Oligarchs at Ottawa

Austin F. Cross

E VERY year on budget night, like an unspectacular star at the tail of that bright comet, the Hon. Douglas Abbott, there moves into the Press Gallery reception room, among others, Ken Eaton. In title, Assistant Deputy Minister of Finance: in fact, he is the fellow who wrote a lot of the budget that the Hon. Mr. Abbott has just so entertainingly given. There are other tail-stars, of course, to the Abbott comet. Yet paradoxically none will seem duller, none will be brighter, than the same Ken Eaton. For a fellow who has just heard a lot of his own fiscal theory and financial policy given to the people of Canada in particular and the world in general, Ken Eaton is quiet enough.

There he sits, a man who would pass in a crowd. His suits are not costly, his grooming is short of soigné, he is the prototype of all civil servants. He is also out-ranged by the booming bellows of his twin-Truster Bob Bryce, and indeed, unless you crowd close to him, you are not likely to hear the elite economics of Eaton.

The peculiar role of this particular Brain Truster is that he is the east half of the Siamese Twins who get out the Budget. The west half is the aforementioned Robert Bryce. Held together by a common spine, which is the Finance Minister, these fiscal twins each have their own separate functions, and it is further contended one could hardly survive without the other. It is Eaton's particular role to advise the minister (that's the term, but actually our man writes the stuff) on the technical aspects of taxation. His is the ethical concept of taxation. Not immediately has he to be concerned with such matters as whether the Fisheries needs the money, or Trade and Commerce is bungling its administration. Rather would it be his role to assess nicely, what for example, would be the effect of one cent more tax on cigarettes, or the precise incidence of sales tax.

He and Harry Perry are a very good team, and when they sit down to write their share of the budget, you have a brilliant duet being played.

"He's without a peer in his field," said an expert enthusiastically, in discussing Eaton, and this expert is one man rarely given to enthusiasms. I am told that Eaton is one of the finest tax technicians in the world. He is a fiscal philosopher on Olympian scale.

S INCE the war began in 1939, we have had three finance ministers. They have all been good men, great national names. But no one believes that a finance minister is indispensable, and even those who raved about Fielding, and who lauded the late R. B. Bennett’s solo flight into the stratosphere of budgeteering, admit that all budget deliveries are strictly a one night performance, while budget making goes on all the time. It is the unsung if well paid fellow back in the Finance Department, who make the minister’s
night a success. So Eaton et al slug away day in and day out, year in and year out, faithfully serving a Ralston one time, an Ilsley for a cycle, and then swinging in overnight to walk in stride with Abbott. Some of these days the natty St. James Street lawyer will get tired of it all, and then Eaton will be a glorified chore boy for still another minister.

So, while our fiscal philosopher, like other brain trusters in Ottawa, continues to be one drab star in the tail of the minister’s comet each budget night, he makes his almost shy way about the nation’s capital, juggling billions in his brain. It is a sure thing that last summer, he was already dreaming up the 1952 budget as he walked the streets of Ottawa, unidentified.

**Watchdog of The Treasury**

The other half of the Katzenjammer Kids, or perhaps more truly, the Siamese Twins as depicted by myself when at the Ken Eaton sequence, is an utter realist on spending. Bob Bryce often sits in for the sometimes ailing Deputy Minister Clark as chairman of Treasury Board. This enormously important and little known body really spends Canada’s money. For, while Parliament is merely permissive in its money moods, it is Treasury Board cum Bryce et al that decides if the money finally, is really to be spent at all.

**SAVING** the taxpayer his money is Bryce’s daily nine to five chore. He is said to be not merely good, but actually superb on what might be called the discrimination and discernment of dollar dispensing.

One can imagine Bryce going to the Department of Fisheries and saying: “You have a vote for $15,000,000 to spend on the halibut industry at Prince Rupert. You think you need that, but actually this is not so.”

Or he might say to Trade and Commerce: “You’ll be back next year for a further grant, because this money you ask for will not see you through. It would be better to hold up this expenditure for a while. You have not thought the whole thing through yet.”

Ultimately, of course, the Department may get its way: but as likely as not, Bob Bryce and his Treasury Boys may save the taxpayer his millions. In fact, they are doing so every day, some place or other.

Bob Bryce can see a rat hole farther and plug it faster than most taxpayers realize. But the average voter groans so loud these days that he never has time to hear how some people here in Ottawa, at least, are trying to save him money.

To tell the reader that Bob Bryce is a good boy, is to say something that can become very tedious very quickly. Suffice it for the moment then to realize that here is a Brain Truster of no mean attainments. Like nearly all the others, he toils obscurely, anonymously, yet joyously withal. He has his say in our budgets, he has his part in our government, he has his share in our destiny.
Man of Destiny

Kenneth Taylor, associate Deputy Minister of Finance, and all last summer the acting Deputy Minister of Finance, is worth noting. He may well be the coming man in fiscal Ottawa. Ear-marked, one can guess, as the next Deputy Minister of Finance, high in the favor of the Government, a softly imperturbable financial expert, a magna cum laude graduate from the direction of the Wartime Prices and Trade Board, the Oriental-born, ex-McMaster University professor by all signs is on his way to the top.

He appears to be not merely well-roundered, but widely rounded. Many in Finance seem to have "a piece" of the business. Taylor, like the boa constrictor which swallowed the goat, seems to have all of it inside him. It is stretching it a bit to slur him with omniscience, but that is the way some of his colleagues are prone to regard him.

This then is the build up I am giving you for somebody I think is quite a man. I cannot document my case; I cannot prove that the government has big plans for Ken Taylor. But if you are around Ottawa long enough, you seem to develop certain characteristics. I call it osmosis. My osmosis tells me that the blond and lean faced Ken Taylor is the Heir Apparent for all kinds of interesting mantles. As a man who has worn Donald Gordon's toga, and stepped into Deputy Minister Clark's shoes, they have long since measured Ken's breeches to see if he cannot fill the seats of the mighty.

As it turns out, Ken Taylor has been Brain Trusting around here for a long time, in one way or another. The 52-year-old China-born economist was already extremely well educated when he came to Ottawa. He slipped quietly into the Capital, and many believed he would be just another Wartime Willie. Indeed there is reason to believe that at one time, Ken Taylor had no plans for remaining in the Capital beyond VE Day. But Taylor and Ottawa grew on each other. The former professor had the kind of mind that people in Ottawa appreciate; what is more, the Capital's top civil servants offered the kind of intellectual company that stimulated Mr. Taylor. So before long, it was a deal. Taylor stayed, and the government started making plans for him.

His pre-war record of writings, his being economic advisor to a Royal Commission on Coal, his subsequent acting as counsel for the Province of Ontario during the Rowell-Sirois Commission on Dominion-Provincial Relations, all combined to fit him admirably for the jobs Ottawa threw at him in quick succession right after arrival.

Thus he was secretary of Wartime Prices and Trade Board early in the game; later he was co-ordinator of foods administration in WPTB; he had graduated to deputy chairmanship by 1944; ultimately he was made Prices Board chairman. He was president of the Commodity Prices Stabilization Corporation after October 1947. Add to all this, that he has been chairman of the National Joint Council of the Public Service of Canada since September 1950; and finally throw in that he is director of that latter day bureaucratic mammoth, Central Mortgage and Housing Corporation.

THIS may sound like a dull recital of jobs. But it is also a recital of important jobs brilliantly handled. It was because of the skill he showed in the earlier routines that he was made Assistant Deputy Minister of Finance as far back as 1947. It is precisely because of his outstanding performance ever since that he is now earmarked for the big job; that he is in effect deputy-designate in Finance. I do not think there is much doubt that he is the future Deputy Finance Minister.

Yet, if Ottawa has strange ways of recognizing merit, that is not precisely in the apostolic succession, but instead, kicks a fellow upstairs deviously, I would say that Ken Taylor hasn't a thing to worry about between now and pension time, in 1964. For if ever there was a fellow the Government has plans for, it is Ken Taylor. Once again, it is not precisely because of something akin to genius on one spot; it is because he has come up through all the
wearying maze of interwoven government jobs. He is another top government official sitting on the interlocking directorate of civil service brains.

Calm to talk to, always cool under pressure, almost imperturbable, Ken Taylor moves swiftly and yet with what seems like an almost dawdling gait. His brain is more difficult to conceal than his physical traits. He is precise as to verbiage, direct as to statement. He is quick to sidestep devious questions. He can spiel off government policy as quickly as he can count his fingers, if the subject is an open book. Should this be "a matter of Government policy which will be announced in due course," his face gets a little bleak, his voice gets a little bleaker, and you learn nothing. What delights me, though, is to see the quick way he picks up your ideas, and the equally quick way he formulates answers and hustles them back at you. Unless you are quick with pencil or even faster with the memory, his pearls before scriveners are all but wasted.

I wind up this way; I like the man, I think he has brains, I believe he will go far.

The Ultimate Virtuoso

Of Paderewski, it was always said that he was the ultimate virtuoso. It was not that he played Chopin any more pleasingly than half a dozen others. It was that he played it just exactly right. He was a pianist's pianist. Graham Towers is the bankers' banker. He is the ultimate virtuoso, fiscally. Long the head of the Bank of Canada, the boy prodigy now glides imperceptibly toward the fifties, and still the top man in Canadian banking.

Way back in the dismal thirties, Prime Minister R. B. Bennett reached out into the Royal Bank of Canada, and from the Montreal office, extracted a 32-year-old unknown to head his new Central Bank. That he should pick this shy, young boy with the owlish stare from behind his glasses, to go over the heads of white haired bank presidents, baffled many for a long time. But where death has not by now taken the sceptics, reason has converted them. All agree that Towers was an admirable choice.

Graham Towers is still functioning, almost 20 years later, his augmented powers unchallenged, his prestige enhanced. This is no accident. No one can linger long in Ottawa and not be cut down to size, if a cut-down is what the diagnosis calls for; contrarily, no one can survive, without developing a deserved aura if earned. Towers had the goods, and so he stuck.

You still see this rather shy man with the suggestion of a lisp, around at the better cocktail parties. You can go up and talk to him if you like, but much good it will do you. Not a man with a loose lip, precisely, he'll exchange pleasantries in a prim way, but soon enough, you will find yourself moving on. There is not much sunshine in Graham Towers' party manners. As soon discuss dahlias with Dior. On the other hand, he is polite on the phone in a business call, and his crisp if not clipped conversation is cordial, if telling you the utter minimum. It may well be that bankers as between themselves have cabalistic jollities all their own, and that every second sentence is punctuated with a belly laugh. But that is contrary to what all my spies inside the Bank of Canada—and I have a few—tell me. Towers is always a pretty cold fish, but he is extremely able.

It is of course nonsense to try and assess a man’s banking skill by his telephone technique. The plain fact is that Towers rates primus inter pares among Ottawa's Braintrusters.

Graham Towers is respected by fiscal authorities. As I said about Deputy Minister Clark in the first of this series of articles, Ottawa is roughly divided into Towers men and Clark men. They tell me that, from a banking sense, Towers almost never makes a mistake. In fact, I might even be safe in deleting the adverb 'almost'. Yet the truth is that he was hired originally as a sort of clearing house for the chartered banks of Canada. He was to be their man, run their errands, and take orders from them. Today it is the reverse. When Towers whistles, the bankers come running. From Busboy to Boss in 20 years, an Alger story of the counting rooms.
Towers is not exactly a monetary Grand Lama, remote and inaccessible. He is rather like the late Montagu Norman, head of the Bank of England when the Bank of England was really something. Norman had strange and weird blind spots, his mind was dappled with worldly ignorance, and yet for all his remoteness from reality, he was a genius at banking. Our own immaculate Towers, with his exquisitely cut clothes, offers comparisons of sorts.

Towers is a banker all the way, and of course finds himself opposing Finance Deputy Clark sometimes. Personally I think these Olympian tussles are overplayed, and that for the most part, these men get along as well as two men on a cross cut saw.

Leader of The Band

PEARL HARBOR had come and gone, and we were in a mess. But in no place were we in a worse mess than in the general area of labour. Mackenzie King had just drafted a new Minister, the late Humphrey Mitchell, there had been trouble over selective service with Elliott Little, and nothing was going right. It was then that the Prime Minister got on the phone and told Arthur MacNamara to come and get us all straightened out. So the soft-spoken, drawl-tempo, pale-skinned, white haired deputy began his more than ten year stretch in Ottawa.

"You watch," predicted Grant Dexter then in Ottawa for the Winnipeg Free Press. "This MacNamara is quite a boy. He'll come to the job, he'll quietly go to work, you will hardly know he is here. But in about six months, all the troubles will disappear."

It was not actually ever quite as good as that, but it was almost. The quiet deputy all but cleaned up labour troubles, got the new minister started out on the right path, gave a friendly signal to labor leaders, inspired confidence in management, and so went through a successful war on the home front.

Arthur MacNamara is one of our veteran Braintrusters. He is the survivor too, of many a forgotten battle back in 1943 or 1945 or 1947. Before and since he has sired many a scheme which works as efficiently, noiselessly, and as matter-of-factly as the ball bearings in a machine. But back of his seeming effortlessness is endless effort.

You are apt to give the headlines to an able negotiator. That at best is only the negative appraisal. It is like the hospital at the bottom of the cliff fixing broken legs. MacNamara is the fence around the top of the same cliff that keeps people from falling off the cliff in the first place. So instead of being assessed only as an able negotiator, he is a gifted anticipator. He can smell trouble a mile away, has a hundred remedies for stopping it in that mile.

When presented with un fait accompli, he starts in. He believes there is always a compromise somewhere, inevitably a solution somehow. He understands the importance of saving face. He can scent an area of compromise, even if it is no bigger than a pin head. Or compare it to a tiny drop of ink on an absorbent substance. Just as the spot expands, Arthur MacNamara can extend the area of compromise. Before you know it, it is big enough for both parties to get their feet on.

As a man gets to know his way around Ottawa, he integrates himself and his processes with other departments. Thus MacNamara becomes a key man in say, Trade and Commerce, he is vital these days in Defence Production. He is persona grata to other departments. This means that we can pop our deputy Minister of Labour off to Geneva to a conference, with profit. He can slip quietly on a plane and trouble shoot his way out of a national dilemma with a few soft syllables. He can pick up a phone and soothe a strike into settlement.

Here then lies a power beyond normal assessment. Here indeed is a man whose greatest achievements are paradoxically the things that never happened. Anybody can settle strikes; how many can stop them? Yet his effectiveness is not to be measured solely in terms of labour strife; it is rather the balance wheel he represents in the Canadian economy. No
wonder then, that, though he is one year past the statutory retiring age of 65, the government has twice urged him to stay on at his desk.

The Man Behind The Guns

THOSE few people on whom Hon. C. D. Howe has smiled usually went far. For quite some time now, has the great "C. D." beamed approvingly on Maxwell Weir Mackenzie. Today he is Deputy Minister of Defence Production, having moved into that new portfolio when Hon. C. D. Howe did so. The minister, who still holds Trade and Commerce, thus today holds two portfolios, along with Defence Production. Thus he has a foot in both camps, peace and war.

But to play it safe, and have the kind of man he wanted under him, Mr. Howe quickly assigned the new deputyship to his competent and trusted friend, M. W. Mackenzie. A longtime Brain Truster, the tall, blond ex-accountant has an amazing backlog of achievements which are more than useful in Defence Production, come war or come peace. The Victoria-born ex-Montrealer was turned down by the army at the beginning of the war. Too skinny presumably to make the grade, he was once before waived out for the same reason for he never made the senior McGill football team! Not enough avoir-dupois. But in Ottawa, ability is not assessed either by avoir-dupois or troy weight, and so it happened that Max Mackenzie was one of the earliest draftees to the Capital.

As far back as the fall of 1939, the Government in something of a frenzy was getting together a staff to administer its newly flung together Foreign Exchange Control Board. Max MacKenzie, then a 32-year-old gangling accountant, had already earned some good opinions, and he was hustled to Ottawa into the aforementioned Foreign Exchange Control Board. But it is surprising how many originally recruited to that sector ultimately were drafted to Wartime Prices and Trade Board. Almost inevitable therefore was it that when the newly formed WPTB was talent shopping, they snapped up Mackenzie. Today, however, few recall that a man called M. W. Mackenzie was No. 2 to the robust Donald Gordon in that never to be forgotten economic crusade.

In 1944, when it looked as if the war would end the way our side wanted, Max Mackenzie went back to Montreal, to pick up his career where he had left off, five years before. But he had hardly hung up his hat when he was drafted for membership in the Royal Commission on Taxation of Annuities and Family Corporations. Again, that over, he was once more getting ready to settle down in Montreal when Mackenzie King called Mackenzie to Ottawa to become the new Trade and Commerce Deputy. Over the heads of many an older man he went, but it hardly took more than a quick look for anybody to agree that he was the right man for the job. Time proved that.

It can be seen therefore, that long before Max Mackenzie made the next move, into Reconstruction and Supply, in 1948, he was admirably suited to be one of our senior tribunes around here. For, the sine qua non of any Brain Truster is that he must know more than one department. Whether or not he has ever worked in another department is not so important, but he must have a knowledge of at least one other section of government. Here then you have a man that knows finance, and foreign finance to boot. As Deputy Director of Wartime Prices and Trade Board, he embraced a vast knowledge of countless things. Heap onto that deputyships in three portfolios, and you pile Pelion on Ossa.

ONLY just past 30 when he first got to Ottawa, not too far past 40 now, here you have a man who really can find his way around. Max MacKenzie is definitely of the stuff from which Brain Trusters are made. He understands the inside workings of the Capital. He knows finance, he knows commerce, and with contacts all the way from the Rideau Club to suburban Rockcliffe, he really knows his way through Ottawa civil service protocol.

Today, he is the buyer extraordinary of
armaments. If the army wants anything from a bow and arrow to an atomic bomb, it is Max Mackenzie's job to get it. He knows supplies in all stages, from raw products to finished articles. He saves his country money by knowing where to buy, and how. He is today the man behind the gun.

I do not, however, think you can get the full measure of any Ottawa official merely by a recital of achievements. I think you have the measure of the man. I have watched this chap at work for quite a while now. He exudes a quiet confidence. He can get things done over a cup of coffee at the club as well as across a desk in the ramshackle Temporary Buildings. He has a way with people and he understands human nature. Above all, he knows how governments work.

If Stalin ever gives the word, more and more you will see Max Mackenzie in action for our side.

Diplomatic Glamor Boy

The Glamor Boy among the Brain Trusters is Arnold Danford Patrick Heeney. Under Secretary of State for External Affairs, he is Hollywood's idea of what a professional diplomat should look like. But don't let the glossy exterior fool you. Behind the suavity there lurks a brain that operates with the grim finality of a bear trap, and inside the fashion plate facade is a hard bitten realism. He can also brush you off about as fast as a super vacuum cleaner works. Like a fine Swiss watch, fancy on the outside, intricate and efficient on the inside, Arnold Heeney really ticks.

Today, without a doubt he is a true policy maker. He is one of the real brains behind Canadian foreign affairs. While Hon. L. B. Pearson, the minister, is as capable as anybody in our generation, I believe he would be the first to admit that curly-haired, handsome looking, immaculately groomed A. D. P. Heeney has taken his share, and often more, of decisions that had to be made behind the scenes. And if he is able to make those decisions, it is because Deputy Minister Heeney has been thoroughly conditioned on backstage Ottawa; he has served a long apprenticeship under exacting, in-
other and know each other's jobs, and therefore can co-operate closely. The second is that Heeney in External Affairs is at least twice as valuable as if he had come in there "cold"; and ditto for Robertson.

HEENEY always was a very cautious man to the outside world, but a brilliant one to intimates. Once, in my capacity as a reporter, I enquired if his External Affairs news service ever got news ahead of the sharp ears of the world press. With a smile significantly smug, he said External Affairs often "scooped" the daily press. What's more, his scoops never saw the light of day. I think it is pretty clear then that Heeney has a very good, indeed an unusual grasp of world affairs. One tends to glamorize Vishinsky, Eden or Acheson, and their deputies. One tends to forget that Canada, though infinitely small in the world of affairs, nevertheless has access to the same secrets that the big fellows have. Thus there trails across his desk, an endless series of despatches from the far corners of the world. For example, it is now revealed that we were much better informed about Korea as of June 1950 than the Americans were. Our own Canadians had been in there, and had sent back to the East Block, factual, realistic size-ups. But while the Yanks had sent Big Names who apparently did not get down to the people, our almost anonymous operators somehow managed to glean the real goods. As in Korea, doubtless elsewhere. Who knows for instance, what Heeney's Turkish and Near Orient desk knows about Persia and Russia? Or Kashmir? or Egypt?

Now it is one thing to be walking around with international secrets, but it is another thing to be able to do anything about them. For instance, you can dream up a dilly of a foreign policy but if the alfalfa bloc in Parliament doesn't know what it is all about, you're finished before you start. Mr. Heeney, however, has the advantage of ten solid years in the Privy Council. So when he undertakes to formulate foreign policy, he is not devising something that is remote from reality and politically unworkable. He inevitably for-
minister can ever hope to be. Consider the case of the private, and how he fears the sergeant. Rarely does Pte. Smith worry about getting into the toils of the OC; it is the sergeant who is the biggest man in his life. Similarly, Bennett, King, St. Laurent hardly touched the welfare, the happiness, the problems, of the civil servant, except in a remote and indirect sense. But Charles Bland can make a policy, and every civil servant in Ottawa feels the effect of it, instanter.

Bland, by name and bland by nature, the longtime civil servant has a mild approach to life, is a sunny souled individual who has the good luck never to get mad. That is why his 65 odd years rest so lightly on his almost beatific face; it is equally the reason why Prime Minister St. Laurent the other day persuaded the normally-retiring chairman to hold on for two more years.

Starting with the civil service way back in 1909, and interrupting his career only long enough to fight World War I with the 20th Battery CFA, he returned to become chief examiner of the civil service in 1921, rose to be a commissioner in 1933, and was made chairman in 1935. From that day to this, he has done wonders for the public service.

It is said that not half a dozen men understand how the civil service works. The cabinet don’t, for sure, and it is equally certain that most of the civil servants don’t, either. Actually, it is such a vast thing, that it takes a good man to know what it is all about. Just as no lawyer knows all the law, but practices successfully just by knowing the part he has to know, so do most civil servants function conscientiously under the sections of the service they know and understand. But Bland is like the lawyer who knows all the law; Bland has to know even the obscure, remote and rarely employed machinery of the Civil Service Commission. It comes close to omniscience, sometimes, in this field.

When others couldn’t get near Mackenzie King, Charles Bland could get through to him just about when he wanted. The same is true of the new prime minister. But you’d likely find it was the other way round, and that it was they who wanted to see Bland. I cite this mainly to show that the man enjoys prestige on high, and that he is esteemed by our leaders. Under the circumstances, it is not hard to see how the Civil Service Chairman wields enormous influence. I might say that it is easier to get a quote from St. Laurent than Bland. And as far as the Ottawa papers are concerned it is more important to get a quote from Bland.

So don’t take a top lofty view of all this, and say: surely, the cabinet runs the country. Maybe it does, sometimes. But dollars to doughnuts if you want something done in the civil service, it’s better to have Bland on your side than a mere cabinet minister. Ask any cabinet minister. So I say, as I end my perhaps over-long vista of Brain Trusters, that Bland too has his place. I may place him last, but among them all, certainly not least.

If, as conjectured by Gilbert and Sullivan little fleas have lesser fleas, and so ad infinitum, it goes without saying that Brain Trusters also operate in diminishing perspective. I can think of a dozen of them, James Coyne in the Bank of Canada, Mitchell Sharp, in Trade and Commerce, Escott Reid in External Affairs, Stuart Bates in Fisheries; and others. In some ways, these men rank with the true Brain Trusters, in other ways, they do not. And for a good many reasons. But just as no one can pick the ten finest books in the English language and not leave out some that many think should be put in, so it is impossible to garnish my galaxy without jettisoning many a would-be worthy.

Finally, there is one rather distressing, and extremely disappointing thing about the list. In it there is not one single French-speaking Canadian.