

# Eaton's in the '60's

## Press manipulation and land speculation

Elevated to the status of a native aristocracy, possessed of one of the greatest fortunes in the country, close to the seats of power, the Eaton family and company are the object of a virtual conspiracy of silence by the press.

To this day, a story on Eaton's that deals with anything more than some trivia about Santa Claus parades must be passed through the highest editors of any of the English papers in Montreal, Toronto or Winnipeg. Assignments to cover Eaton events are generally assigned by the publisher or managing editor, with the addendum "Must Go".

In the Montreal Gazette, a reporter who wrote a humorous article on the Santa Claus parade of 1967 was banned by the then managing editor, John Meyer, from writing any articles not directly assigned by the editors, and from writing any features. He was informed that the article had angered Eaton's very much, that the publisher, Charles Peters, had received complaints from two Eaton's executives the day of the innocuous article's appearance, and that "this causes the Gazette great concern". Eaton's is one of the Gazette's major advertisers. The reporter was fired three weeks later.

All Eaton's events, even the most trivial and the most blatant publicity gimmicks, are mandatory coverage.

The ban on mentioning Eaton's in any unfavourable light extends to the point that in court stories in the Toronto papers, if a shoplifter is tried for stealing from Eaton's, the store must not be named, but referred to as "a downtown department store."

The Eaton's main store in Toronto is right across Queen Street from Simpson's main store. Only a few years ago when a holdup man murdered a finance company manager downtown and fled through Eaton's lobby and then into Simpson's in an attempt to get lost in the crowd, the dramatic and sensational flight was described in one Toronto paper as being "through a downtown department store and south across Queen Street into another downtown department store."

During the startling testimony before the Stevens Committee in 1935, all the Toronto papers produced the most incredible record of omissions in their coverage, which bear little relation to the actual testimony — not, at least, the damaging testimony.

The files of the Toronto and Montreal papers on Eaton's are replete with notices of their "generous donations to charity", "sparkling party", and "the family beloved by Canadians". Last year, to honour the 100th anniversary of the store, both the Toronto Telegram and the Toronto Star ran multi-part series on the history of Eaton's, with sidelights about the family — a sycophancy rarely achieved even in the Canadian press.

This is not surprising, since it is commonly known that a vast part of the money that permits John Bassett, publisher of the Telegram, to keep the paper alive came from the Eaton family, and that the terms of succession for the Telegram specify that after Bassett's death or retirement the paper shall be turned over to the sons of John Bassett and John David Eaton.

An idea of Eaton's continuing labour policy, and the sycophancy of the Toronto press, comes from the following item which appeared at the end of January in the New Lead, house organ of the Toronto Newspaper Guild, the reporters' union:

"Does anybody care?  
"EATON'S FIRES 200  
"Is it news that the T. Eaton Co. Ltd. is firing 200 maintenance employees?  
"The mighty retail chain is one of the biggest advertisers in the country.

"What clout the ad dollar holds over local news media is debatable. But the Eaton story shows a tangible sensitivity in Toronto to the department store's power.

"The first story written — and squelched — apparently was at the Telegram, and not surprisingly.

"The Eaton family — mainly the founder's great grandson — controls a large chunk of the Tely and of Eaton Broadcasting Ltd., which owns television station CFTO (the Telegram's TV outlet in Toronto).

"Briefly, the developments are that 196 maintenance workers at Eaton's downtown and College Street stores were to be taken off the payroll January 12, 1970.

"The maintenance work was being contracted out to a private housekeeping concern, Consolidated Building Maintenance Ltd.

"According to Eaton personnel chief Gordon Elliott, '10 to 20 per cent' of the laid-off employees will go to Consolidated — at lower pay than they were making at Eaton's. Tely reporter Marc Zwelling wrote the story on December 15, based on local labour union sources.

"He describes his story as 'an interpretive piece' that revealed a drive had started by the Building Service Employees' International Union to organize the 'new' Consolidated-Eaton workers.

"It also pointed out the reduction in wages and the loss of the 10 per cent Eaton employee discount suffered by the transferred workers.

"It touched on the last big drive at Eaton's in 1953 (sic) and speculated that attempts might begin to carve out small bargaining units of catalogue employees, warehouse workers, truck drivers or restaurant workers.

"'Oddly enough,' says Zwelling, 'the first tip I got on the story was from Tely management. Simultaneously, I picked up the story from other sources.'

"Two days after he handed in his story, Zwelling was told the paper's 'Eaton's censor' had vetoed it.

"The Eaton dismissals did not die, however.

"One of the fired caretakers, Mrs. Irene Goncher, went to see controller Margaret Campbell at her City Hall office on December 22 to try to enlist Mrs. Campbell's help.

"Mrs. Goncher related to the City Hall press corps that '500 employees' had been laid off. . .

"Again, a Tely reporter snapped at the story. Jake Calder of the paper's City Hall bureau filed a piece as a hard-news story, and it was quickly smothered.

"By way of addendum, two days after this copy of New Lead was distributed within the newspapers, the Star, obviously goaded, ran a brief item, with no point of view of the workers quoted, on an inside page."

Telegram columnist Ron Haggart, the only journalist in Canada who has ever successfully put Eaton's under a microscope, and who writes in the Telegram under a great deal of editorial liberty, also wrote a column on this incident. The column was killed by his superiors. By the end of January, the Telegram had not yet acknowledged the existence of this incident.

Eaton's stands as an untouchable, not required to reveal its assets, its business dealings, requiring a brown-nosing press to send its reporters as low-paid public relations men to flortify any event Eaton's chooses to "suggest" to newspaper publishers they should cover. Even on the background of a Canadian press that has never shone for its daring or public responsibility, this stands as a monument of silence.



John David Eaton's yacht 'Hildur'.

### Land deals

The power Eaton's wields through its vast wealth, and the abandon with which the company exercises it, is illustrated by its massive land deals over the past decades.

In several cities, Eaton's has amassed large segments of vital downtown land, kept it unused and frozen by not developing it until it suited its purposes, and when it finally did, forced the local city councils into rezoning surrounding areas to accommodate the company's needs.

The most glaring example of this corporate citizen's behaviour, which casts further doubt on its "Greatest Good to the Greatest Number" myth, is to be found in Vancouver.

In March of 1948, Eaton's bought the old Hotel Vancouver on the city's main corner, and unleashed its publicity machine with promises of building a huge department store that would transform the city centre. It demolished the ancient structure.

For the next 22 years, the site remained a vacant lot, used for parking, a gaping hole like a missing tooth in the centre of the city. For 22 years, the downtown development of Vancouver was stunted by the presence of this huge parking lot on Granville and Georgia. Eaton's was powerful and wealthy enough to do what almost no other corporation in the country can — hold on to critical development land against all pressures, public and otherwise, until it suited their own purposes to develop.

Finally in 1968, Eaton's, with its developer Cemp (owned by Seagram's liquor magnate Sam Bronfman), put it to the city of Vancouver: it would develop the square block if the city expropriated the block to the north and join it to the Eaton complex. That block comprised ancient, family-owned

businesses, small but not without charm. The city authorities were forced to go along with this economic blackmail, because Eaton's held that prime land which it threatened not to develop unless it got what it wanted.

Furthermore, Eaton's played its old game of announcing its splendid plans in the press to whip up public enthusiasm, and then use that as leverage against any city authorities who had silly ideas about planned downtown development. In 1965, three years before the city capitulated, the Vancouver Sun ran a story seen frequently in other cities where Eaton's has done the same thing:

#### \$20 Million Tower Planned by Eaton's

In April of 1964, the following headline in the Toronto Star:

#### Eaton's Argus plan mammoth downtown project

#### \$200 million complex in Queen-Bay area

And the following year:

#### Malls, towers and spaces in Eaton's downtown plan.

Just one catch — Eaton's wanted the city to turn over the old City Hall building for demolition. This ancient, pseudo-gothic structure and clocktower is the only bit of colour and style to be found in the barren office-building face of downtown Toronto.

But again, through a publicity campaign in the press, through pressure on City Hall, Eaton's got what it wanted. Then came the big surprise: Eaton's backed out because an economic survey it had done after it had made all the plans and gotten what it wanted showed that it would not make enough profit from the venture. The company told everybody to forget the whole thing.

Eaton's owns most of the property between Queen

and College, along the central downtown strip, and its old factories, offices and sweat shops have frozen all development of any significance in the surrounding area for decades.

Another example of Eaton's hit-and-run project tactics is to be found in Hamilton, Ont. There, in 1955, the company arranged to buy Hamilton's city hall and some city land, on a promise to extend its store in two stages — one by 1957, another by 1962. A special law had to be passed by the Ontario legislature permitting Eaton's to go ahead with the deal. But unfortunately Eaton's only completed the first part of the bargain. So the city passed a bylaw and the Ontario legislature passed another special law making it all legal and giving Eaton's a six-month extension.

Even that extension didn't prove sufficient. In 1963 the city council passed another three-year grace period, putting the deadline back to 1966.

Not even the Canadian Pacific Railway, the second-largest employer in the country, has been able to get away with keeping the grubby hands of public need and civic planning off its lands to the extent that the Eatons have with their leverage of wealth, influence, and power.

How does it fit? A company that has, admittedly, in the past led the way in such things as shorter hours and pension schemes, yet possesses a terror and hatred of unionism and collective bargaining almost unmatched by any corporation in Canada.

A family that has distributed millions through official charities, that builds churches and monuments and finances entire machine-gun batteries for the war, yet used its financial leverage to work against the public good, control newspapers, and erect its splendid cathedral of opulence on a mountain of poor wages and arbitrary, dictatorial and paternalistic management.

A vast empire whose moguls steadfastly refuse to allow any encroachment of American capital, whose laird, John David Eaton, asked about rumours that the firm might sell to an American concern, declares expansively: "There isn't enough money to buy the Eaton name."

It fits well. For here is an empire — feudal in its myriad fiefdoms, in its stratified authority, its vassals and satrapies, crowned with an all-powerful gilded royalty. It is an empire with an ideology. Labour is not enough to earn the worker his wages — loyalty is required. Wealth is divine right. It is not a company, but a "family". (Employees were once called "associates.")

Its charities, apart from being convenient for tax purposes, are gifts from the king and queen, and the buildings and statues and church are monuments erected by them to the propagation of their own memory.

The Eatons were not interested only in making money. The Eatons wanted, and got, power, influence, and — like all merchants who made their money in not the most glamorous field of capitalist endeavour — prestige and status. Lady Eaton is not an aberration, but the logical development of what this empire was founded on. Timothy Eaton built his empire on his life's savings. He didn't inherit it or even exploit it out of anyone — his first \$6,500 of capital were, to use a Calvinist phrase, "reward for virtue." And to use another Calvinist phrase, the Eatons are the "elect."

Profit is the prime goal, but not the only one. And once wealth is attained, as with the Carnegie and Rockefeller fortunes, come the philanthropy and sponsorship of the arts, and the titles. Above all, rich and powerful, the Eatons wanted to be respected,

even loved by the little people of Canada. But Eaton's never lost sight of the dollar all the while the family was pursuing prestige. In a manner that is truly mercantile genius, they devised the Career Girls' Clubs, the Junior Councils of clean-cut high school boys and girls, the Santa Claus parades. One wonders why they never got into pee-wee hockey.

In places Eaton's has successfully resisted history — it built an empire entirely on indigenous capital, enshrouded in a native Canadian nationalism that betrays some contempt for the crass profit-making-only corporations that wiped out all the other Eatons of Canadian commercial and industrial history. It also resisted the labour union movements with a tenacity that spared no expense, and created its own internal welfare state to buttress its authority, and lock out the growing welfare state without. Collective bargaining would have destroyed the intricate "family" structure within.

Like an ancient institution that history long ago decreed should have died, or at least transformed, it maintains its stresses within in order to resist change.

The oft-expressed proposition that "Eaton's is Canada" is a facile caricature. But Eaton's is something that grew in a manner peculiar to Canada, and it stands as a Canadian capital. It is a museum piece in a day of pleasant young men from New York and branch-plant managers.

Those who today seek truly Canadian institutions should not tarry before coming upon this monument to what our native wealth and power has erected. And may it be a sobering discovery.

Adapted from Last Post



The grounds at Eaton Hall.