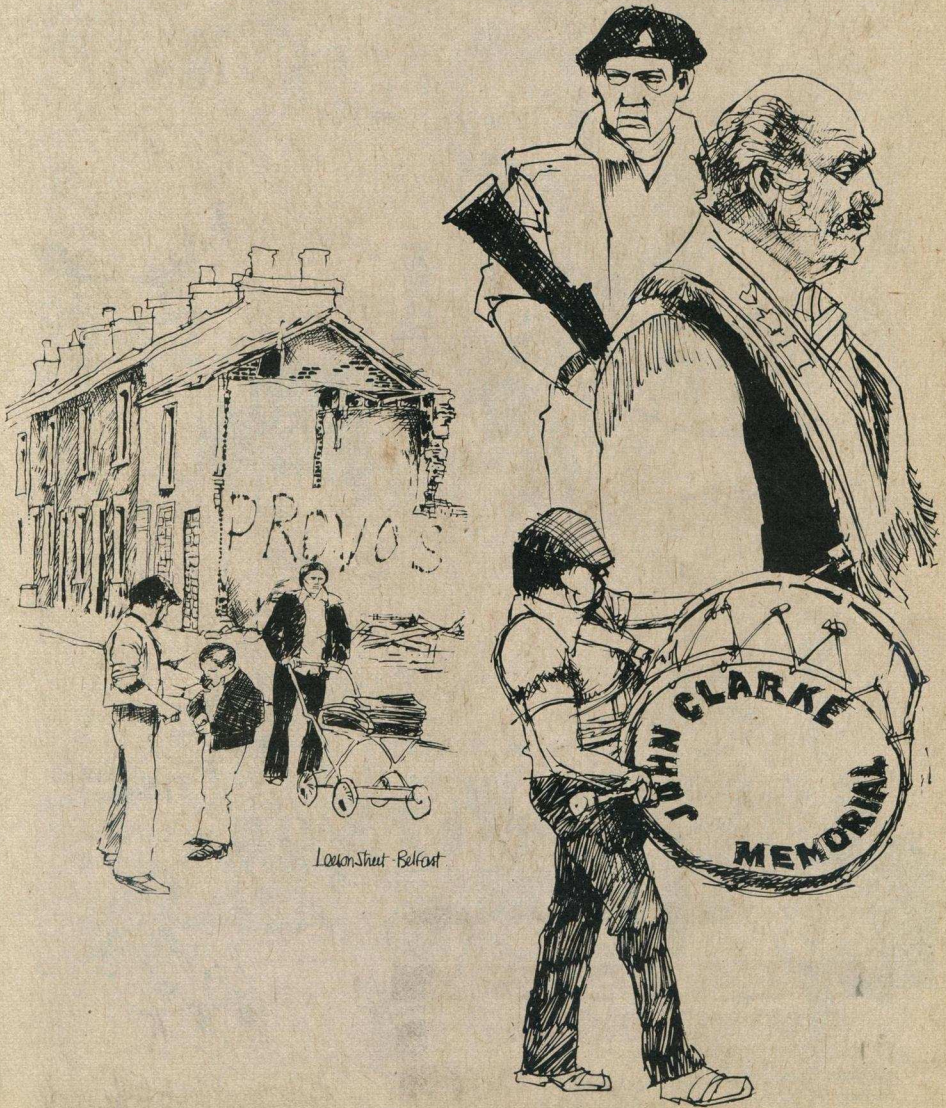
A solitary pub still stands in Derry's boreside below the wall,
just a few yards from the sight of 'Bloody Sunday'.

British observation
post



Soldiers check for snipers beyond the smoke of a
bombed bus before moving in - Grosvenor Rd - Belfast.

July 12th - Orangemen's Parade - Belfast.



"Every year when the Twelfth did come,
 They put on a sash & beat a bombing drum,
 'Remember 1690!', was the cry,
 The last time the workers in Belfast got a rise."

Republican folk song.

Marching by the
 Guilden Rd. jail



Stewards



MOTHER F.

(With special thanks to the people
 of the Divis St. Flats - Belfast.)

THE WORLD'S GREATEST STRIP-MINE

by Rae Murphy

**Consider the manganese nodule,
consider Howard Hughes and the CIA,
consider the possibilities . . .**

Before the Howard Hughes-CIA deep sea adventures surfaced (no pun intended) there was no lack of speculation as to what the elusive Mr. Hughes — if indeed there really is a Hughes of figs and fingernail fame at all — was up to with his projected scheme to mine the ocean floor.

If you recall the story as it broke in early spring, it went something like this: Howard Hughes, who for the past few years was said to be developing a sophisticated system to raise and refine the rich manganese nodules that carpet the deep ocean floor, was actually doing no such thing. Rather, his development of the *Glomar Explorer* was merely a cover for the CIA efforts to raise a sunken Soviet submarine from the mid-Pacific.

The CIA wanted the submarine because, although it was an obsolete diesel-driven vessel, it contained codes that would be of great value to the American military.

The CIA wanted these codes so badly that it was prepared to pay up to \$350 million to develop the technology to raise the submarine (the figure of \$350 million, aside from hardly being petty cash, even to the CIA, has a broader significance to which I will return later).

The "cover story" that Hughes was simply developing a mining system held up through the development phase of the *Glomar Explorer* and its huge satellite barge — a massive thing, larger, as they say in the U.S., than a football field, several stories high, completely covered and submersible to a three-mile depth. The "cover story" held although the Hughes enterprise was widely publicized. The *Glomar Explorer* figured prominently in articles in all the major American news magazines during the period of its development and

testing. The technology that Hughes was allegedly developing was detailed and diagrammed in several science and industry publications, and cost estimates were advanced.

Indeed, several deep sea mining experts felt they had enough information on the project to estimate the cost-profitability ratio of the venture. One U.S. publication quotes a marine engineer as saying that "Lockheed [the main contractor involved in the vessel] sold Hughes a Cadillac."

The construction of the ship and barge was generally estimated to cost between 60 and 100 million dollars. This estimate was arrived at by experts after studying the published design concepts for the project. The approximate figure was accepted by the industry as a whole — including corporations and consortiums who had been developing similar technology since the late 1960s. In other words, it was a rational and informed estimate.

The much higher figure of \$350 million has been tossed about not as the estimated cost of building a mining ship, but as the estimated cost of the complete program; development, successfully raising the nodules, transportation, smelting and marketing.

For the price the CIA allegedly paid Howard Hughes it could have bought a complete mining system, and with it the key to the most important treasure of mineral wealth in the world. One question is whether in fact it did. However, before getting into that murky area, there are other intriguing aspects of the Hughes-CIA affair.

It is interesting how, and why the so-called "cover story" was blown. Nobody, it seems, tumbled to Hughes and the CIA while the *Glomar Explorer* was out in the Pacific trying to raise the submarine last year. There were rumours concerning the CIA and Hughes, and one or two newspapers are said to have had the "real" story, but they were reportedly pres-

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



Is Howard Hughes, of figs and fingernail fame, still alive?

sured by the director of the CIA and other government officials to keep it quiet.

Then something very strange happened: the lone guard in the offices of Hughes' ultra-security conscious Summa Corporation was overpowered by a burglar, the safe was cracked, and secret documents allegedly stolen. Among these documents was a memo detailing the Hughes-CIA connection in the Pacific. An apparent extortion attempt was made, and finally a used-car salesman was arrested.

Realizing the game was now up, the CIA "told all" and in March of this year the newspapers were joyfully telling the tale of the technological prowess of the CIA and its deed of derring-do at the bottom of the Pacific Ocean.

The mission, we were told, was partly successful. The submarine was discovered, and in the process of being raised when it broke apart, with the section containing the code machinery falling back to the bottom.

Given less prominence in the spate of articles about the

mysterious Soviet submarine was the fact that the burglary at the Summa Corporation happened in July 1974, but the story was not disclosed until March 1975. If the "cover story" was blown by the burglary, it was blown very slowly. Moreover, despite all the tales of CIA attempts to ransom the crucial "stolen" memorandum for amounts up to \$1 million, the *Los Angeles Times* noted on April 3, 1975 that the secret memorandum was never stolen at all: it seems that the security guard, after he regained consciousness, found the document lying on the floor, stuffed it into his pocket and then forgot about it.

But stranger still, with all the publicity, was the silence of the marine mining lobby during all the disclosures.

What is at issue here is that a number of consortiums — some based in the U.S., others involving state and private interests in several countries, including Canada — are prospecting the ocean floor for nodule concentrations, developing the technology to retrieve them, and raising finance capital.

Is Howard Hughes alive?

Whether or not there really is a Howard Hughes is a question that continues to keep people guessing. In mid-August two New York stockholders filed suit saying that Hughes "has been dead for a considerable period" and that he is claimed to be alive "for the personal profit of various and sundry persons." The stockholders, Vera and Ellen Kurtz, claim that stock prices of Air West Inc. were deliberately driven down before Hughes took over the airline in 1969.

The major American entries, Kennecott and Deep Sea Ventures (a subsidiary of Tenneco Corp.) have been pushing the U.S. government to claim the deep sea ocean floor and parcel out exclusive areas of exploration to the various claimants.

One of the arguments advanced by the mining lobby for this legislation is that, although it is evil under a "free enterprise system" for the state to intervene directly into such economic matters, by legislating and guaranteeing the ocean land claims it would give the corporations the security to raise the development capital on their own. It is argued that such guarantees are needed because, in spite of the theoretical prospects of deep sea mining, it is still a highly speculative investment. One corporation, Deep Sea Ventures, has spent an estimated \$9 million for research over nine years, and has developed a prototype vessel built to one-fifth scale. According to Richard A. Frank, a lawyer with a 'Washington-based public interest law firm' and an expert on the law of the seas, it costs \$250 million "just to join the club".

These estimates help to place the \$350 million the CIA gave Hughes in perspective.

The story, until this spring, was that Hughes didn't need the capital and thus requested no guarantees. With his huge private reserves, old Howard could just write a cheque. Therefore he had no interest in and was not part of the mining lobby.

The story put out a few months ago during the CIA uproar was that Hughes owned the *Explorer*; as this is being written, the *Explorer* is out in the Pacific again looking for half-a-submarine and the story now is that the CIA owns the vessel. Now, while there is some speculation as to whether the CIA is the American state, there is no doubt that it is a very important part of the state apparatus. With the disclosure of CIA financing of Hughes — a massive intervention by the state in favour of one element of private industry — one would have expected there to be some consternation. Not a complaint seems to have been uttered. In fact there seems to have been a bit of relief that Hughes, who until this year was recognized as holding the lead in the race to get the nodules, was revealed to be merely in the submarine salvage business.

In short, a rather implausible story seems to have been accepted by many otherwise sophisticated people.

But to go further, if Hughes is really out of the deep sea mining business, is the CIA in it? One CIA official is quoted as saying that the *Glomar Explorer* just has to be "re-jiggered" to begin mining. According to Richard Frank, when this information reached the most recent Law of the Sea

Conference in Geneva, it "bemused" the delegates and "... touched on the side issue of espionage under the cover of scientific research."

Perhaps it should be noted at this point that one of the reasons the U.S. government is reluctant to claim and parcel out the ocean floor to various mining interests is that it would be of dubious legality.

Legal niceties do not, of course, mean everything. Yet, when one deals with the problem of the oceans and their control a very complex skein of international relationships is exposed. Any unilateral action by the U.S. could trigger a number of unforeseen events and perhaps have some drastic repercussions.

Strangely overlooked in the whole affair is that the U.S. government has invested very heavily in deep sea mining technology. It has either given Howard Hughes several hundred million dollars — aside from the hundreds of millions involved in the *Glomar Explorer*, Hughes was able to take advantage of the technology and skills developed during the earlier, government-financed *Glomar Challenger* program — or it has used Hughes as a CIA conduit.

Meanwhile neither Hughes nor the CIA — if the two are not interchangeable — is saying anything. And neither is anybody else.

On the trail of the lonely nodule

In a sense, knowledge of manganese nodules is as old as modern ocean study itself. They were discovered during the epic three-year voyage of H.M.S. Challenger 100 years ago, but were ignored and, for a time, even forgotten in a vault in the British Museum.

The Challenger had more important findings for 19th century science. In the welter of discovery of some 715 genera and 4,417 species of living things, and in the excitement of the first systematic attempt to sound the ocean bottom since the efforts of Magellan some 300 years before, the ugly little nodule — described by some as looking like a charred meatball and by others as an overdone baked potato — was bound to be ignored. As one oceanographer stated, "even if the nodules were pure blue diamonds little could have been done about them since they were discovered at depths of two to three miles."

Recounting the voyage of the Challenger in *The Scientific American* as recently as 1953, Herbert S. Bailey noted that "the voyage opened the great descriptive era of oceanography, which was followed by the analytic oceanography of our time." Bailey, in 1953, makes no mention of the discovery of the manganese nodule.

Consider now the manganese nodule and the scientific agenda of the last third of the 20th century.

The nodules are known to exist in vast quantities in most parts of the oceans — indeed, they have been found at the bottom of large bodies of fresh water, including the Great Lakes. They are spread unevenly; as one oceanographer said, "parts of the ocean seem carpeted, other areas literally paved with nodules." Their mineral composition varies from area to area.

The region of the largest known concentration lies in the

equatorial Pacific in a rough triangle stretching 2,300 miles from east to west and 500 miles north to south, centred some 600 miles southeast of Hawaii (the vicinity where Howard Hughes and the CIA are looking for that elusive half-a-submarine). In this area alone there are an estimated one to two trillion tons of nodules. And it is in this region where the nodules have been analyzed as containing 20 per cent manganese, 1.5 per cent of both copper and nickel, and .3 per cent cobalt. The nodules also typically contain molybdenum and iron.

Perhaps the following statistics will illuminate the significance of the nodules: currently, the United States imports 19 per cent of its copper, 74 per cent of its nickel, 95 per cent of its manganese and 98 per cent of its cobalt.

In testimony before committees of both the Senate and the House of Representatives in the post-OPEC paranoia of Washington, much was made of these statistics. And the horror story got worse as estimates were made of the growing need of the American economy — to say nothing of the American trade deficit — and of the "political instability" of the supplier nations. Senator Lee Metcalf, Democrat from Montana (far from the oceans but close to the mining corporations) stated: "By obtaining our supplies of these minerals largely from foreign terrestrial sources instead of resorting to the seabeds of the Atlantic and Pacific oceans, we have contributed substantially to the economies — and economic clout — of a number of developing nations."

The extent of the bonanza of nodule mining in the Pacific alone is enormous, though impossible to calculate exactly.

A vast quantity is known to exist. In an article titled "The World's Greatest Strip Mine", Merle McBain, a retired U.S. Navy Commander, presented the following estimate: "An efficient mining rig producing 5,000 tons a day could exhaust the manganese resources of a million square miles of ocean bottom (less than one per cent of the total) in 20,000 years. Ten rigs, the maximum expected to be working in the foreseeable future, could cover the ground in a mere 2,000 years."

Another aspect of manganese nodules that makes it difficult to assess their potential impact is that they are always being created anew.

While science has not yet offered a definitive explanation

The mysterious contract

Another corner of the Howard Hughes-CIA cover story for the *Glomar Explorer* was lifted recently when the *New York Times* reported that Hughes got his contract with the CIA one month after the ship was launched.

The *Times* says Hughes got the contract to raise the sunken Soviet submarine on December 5, 1972. However, according to information from an official at the Sun Shipbuilding Co. in Chester, Pa., that would date the contract one year after the vessel's keel was laid, and one month after the November 4, 1972 launching of the ship.

To further confuse matters, the *Times* reports that the secret contract was obtained five weeks after Howard Hughes made an "emergency" contribution of \$100,000 to former President Richard Nixon's 1972 re-election campaign.

of the manganese nodule, the most popular theory is that they are created by a slow accumulation of specks of minerals dissolved in rain water and carried off the continents in streams and rivers until they accumulate around solid objects such as sharks' teeth, other particles of calcium on the ocean floor, even rocks. In an incredibly slow chemical reaction these nodules collect and grow a few millimetres in a million years. But this process has been going on for an infinite period of time and it is estimated that one-quarter of the ocean floor is now littered with these nodules.

This is quite a bonanza for whoever claims control — billions of tons estimated to be worth up to \$200 a ton at current prices. And then the retrieving of the nodules literally only scratches the surface; beneath the ocean floor is a new world of resources far larger than the one we know above the water. The know-how to scrape the bottom of the ocean would lead logically to the ability to dig beneath the ocean floor.

There are some problems though — problems of ecology, of technology and of ownership.

We all know that the oceans, and the delicate balances that exist within them, are the source and guarantee of life on this planet. We also know that this balance is constantly being threatened because the fragile seas are man's ultimate sink. Every bit of waste, every noxious chemical created finds its way ultimately to the sea. Every super-tanker is a floating bomb. Almost everything from fishing to flushing toilets affects the vital cycle within the oceans. It is an ecologist's nightmare, yet no matter how paranoid it may sound, the evidence is we never even guess at the worst.

When it comes to ecological problems of deep ocean mining, any appreciation of the effects is controlled by the vested interests involved. Since there are no definitive answers to the existence of the manganese nodule, there can be none concerning its relationship to the ocean as a whole.

For example, three ocean scientists presented a paper to the annual conference of the Marine Technology Society last summer in Washington which claimed the existence of a large variety of biological organisms living in surprisingly high quantities on manganese nodule surfaces. They also conjectured that these biological organisms were somehow involved in the nodule growth process.

What relation these organisms have to the mass of other organisms that concentrate on the upper centimetre of ocean sediment is unknown, but what is known is that the large scale extraction of nodules from this sediment will cause vast disruption in this sensitive area of the ocean — perhaps even destroy a vital link in the food chain.

But then there is the other side. In testimony before the U.S. Senate, Oswald A. Roels, one of the most prominent scientists in the field, minimizes any possible environmental impact of deep ocean mining mainly because the vast majority of manganese nodules of "commercial interest" lie in areas of "extremely slow sedimentation" and of low biological productivity. "Manganese nodules are extremely rare," says Roels, "...on those parts of the ocean floor underlying areas of high biological productivity in the water column..."

There are also some rather suspect theories that in regions of intense disruption caused by the mining rigs a rich new fishing area will actually be created around the upwellings which would result from the dredges.

Every scientist who theorizes on the environmental impact of deep sea mining stresses the lack of data and the need for

time to study the full impact. But time is something that is not going to be given. The race is on to exploit the riches of the oceans. That last celebrated frontier of song and cliché is about to be opened up — and opened up by the same gang that has already given the world the Ruhr, the Rhondda Valley, the slag of Sudbury and the scarred hills of Virginia.

The technological problems are already under attack. Almost every major mining—metallurgical corporation is interested and is involved in some joint venture. And almost every major Western government is involved either through direct subsidies for exploration and development as in Britain, or through the involvement of corporations in which the state has a direct interest as in West Germany and France. A partial list includes: Kennecott copper; Deep Sea Ventures of Tenneco Corp.; Ocean Resources, a consortium of 25 companies including U.S. Steel and Phelps Dodge; Société le Nickel and Pechiney Ugine Kuhlmann in France; a consortium based in Germany; as well as a British, Canadian and Japanese consortium.

Also, strange looking Soviet vessels have been spotted prowling the South Pacific. And in Washington last summer, rumours could be heard during breaks in the impeachment hearings that Howard Hughes, whose fortune is based on developing and leasing technology, may be working for the Chinese — the dreaded Chi-Coms. In any event, Hughes has

been shown to be employed elsewhere so, one presumes, the Chinese can be scratched from the race.

The actual technological problems revolve around two issues — surfacing the nodules and developing a method to extract the water and refine them. Two basic methods have been developed to extract the nodules. A continuous bucket system has been developed, principally by the Japanese. This method has been plagued with difficulties and, according to one report, trials in 1974 that attempted to raise 3,000 tons achieved only six tons; opinion is that the Japanese are now back at the drawing board.

The other method is the hydraulic suction system. The Hughes system is an elaborate variation of this. The hydraulic suction has been mainly developed by Deep Sea Ventures. It has worked well in 6,000 feet of water off the Florida coast and experiments are going forward in the deep Pacific.

While there has been much less said about refining methods, spokesmen for Deep Sea state flatly that all major problems have been solved and that they are ready to go into production. Deep Sea has gone so far as to place an advertisement in a British newspaper announcing its claim to a 60,000 square mile section of the Pacific ocean floor and its intention to begin dredging for nodules.

Here is the crunch: Who owns the ocean floor? Who can stake a claim and who can enforce a claim?

'Nothing silly in owning a sq. mile of ocean'

"In general," wrote Kenneth W. Clarkson in a paper titled *International Law, U.S. Seabeds Policy and Ocean Resource Development*, "the development of the law of the seas has closely paralleled changing economic and technical conditions."

The elementary truth of that statement becomes painfully obvious as one wades through the welter of contradictory positions, proposed treaties, scientific theories and economic estimates that swirl about the current series of Law of the Sea Conferences. Yet the truth is also obscured by the fact that there is no one economic condition or technical condition, to say nothing of one political condition, in the world.

This is the fundamental problem that confronts the delegates to the current Law of the Sea Conferences. There is, for example, a division between the 20 or so "modern industrial nations" and the 120 or more countries which represent the overwhelming majority of our planet who are euphemistically known as "under-developed" or "developing" countries, and more recently labeled as "the irresponsible majority".

In a sense, even the concept of a negotiated law of the sea is part of the problem. In the good old days, those nations who had the strength to rule the waves could also waive the rules and, as in the Wild West, those who could enforce the laws, wrote them.

An allusion to the Wild West is not entirely out of place when discussing the new reality of the oceans. It has been evoked quite often. For example, John Teal, a prominent American marine biologist, has said: "We're in a period like the opening of the American West. . . . Everybody is trampling over everybody else to stake a claim in the oceans."

The underlying rationale of the law of the seas through the centuries has been that man is unable to control them. Thus,

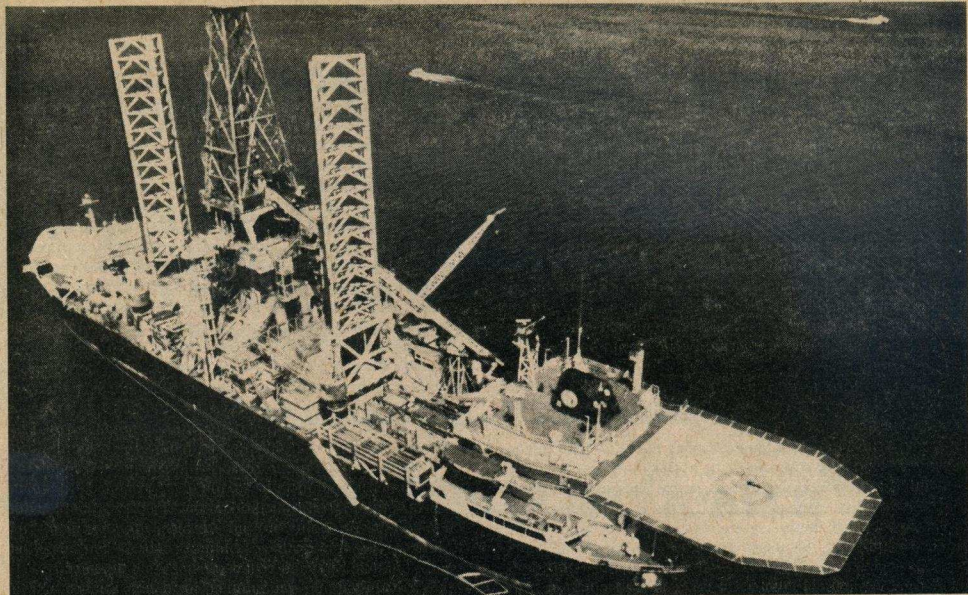
Roman law concluded that "it was the common right of all men to a free use of the sea" (*Res Communes*).

In general, all rights, privileges and property said to be held in common in pre-feudal societies were effectively transferred to the monarch in feudal society. Then, the existing law of the seas was considered *Res Publicae* (property commonly used, but owned by the state). As the importance of fisheries developed and the competition increased, this legal concept was used both to protect local fisheries and as a basis upon which many treaties were signed which recognized the coastal fishing rights of other nations.

However, with the development of sea-borne commerce, the opening of the Far East and the Americas, the attempt to delineate national seas was seen to hinder the developing maritime powers. At one time a Pope was able to divide the oceans of the planet between Spain and Portugal, but Papal fiat could not hold against the new maritime powers emerging in the north Atlantic.

"The seas," wrote the Dutch jurist Hugo Grotius, "can neither be seized nor enclosed." The ocean is "common to all because it is so limited it cannot become the possession of anyone." This doctrine of *Mare Liberum* effectively limited national sovereignty to narrow strips of coastal waters — the conventional three-mile limit was determined by the range of a cannon ball fired from shore — but opened the seas and all their resources to the maritime powers that could and would take them.

Mare Liberum held sway almost intact until 1953 when President Harry Truman claimed control and jurisdiction over the natural resources of the accessible sub-soil and sea-bed of the U.S. continental shelf. While this American proclamation was unclear as to the actual area claimed, the boundaries were generally accepted to reach to the 200-metre depth —



The Glomar Explorer: raising Soviet submarines, or manganese nodules, or both, or what?

the technological limit to resource extraction at the time. The U.S. proclamation was considered to be the catalyst for other unilateral declarations, such as Canada's claim of a pollution control zone up to 100 miles from our Arctic shores.

Of most interest in the Truman proclamation of 1953 is that it is an example of what Prof. Clarkson states as "historically, oceans policy has generally recognized only the highest valued use of the seas." Thus, international rules and regulations which were based on fishing gave way to rules which attempted to regulate navigation and are now giving way to control of the resources on and under the ocean floor. The Truman move was to guarantee the control of oil on the American shelf.

In spite of every scientific and technological advance, in spite of the growing militarization of the seas, things could have gone on as before because, even in a strict legal sense, the oceans beyond the territorial limits were considered *Res Nullius* (property without ownership but subject to possession by appropriation).

In short, deals could have been made, not only between the superpowers — one of the most interesting characteristics of the current Law of the Sea Conferences is the mutuality of interests between the U.S. and the U.S.S.R. — but also regional compromises could have been struck on territorial limits for exclusive fishing rights, even a licensing arrangement between a coastal nation and a foreign fishing fleet. More importantly, in the key areas of oil exploration and deep sea mining the deals have already been made among the multinational corporations.

So why a conference at all? Perhaps this question is best answered by Makhold Lerotholi, chief delegate of land-locked Lesotho, to the Law of the Sea Conference in Caracas: "... continuation of the status quo would mean the continua-

tion of a colonial mentality of the most cynical nature." Mr. Lerotholi went on to make the point that if the major powers are allowed to exploit the sea at will, they would go on to lay claim to the moon, the planets and the stars.

Lerotholi is simply stating that everybody wants a piece of the action now. And pressure towards this end was applied at the United Nations.

Thus, the United Nations has proclaimed the oceans to be The Heritage of All Mankind. A worthy sentiment, and nobody votes against worthy sentiments.

The U.N. has also convened the Law of the Sea Conference to work out a new international regime for the oceans and has also endorsed a moratorium on sea-bed exploitation pending a new law of the sea.

But the division of the world is not simply between the "have" and the "have-not" countries. Middle powers like Canada, with a huge vested interest in the oceans and a developing marine technology, as well as an economy based largely on land-mining, have elbowed their way into the talks.

There are also differences among maritime powers, coastal states, land-locked nations; major military powers who demand free access to all oceans and coastal states with jurisdictional claims; countries with economies based upon the extraction and export of minerals and importing countries; nations with far-flung fishing fleets and coastal states trying to preserve diminishing stocks. Within many countries there are competing interests — U.S. east coast fishermen demand a 200-mile limit as protection against foreign fishermen, while west coast fishermen who range the coasts of North and South America want total access. It seems that no matter what question is raised, a contradictory position emerges — and the talk goes on.

The problem is actually more complicated than the "egotistical national interests of various major states" — a lot of the action is with the multinational conglomerates and international joint venture companies. And now that the technology is ready, they intend to get on with the business at hand. And they are demanding protection. As the spokesman for one corporation put it:

"We have decided to work in the Pacific Ocean where deposits are richest and in that quadrant of the Pacific closest to our nation and our island archipelagoes... we would see no reason — fundamental economic reason, or location of this resource, to work in other than what we have originally defined as the American Ocean, between the United States and Hawaii."

As the Law of the Sea Conferences drag on, enormous pressure is placed on the United States and to a lesser extent on other Western governments to do something. Talk was cheap during the development stage of the mining technology, but by all reports several major consortiums will be ready for production within the next year.

There is a "hard line" now emerging in the U.S. towards the Law of the Sea, as typified by this editorial in the *Wall Street Journal*:

"The U.S. Senate would never ratify the U.S. draft treaty, let alone the bizarre schemes being kicked around the Law of the Sea Conference. So far as we can tell, the governments of Western Europe, Japan and the Soviet Union have been going along with these negotiations simply to humour the United States and the passionately serious developing nations.

"The only nation that is paying any serious penalty for dragging out the conference is the United States. Its companies have the capital and technology to exploit the resources, but hesitate to do so when in a few years some unknown international authority could theoretically wipe them out with taxes and regulations. . . . Nor will most U.S. companies go after those nodules with the political risk, though Howard Hughes is doing so on the sound assumption that the Law of the Sea Conference will either break down or go on forever, from spa to shining spa.

"Enough is enough. For the sake of form, the United States might as well send its negotiators to Venezuela and Vienna, though there is much to recommend a clean break. But the important thing is that the U.S. government should free the petroleum and mining industries of any caveats linked to some future treaty, and let them go to work adding to the world's store of available resources.

"Will this mean the U.S. Navy will be boxed in? No. Any coastal state that desires to maintain commerce with the rest of the world will have to maintain reasonable rules of passage. Will it mean countries will go to war over who gets those nodules, oil or fish? No more than they do now, or less than they would if some world authority came into being. When was the last time the United Nations settled such a scrap?"

But there are other considerations. Not the least of which is that a unilateral move of this magnitude by the United States will not be accepted by anybody, and the line, therefore, is still one of talking the thing to death.

Meanwhile, the U.S. resolution calling for a moratorium on exploitation of the deep ocean sea-bed pending a treaty still holds. The U.S. has not signed the moratorium, but has said it would be given "good faith consideration". But then,

as testimony before both the American Senate and House of Representatives indicates, the various international joint companies are beyond U.S. jurisdiction. As Marne Dubs, vice president of Kennecott Copper, testified before the Senate committee on interior and insular affairs:

"Our own government through our State Department has repeatedly said that this resolution [U.N. moratorium] and this principle do not have the force of law, that they are not binding on the United States, and, in fact, that U.S. nationals are completely free to operate in the deep ocean within the bounds of accepted customary international law."

Perhaps in that statement there is a germ of an eventual "back-up" position. Something like this: if it were deemed legally possible for the United States unilaterally to move to control sections of the sea-bed, but not politically expedient to do so, it would also be legal for any country to claim control, and if such a country were a minor power the global political repercussions would, of course, be no impediment — if the country were an ally of the U.S. and American nationals were involved, a case could be made that its activities were protected by the United States.

In essence it could be a variant of the old maritime tradition of a "flag of convenience".

Such a country could be Nicaragua. The Somoza family has both a cozy relationship with the U.S. and a very personal approach to the country itself, in that it owns most of it. If Nicaragua were to license one or more companies to mine the ocean floor, who is to say no? And as Marne Dubs suggested, an American national, as American law now stands, is within his rights to be licensee.

Nicaragua comes to mind because Howard Hughes has a mysteriously close relationship with the Somozas. In 1972 when Hughes was a resident of Nicaragua he entered into some direct business ventures with the Somozas. There was talk of a merging of airlines and a large tourist development. There was also talk of a joint deep sea mining venture. The London *Economist* featured an article on this mining venture which pointed out that it would be in violation of the U.N. moratorium.

Needless to say, Hughes said nothing about the subject and, since nobody seemed to be aware of the Hughes-CIA connection — it was during this period that Hughes was financed by the CIA to find the Russian sub — no other questions were asked and the Hughes-Somoza mining venture story was stillborn. Except for one interesting column by William F. Rickenbacker in the *National Review* in late 1973 which described the *Glomar Explorer* "complete with a submersible barge of Nixonian magnitude."

The column went on to urge Hughes and Somoza to get moving. There was nothing "silly" in owning a square mile of the ocean floor, wrote Mr. Rickenbacker, "the real challenge would be for him [Hughes] to establish his ownership of a section of ocean floor and mine it just like the plain folks back home. He could argue that wetness or dryness has nothing to do with his claim to property; he has access, he can survey his boundaries, he has acquired his property without force or fraud or violence; he is enjoying it without disturbing his neighbours; and he is exploiting it in such a way that raw material costs all over the world are declining. Peace and prosperity would be found along the road that leads to private ownership of the oceans."

In the meantime, Howard Hughes and the CIA aren't saying anything; they're just floating around, the story goes, looking for pieces of a Russian submarine.

Rear View

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Chief of "The Red Orchestra"

by CAROLE ORR

Leopold Trepper, former chief of The Red Orchestra, has recently published his memoirs in Paris, entitled *Trepper, le Grand Jeu: Memoires du chef de l'Orchestre Rouge*. Carole Orr interviewed him there for the *Last Post*.

Leopold Trepper was the head of the Soviet spy network in western Europe during World War II — an incredible man at the centre of a fantastic story, the story of "The Red Orchestra." To date the best book about it has been the one by French journalist Gilles Perrault. But there is another, by German writer Heinz Höhne, who has a rather different view of things, and which was used as the basis for a 13 part serial TV drama on the Orchestra done by Radio Bavaria in collaboration with the French ORTF and Italian television, and broadcast in France last fall over ORTF. In Radio Bavaria's version, both the Orchestra members and the French Resistance were portrayed more or less as crackpot adventurers, the Gestapo as reasonable men of business, gentlemen in white gloves, no less, and always with a heart of gold beating warmly under the iron cross.

The French were livid. After the final installment, ORTF broadcast a live discussion by a group that included former members of the Resistance, a representative of Radio Bavaria, and Trepper himself.

The wretch from Bavaria grilled and shrivelled as, point by point, Trepper refuted lies in the script, specifically on questions of betrayals by Orchestra members, and of Gestapo tactics. Bavaria had implied that the network had been systematically deceived by its Jews, that they had tricked the others into continuing to oppose the Nazis when the others, if properly informed, would have embraced the Fatherland. Ditto the Resistance.

Trepper is a Polish Jew.

Now he has published his own story, to complete the

cord. Archives were opened to him that were not available to Perrault, and it is all there: the years in Moscow, the first Stalinist purges, the Orchestra in Brussels as the "Foreign Excellent Trenchcoat Company," Trepper's own capture and how he played a triple deception under Nazi noses, escape, the return to Moscow and the Lubianka prison, and the aftermath — escape finally to Poland after an enormous international support campaign. Then, finding Gomulka's Poland "mad with anti-Semitism", escape to Israel.

He had come to Paris for publication of the book, and I arranged an interview at his hotel in Montparnasse. Emerging from the elevator, I found him trundling towards me down the hallway, a stocky man with a straight crew cut and a straight jaw and an arm outstretched in a rather jolly greeting.

Trepper had been savagely angry over the Bavaria-ORTF whitewash of the Gestapo and smear of the Orchestra and Resistance. But that was only one element in a concerted campaign presently being waged by the French government to rehabilitate Germany's image in the interests of European co-operation. (It must be remembered that ORTF is, unlike the CBC, run both by and for the government.)

In May, President Valéry Giscard d'Estaing (or VGE as he likes to be called, harking back, one supposes, to with-it types like JFK; "Valy" as he is referred to by the rabble) anyway Valy announced the official abolition of V-E Day. No more ceremonies. No more dancing on the graves of the vanquished Kraut. Bad for Business. What's past is past. Onward ever forward into the future.

What does the former chief of the Red Orchestra think of it?

Trepper:

Me? What do I think? I think that those who gave their lives in the Warsaw ghetto insurrection made an appeal to following generations before they died: forgive not the assassins and forget not what has happened. And me, I am of the same mind.



Luba and Leopold Trepper during recent trip to Paris

What does this mean "to forgive". Forgive whom? Shall we say this man who was one of the leaders of the sonnder commandos during the seizure of Prague, who was the right hand of Heydrich, the hangman of Prague, who murdered thousands upon thousands of Czechs, Jews, children . . . this man is still alive. It was he who organized all of that. It was he who tortured our agents of the Red Orchestra. Must we pardon such a man?

I think that even if thirty years have passed, even if a hundred, we must not forget. People must always remember what happened.

Me, I find that a people who have forgotten these things have great difficulty fighting back when these same dreadful things arise again.

All right then. Nazism was not an isolated murder of somebody; it was a theory, put into practice, of genocide of both nations and particularly of Jews. And they succeeded in accomplishing at least half of their aims. Six million dead in gas chambers and concentration camps. Millions of others in battlefields, in ghettos. All of Europe was occupied by the Nazis. Should we forget all that?

Question:

I think probably Valy would say that it's not a question of forgiving but of forgetting and starting over with the "new Germany".

Trepper:

I will tell you something. I would not say that Germany now, the FRG, is a continuation of Nazism. No, that I do

not say. There are many, many people now, above all in the younger generation, who had nothing to do with it all and who are not responsible for Nazism. But even now, the truth of the matter in my opinion, is that in Germany there are anti-Nazis, yes, but do you know what kind? They have only one complaint against Hitler: that he did not finish the war victoriously for Germany. That's why they are anti-Nazi, because the Nazis lost the war. If it had been different, they would be Nazi today.

And mind you, it's not only in Germany. Don't forget that after the war men like me, who had been in the forefront of the battle, had thought that anti-semitism, chauvinism, racism, that all that was past. And now 30 years later, what do we see? That in different countries, in different forms, there remains a great deal of that which was, or, here and there, it grows anew, unheard, like mushrooms.

So, one must always, always, be on guard.

And it's because of that that I have written a book such as this. It's not a question of my memories. The following generation should know what has happened. Must understand. Canada is very far away. The Canadians took part in the war, yes, but those Canadians who were actually here in Europe, who truly understand it all, are a very, very small percentage of the population of Canada, no? And quite often I meet people from either Canada or the United States who just can't believe that it all happened the way it is described in papers and films, that it was possible. Why? Because it passes the imagination of those who didn't suffer through it. It seems a sort of nightmare.

It was at about this point that Luba Trepper, his wife, came into the room, his "compagne courageuse de ma vie" to whom his book is dedicated. She, too, had gone to Moscow with him, had then worked in the network, but had been compelled to go back to Moscow for most of the war under the Stalinist policy of always keeping part of every family in the USSR, as "insurance".

Stalin's regime in fact left the Orchestra in a hopeless dilemma. Determined on a compromise with Hitler, he refused to listen to them. But the other allied powers hardly presented a plausible alternative to a communist organization. In Yugoslavia, the Allies, specifically the English and Americans, were shoring up the local governments who were collaborating with the Nazis, rather than see Tito and the partisans — the only opposition to the Nazis in Yugoslavia — come to power. Allied anti-communism usually superceded its anti-fascism in a pinch. The Red Orchestra was tagged as the agent of Stalinism.

Trepper:

During the war? Ah, pardon me, but one must read my book. I was never an agent of Stalin. On the contrary, from the moment my wife and I left for Brussels in 1938 to work for the military information service, we were completely au courant with what was happening: we knew that they had shot Mikhail Toukhatchevski and the others who held opinions contrary to Stalin. Stalin was seeking a compromise with Hitler and those who headed the Soviet army were of the opinion that war was . . . inevitable. And that's why we took part in the information network then. At that moment, it was a question of fighting against Nazism. To my mind, those who participated in the information networks, the important thing was not who you radioed back to, it was all a matter of fighting the Nazis.

And that, in effect, was anti-Stalinism. The Red Orchestra at that time was already under surveillance by *Stalin*. So it was a choice between Stalin's prisons — because sooner or later that's where we would be — or to ally with the forces which we knew were anti-Nazi and whose leaders, in fact, were already being shot, by Stalinists, in 1936. General Berzine, my own Chief of Service, himself, with his closest colleagues, had been shot in Moscow in 1938. But we were already here.

Question:

Why did you go back to Stalinist Russia after the war?

Trepper:


My wife and family, my three children, were there. So, imagine that I did not return. In the USSR it was "collective responsibility of the family". So, they would have been taken hostage and sent off somewhere in Siberia, and that would have been the end of them. So I had to return. So I returned. And the heads of the Ministry of Security were the same ones who had shot Gen. Berzine and Toukhatchevski and the others, under the orders of Stalin and the police bureau. And it was certain that those of us who were of Berzine's time would be put in prison. They couldn't have us at liberty, to tell stories about how we had warned Stalin, how they committed error upon error. So our place of honour was in the prison of Lubyanka.

Luba:

You know that in 1940 Stalin proposed to liquidate the Red Orchestra, because he wanted this compromise with

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Hitler. And my husband said no, and just continued to organize and operate during the war.

Trepper:

It was for the same reason too, to keep the lid on things, on their mistakes, that all the soldiers who had been taken prisoner by the Germans, on their return to Russia, were put into prison. And their wives received a letter that said "Your husband disappeared during the war."

Question:

Would you still call yourself a Marxist?

Trepper:

I believe in the idea of socialism, but not in a socialism that comes to be out of revolution, out of blood, into the dictatorship of a party. What is it, what should it be, socialism? To give men their dreams, yes? All right then, before you can give them that, they must be given personal liberty. They must be given the possibility of taking part in the direction of the state, and that will never be if there is a single monopolistic interest in power.

I believe in a revolution . . . in the enormous force now in each country. But each country must find its own route, appropriate to its history and its traditions.

Before the October Revolution, it was a theory. The theories of Marx and Lenin were very beautiful; we were fanatics, almost the dupes of these theories. Now it has been 50 years, that we have been watching them in practice. And the practice is the contrary of the theory. So, we must not begin again the same mistakes that lead to the same sickness.

One mustn't forget that Marx isn't the Lord above, or a prophet; he was a man of science. But it's been 150 years! One has to see the developments, the changes, to know, to comprehend, how, shall we say, the dialectic develops. How society develops. And, in the final analysis, a lot has changed since he wrote his last sentence.

Question:

What is your opinion of Baader-Meinhof?

Trepper:

I don't know that group really, but in any case, in my opinion you don't get anywhere, you will never change a regime, with the methods of terror. It's not difficult, you know, terrorism. To blow up a house or assassinate someone. As for me, I am totally opposed to these methods.

Luba:

Terrorism is a sign of weakness.

Trepper:

Terrorism is a *proof* of weakness! That is to say that one doesn't really have a base, therefore one chooses terrorism. In Russia in the 1900s too they started like that, small groups of terrorists, so maybe they are preparing a way, but it isn't just a day's work! Socialism doesn't just arrive because of the will of a few, does it? Terrorism creates fear, drives away everyone from reactionaries to communists.

Me, I am generally against this idea of a few who "wish to bring happiness to the people". It's the people themselves who have to participate. It's essential to bring into a movement for liberty, for justice, millions of people, above all the workers. It will never succeed with such and

such methods of whatever little group. Terrorism. Where does that get us?

Luba:

I have a fear of slogans, the kind used to stir up young people, that we hear here, that we heard before. Us, we lived in another time, when the opposing forces weren't organized in the same way, like the CIA. Maybe it's because of that that they have resorted to terrorism, I don't know.

Trepper:

They would say but it's for you that we do it, for your happiness. I don't believe in that. I don't believe in it. Enough of these prophets who want to bring happiness. Baader or anybody else.

Young people today seem very bright though, and very different from us. Yes, quite different, in different conditions. Our sacrifice was very great, our idea too great. To the end for a better life.

One of the most remarkable things about Trepper is this flexibility, and arising from that, a kind of indomitable optimism. After all the horrors, this man still *believes* in people.

Trepper:

We have to keep faith. To keep alive the hope that the young, the workers, will engage in the fight for justice and liberty. After everything we have seen we are optimistic. To cry for the past, yes that's fine, but to cry, that doesn't work for the future.

One must have a great deal of patience, sacrifice a great deal, fight, be active. And in that you find truly the meaning of living. What do you think of these young people who have "resigned" from politics? They resign, but politics homes into their lives. It doesn't resign from them.

We can't say OK, that's it, enough of that, we're just going to live from day to day. It just isn't possible right now, because the political forces are too strong. Take Portugal. I'm very happy with what happened there. But Portugal doesn't need *another* dictator, communist or not. More than a third of the Portuguese people voted for socialism. The Communist Party received 13% of the vote. So now it's a takeover more or less, by the military. And me, I think that when the military decides political policy, well that's just unacceptable. The military is fine for wartime, but when it runs policy, well, me, I say to the people of that country, watch out.

Luba:

When I was in America I would ask people "Are you going to vote for Nixon?" and they'd say "Are you kidding, me vote for Nixon? Never!"

That, that is liberty.

If you got a telephone call in the USSR, they wouldn't be phoning to ask you who you were going to vote for; they would say So! You are going to vote for so and so! If you had dared to say "Brezhnev is a bastard; I'm not going to vote for him!", well you were already in a concentration camp.

This little nuance, shall we say, is very important.

Trepper:

But speaking of optimism. In the last 50 years we have

survived Nazism, we have survived Stalinism, we have survived Polish anti-Semitism. All the same, we are alive. There was Lubianka, my wife alone all those years — I think it was more difficult then for those who remained outside of prison. So, after all that, we survived. My fam-

ily still exists: my son who lives in Canada — a country which possesses the minimums of personal liberty; another son in Copenhagen, in an old democracy; and us in Israel, with our third son.

We must not give up hope; we must continue.

There's "no sunshine underground"

by SANDY GAGE

Dying Hard: The ravages of industrial carnage, by Elliott Leyton. McClelland & Stewart/Toronto. 141 pp. \$3.95.

Industrially induced disease has recently been re-discovered by the media. Plenty of good copy has come out on such hell-holes as the sintering plant in Sudbury, the lead refineries in Toronto and the asbestos mines in Quebec. More exhaustive studies on the pathological by-products of industry are currently making their appearance in the book stores, following upon the success of Rachel Scott's *Muscle and Blood*.

This new public information, and the resulting public knowledge, should be key factors in any drive to eliminate the unhealthy working conditions so many people face today.

Writing about somebody else's disease might almost be termed trendy right now. And this kind of journalism could be viewed as the most perverse sort of exploitation. The socially concerned writer who exposes the evils of industrial disease must be conscious of his work as a weapon in the struggle for prevention. He must also exhibit some sensitivity for the victims whose information he uses.

Elliott Leyton can be complimented on both these counts in his book *Dying Hard*. "This book must have some practical consequence," he writes. "If it does not, it is nothing more than some obscene pornography of death."

Leyton spent the summer of 1974 recording the stories of some 30 miners and widows in the towns of St. Lawrence and Lawn on the south coast of Newfoundland. The miners are the victims of lung diseases contracted from the dust and radiation in a near-by fluorspar mine. About 100 mineworkers in the area have already died from dust exposure and another 100 are marked for the same fate.

Leyton found compiling the book an extremely depressing task. He almost

abandoned the project at least once. Encouragement from a colleague at Memorial University and the attitude of most of his subjects helped to keep him going. He says of the miners and widows, "with but little encouragement they told the stories of their lives with the verbal eloquence which is Newfoundland's genius. Most told me what a relief it was for them to release their grief and despair — and in the same process, give meaning to their torment."

The fluorspar mines began in the 'thirties with some capital from a New Yorker named Siebert (and unquestioning government support). Siebert told the people that the mine would make St. Lawrence a boom-town. He asked the locals to think of the mine as their project and he won their labour, without pay, to get the enterprise started.

There were no government regulations relating to this operation until 1951.

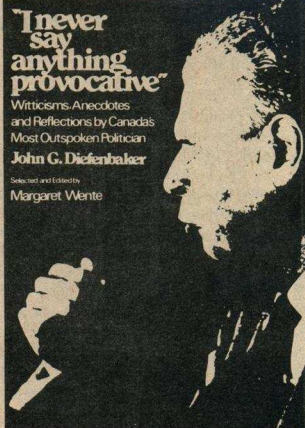
Dry drilling, without any ventilation system, was used until Alcan took over the mine in 1960.

Predictably, the miners were told the dusty work conditions wouldn't hurt them. The resultant exposure to silicosis was compounded when it was discovered in the 'sixties that radiation was entering the mine from a near-by uranium deposit.

One of the most unnerving truths to come out of the ten personal accounts in *Dying Hard* is the parallel that exists for diseased miners throughout North America. The neglect of these Newfoundland miners by company, doctors, government and community is the same as that experienced by the victims of black lung in West Virginia or 'miner's asthma' in Elliot Lake.

The men are not told about their medical condition until they're too sick to work. At that point their disability is rated at a certain percentage and they are compensated accordingly. Their stipend is never large enough to live on but they are always too infirm to find alternate work. The men are then confronted not

only with the red tape of workman's compensation and welfare, but also the alienating medical world of cancer and silicosis treatment. There are no cures — only various methods to prolong the agony.



"I never say anything provocative"

Witticisms, Anecdotes and Reflections by Canada's Most Outspoken Politician

John G. Dieffenbaker

Selected and Edited by Margaret Wente

Selected and edited by MARGARET WENTE

With an introduction by JOHN D. HARRISON

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Finally, the disabled sit at home and wait to die. To most people in the community they are already dead, their widows outcasts. Measured against the work ethic they are failures. One miner says, "This is me heartbreak too. The Rich get the big thing and Poor get the slack. You often hear on radio, all around St. Lawrence too it's on the mouth of everyone, that you're better off on Welfare than you are working." Certainly,

I'm getting Compensation and part of the Social Assistance. But I can never live it down. I'm never living that down. This is me heartbreak."

Dying Hard is filled with the stories of hard working men and women. They speak descriptively of their lives and their communities before and after disaster strikes. They are victims of a danger they could not see and a system they feel

powerless to change.

As one man with lung cancer says, "We're all tarred with one brush, any fellow that went under the collar in there. Just like I told the fellow in St. John's. I said, 'Son, look there's no way of curing that underground. Put whatever you like underground, but you're not curing it unless you get sunshine; and you're not getting no sunshine underground.'"

ELEMENTS

SCIENCE REPORT BY DEMOCRITUS

Cogito, ergo come

Mind-over-matter may become less of a **Uri Geller** freak show than a scientific discipline. . . . A California scientist can direct the movements of a television camera merely by thinking where he wants it to go.

Dr. Lawrence Pinneo of the **Stanford University Research Institute** controls the machine by a direct mind-to-computer link.

It works like this: a metal band around Doctor Pinneo's head picks up a weak, but unique electrical signal from his mind, while he dwells on a command word such as "left". The signal from the metal band is amplified and goes into a computer which has already been programmed to recognize the characteristics of the "left" signal. The computer then sends out a directive to the motorized television camera . . . which obeys and moves to the left.

Dr. Pinneo says the mind-to-machine communication can work the other way.

That is, it is possible for a computer to feed back information into the mind . . . in a kind of teaching machine . . . or instant university.

Horse pill

A McGill University research chemist has developed a non-addictive pain-killing drug. **Dr. Bernard Belleau** told Democritus that the synthetic drug called **Butorphanol** is ten times more powerful than morphine.

Dr. Belleau and associates spent five years putting together a molecule that resembles that of opium.

The new drug includes all the pain-killing properties of an **opium derivative** . . . but leaves out the unfortunate side effects — such as addiction.

Bloodless cooing

A Brazilian physician claims to have found the answer to equality for women — a capsule to eliminate menstruation.

Dr. Elsiamar Coutinho . . . also known in Brazil as "Mister Pill" . . . has developed a plastic-like capsule that is inserted into a forearm or buttock. Over a three-year period, **Nortestosteron** . . . a hormone that is neither male nor female oriented . . . is slowly released into the blood.

The hormone so far has completely stopped menstruation . . . and also acts as a long-term contraceptive.

You don't need a weatherman to know . . .

Surviving relatives of about 8,000 **corpses** in Honduras have good reason to suspect that the benefits of **American technology** are being distributed rather less than equitably.

Meteorologists believe that U.S. interference with **Hurricane Fifi** last year was the direct cause of the storm's changing course and wreaking havoc in the Latin American Republic. The problem was that Fifi seemed to have her sights set on **Florida**. Seeding with **silver iodide** and **dry ice** put paid to that threat, sending the tempestuous lady to a less serious target than the orange juice state . . . to the original banana republic, in fact.

Eight thousand died that others might live.

Ironically, the same meteorologists who believe that the U.S. is exporting its weather in exchange for all those bananas believe that Fifi would quite likely have blown herself out in the **Gulf of Mexico** if left alone. Incidentally, the inventor of the process used on Fifi was the brother of science fiction writer **Kurt Vonnegut Jr.** . . . who says his scientific sibling was distressed to learn earlier that his discovery, which he thought harmless and useful, had been used as a weapon of war in Vietnam. Cloud seeding was used to create adverse weather conditions for the **Viet Cong**.

But, help may be at hand. **Canada's diplomats** are working away to prevent recurrences of that sort of thing. The Canadian delegation to a disarmament conference in Geneva this month tabled a list of 19 possible ways in which environment-modification could be used for hostile purposes.

Conceivable future attacks could include, in some areas of the world at least, the unleashing of **volcanoes, earthquakes and hurricanes** . . . as well as **lightning, fog, hail and high water — tidal waves**.

Delegates from over 30 nations agreed unanimously to draft a resolution condemning this form of warfare. But, if past successes of international resolutions, not to mention Canadian diplomacy, are anything to go by, potential vic-

tims will be better off watching their ass than holding their breath.

Sins of the father

A gynaecologist in Munich, West Germany, asserts that a White couple can have a Black child without the wife having been unfaithful. A Munich housewife gave birth to a mulatto child after four years of marriage to her White husband. The wife, in a divorce proceeding, denied that she had had intercourse with another man.

A gynaecologist was called in to testify and established that the husband had sexual relations with a Black prosti-

tute. It was ruled that the husband had picked up sperm from a previous customer and had later transferred it to his wife.

T . . . T . . . T . . . Therapy

A Chicago psychologist, **Gregg Nunn**, says he's found a cure for that embarrassing social disease . . . well, affliction . . . stuttering. With a treatment that emphasizes controlled breathing, Nunn says he's been getting an 85 per cent success rate on the first day of therapy, with 95 per cent success after four months.

Robert Moses' ten commandments

by **KEN RUBIN**

The Power Broker: Robert Moses and the Fall of New York, by Robert Caro. Knopf/New York. 1246 pp. \$21.50.

Like Machiavelli, Robert Moses had a keen sense of what was needed to build and consolidate power. Unlike Machiavelli, Moses did actually exercise power. For four decades Moses was a prime example of a power broker as he built himself into New York City's most powerful civil servant. In an exhaustive analysis of his career Robert Caro shows us the uses and abuses to which this enormous power was put.

Moses' career — at one time he held over ten city and state posts — spanned the period from the era of Alfred Smith and Franklin Roosevelt to that of John Lindsay and Nelson Rockefeller. His accomplishments in reshaping New York City and the surrounding area are many — a vast number of highways and bridges, a state system of parks, over 600 playgrounds, massive public housing projects, dams and power stations, and such projects as the Lincoln Center and Shea Stadium. It is estimated that this master builder's public works projects cost New York some \$27 billion. His influence on North American planning of highways, parks and public housing has been phenomenal.

From an upper middle class background, Moses began as an idealist and reformer attempting to institute civil service reform. He soon became impatient with the lack of practical results, and, with his image as a park builder and the backing of state Governor Al Smith,

began his rise to power in the late 1920s. This lust for power and for getting things done led him to take on more positions and more public works projects. He consolidated his grip on the planning authority to the point where he could manipulate large numbers of contracts without being accountable to anyone. This made him powerful enough to take on FDR and win, order around New York mayors, and determine what the newspapers would publish.

His decline from power was the result of a tarnished public image in the 1960s aroused by strong opposition to his slum clearance and eviction policies, his arbitrary changes to city parks, and his opposition to mass transit in favour of car-oriented transport policies. This was further aggravated by his mismanagement of the New York World's Fair and the scandals and deficit financing linked to it. His fall was complete when in 1968 Nelson Rockefeller used his position as state governor and his connections with the family banking empire to dismiss Moses from his key Triborough Authority presidency.

Whether we find the tenets of power admirable or abhorrent, it is well worth looking at some of the attributes which, according to Caro, enabled Moses to amass his tremendous degree of authority, for it is here that we may see ground rules which could almost be laid down by a twentieth-century Machiavelli:

- arrogant personality: the ability to instil fear, quash discussion and expect total loyalty.
- hard work: the drive and energy needed to get plans and projects underway and to give direction to the experts.
- knowledge of government: knowing

how to do things as quietly as possible while keeping just within the constitutional and administrative law.

- ruthlessness: the ability to smear opponents, hold meetings in secret, become immune to the social implications of slum relocation, highway building and the like, and support those with power and influence.
 - motherhood image: the cultivation of the role of provider of parks and other public facilities.
 - control of public boards: the setting up and management of public boards with long-term appointments, revenue-raising rights, policing rights, expropriation rights, and the means of hiring teams of legal, engineering, public relations and other experts — all this under separate charters beyond the reach of elected officials or the public.
 - job creation: the establishment of an alliance with unions and politicians by means of massive employment schemes.
 - revenue creation: the ability to coax funds from the federal and state governments independently of legislative authorities through the use of schemes related to road tolls and bond issues.
 - honest graft: the use of fees, retainers and commissions as payoffs to politicians, bankers, insurance firms and assorted friends.
 - naked pressure tactics: the ability to use resignation threats, patronage, secret dossiers, political endorsements, packed meetings, telephone calls and the like to win the day.
- These are not exactly the Ten Commandments of participatory democracy or of the public good. Rather they seek to subvert democracy and to make emperors of civil servants. No doubt it may

be possible to find Canadian adherents to the modus operandi which Robert Moses developed to so much effect, though on a far lesser scale. Moses was responsible for the eviction of 250,000 people in New York, a number greater than the total populations of all but a few Canadian cities.

Carr's book shows very vividly that the master builder was a ruthless and corrupt one, a cold, manipulating power broker if ever there was one. And New York is today paying a heavy price.

Movie review:

In the end, an almost forgotten compassion

by W. D. ROBERTS

French Connection II, directed by John Frankenheimer.

Unlike the first "French Connection" which dealt with the tension and intrigue of the importation of French heroin to America, John Frankenheimer and "French Connection II" deal with the exportation from America to France of a tourist cop.

In this film, the Americans, represented by Gene Hackman in the role of Popeye Doyle, unleash the ultimate Yankee weapon — a Manhattan bred, foul-mouthed sense of doggedness; the kind of tenacity which only reinforces the possessor's point of view.

Popeye Doyle denounces a whole culture for its blatant un-Americanism. Everybody in France does things differently, therefore everybody in France is wrong. "I'd rather be a lamppost in New York than the President of France," he snarls to his Marseilles counterpart, well

portrayed with Gallic coolness by Bernard Fresson.

Garbed in his traditional pork-pie hat and Miami sunburst shirt, Doyle roams the streets of bustling Marseilles, a defiant prowler on behalf of the American way. His search is for Charnier (Fernando Rey), the heroin king, the connection; or, as Doyle colourfully defines him, Frog One.

The film begins on Le Jour de Poisson, the first of April, the day of April Fool's. It is appropriate. The hero himself is a fish out of water. He is foolish, boisterous and boastful, and, like the colloquial "fish", he is duped.

But Popeye Doyle heroically plugs along. In the process, an informer's throat is slit, a hotel is flambé, and he nearly drowns in dry dock — to say nothing of becoming a reluctant heroin addict. This proud and grundy good-will ambassador from Manhattan's finest, personally challenges the equally proud and grundy Mediterranean seaport to conceal his prey. But Marseilles is not New York and, despite all the tricks and know-how, the city turns off his chauvinism. The American heroism of ignobility and biceps becomes his prison. He is trapped. Stymied by a language he cannot comprehend, and a mentality he chooses to ridicule, his mere facial expression seems to label him alien.

This was in line with the masterplan: the obnoxiously obvious, unwitting, and unconscious human decoy. Doyle was being used as bait to draw the suave importer Charnier into the open. Charnier's revenge for the original New York fiasco would provoke him into action. Once in the open, the web of the law would fall around him. Like an enema, Doyle was merely meant to flush him out.

Yet the scheme's failure is the film's beauty. The decoy plan runs afoul. Doyle is beaten and dragged away to a seedy L'Hotel de Tangier. There, for weeks, he is pumped full of heroin. The result is a heroin vigilante turned heavy junkie, and some of the best acting I've

seen.

Beneath the brutish exterior of Popeye Doyle lie the terrors, phantoms, and fears that haunt us all. The gunboat diplomacy that mark his national heritage is useless here. There is nothing to strike out at. The conflict is inside. The addiction, the weakness, the sickness, is within. Gargoyle fantasies erode his psyche, but as a man he fights back. His Marseilles counterpart provides the shoulder and Doyle leans for support. And it is not the support of professionalism or patriotism which saves him, but the support of humanity, the almost forgotten compassion of one human being for another. Doyle momentarily transcends his "Mickey Mantle" stoicism.

Here, the film is acute, sombre and real. It is a brutal character study, excellently executed. I cannot remember the mental horror of addiction and withdrawal ever being so perceptively portrayed. It is stunning and emotional. Doyle blubbers, screams, and rages. At times he is lucid, at times incoherent. Unlike the violence of the original film, the peak here is reached with the mere puncturing of Doyle's arm with a needle, and not the usual fare of threatening cars and bullets. This violence is more gruesome. Its toll is taken in the dark recesses of the mind, where it eats away at sanity and purpose. Hackman's portrayal is nothing short of marvellous.

From this midpoint on, the film is anti-climactic, save the final ten seconds. What holds you to the screen is the incredible composition of cinematographer Claude Renoir, nephew of Jean. The close-ups and pans seem to swirl you away — an appropriate ambience to a film centred on the worlds of narcotics and ego, for much of the time we simply have no bearings.

The film is strong and hard. Frankenheimer, director of "The Manchurian Candidate," makes us work to appreciate the film en totale. I recommend it. With this cops and robbers, you won't get away unscathed.

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