Leonardo or Otis B. Driftwood?

by John Rothchild

The fantasies of O. Roy Chalk are those that built the country. It is exciting to see them replayed by a man who did not sit home and watch his stock grow, and who tried, alone, to become a Rockefeller long after there were laws, commissions, public opinion, and sharp men in gray suits who wouldn't let him get away with much.

Today's atmosphere is not favorable to the last tycoon. O. Roy Chalk? He has golden telephones and sunken bathtubs and limousines and estates, famous paintings and penthouses. His takeover of the D. C. Transit bus company was called "the greatest steal since the Brink's robbery," by Senator Thomas Eagleton. He started an airline with two DC-3s and parlayed it into a multi-million dollar operation. He charted megalopolitan newspapers and nuclear-powered buses and even took over a Central American railroad with two banana plantations. And who has heard of him? It's like capturing the whole Monopoly board with four hotels and having nobody care.

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Loosed on the previous century, Chalk might have been rewarded with fame, power, and a lot more money. Something about him reminds us of a time when men did not lose at such ventures, railroads and rolling stock, men who implanted their half-thought-out dreams on the country, and men who were appreciated for it—Gould, Hearst, and Vanderbilt. Chalk has followed their blueprint and yet his efforts are sadly irrelevant—the worst thing is not that he is unknown but that he would have made more money had he merely put his money into IBM and gone fishing.

Chalk is known in Washington, D. C. The 150,000 who dunk 40 cents into his buses every day (the fares have been raised from 32 to 40 cents in the last year) consider him a consummate financial wizard, the kind of man you meet and instinctively put your hand in your back pocket. This, too, is ironic. Chalk has not been a particularly good businessman or con man. It is not his ventures, but his style that make him so vulnerable to public hostility—he is too obvious about his winnings, too honest about his motives. While the substance of free enterprise hasn't changed since the days of his predecessor tycoons, the style certainly has—to save capitalism, today's entrepreneurs cannot afford to act as if they believe in it too strongly. The large outfits who replace free-lance tycoons like Chalk do not let themselves be identified with a single wealthy owner. They also make fewer PR mistakes and temper their operations with words like "coporate responsibility."

Chalk's motives were simply to build an empire, to go as far as he could with his money. While his holdings have lately disintegrated—his airline merged with American, his railroad sold, his bus company deep in debt—it is the attempt we can appreciate, for, as Chalk says, "I used to think it was possible, under the American system, to start from scratch and build something. . . it could be I'm getting to be wrong."

In one sense, and perhaps only one, Chalk's empire is not of the past—an empire of shifting tax bases, disappearing subsidiaries, and meandering cash flows, a one-man conglomerate in which illusion is the prime investment and where the real assets never spend too long in one place. People are not rewarded these days by building better mousetraps. They are rewarded by setting up a mousetrap company, and funneling its assets into football teams, encyclopedias, and plastics, spreading the capital to its furthest point, to its highest rate of return, to its lowest tax liability, and then returning periodically to the federal government to ask for more funds for mousetrap development.

Chalk's trend has been to form new companies rather than reinvest in those he has, to thin out rather than to build up, to seek breadth rather than depth. There is, in many of his operations, a tinny incompleteness, a big front, a lack of commitment. One wonders how Chalk can afford to be a real-estate man, newspaper publisher, bus owner, television and radio entrepreneur, banana magnate, advertising financier, and railroad baron, even though his daughter (and only child) has been moved by his versatility to compare him to the late Leonardo da Vinci.

His empire is so mercurial—with inter-company loans, debts, and earnings—that it is hard to decide whether he has succeeded, failed, or succeeded because of failure, getting personally richer as his companies get poorer. It depends on how seriously you take his statement: "I never lose money, except on purpose." If you follow him through the maps of his accountancy, it is said he will always lose you—it is possible that Chalk himself cannot know, at any given moment, if he is rich or poor.

That is an exaggeration, of course. Chalk knows he is rich. From his New York penthouse at 1010 Fifth Avenue, a building he owns, Chalk has time to consider such things—the most commonly quoted estimate of his worth is $14 million, although nobody takes the figure too seriously. It may have altered with the recent airline merger, Trans Caribbean into American Airlines, for which Chalk and his wife, who together owned about 70 per cent of TCA stock, will receive over $4 million in American stock; and Chalk himself will get, over the concerns of the CAB, $40,000 a year until 1977 as a consultant to American.

Trans Caribbean was Chalk's parent company, the *primum mobile* of his universe. Everything else he has was owned by TCA. Before the merger, he severed the airline from the other holdings by spinning off the stock in the other companies and distributing it to the TCA shareholders, which means mostly Chalk. The rest of his operations are now organized in three major blocks. One is communications, including *El*

Diario, the largest Spanish-language newspaper in the country, published in New York with a circulation of about 80,000; and a radio and TV station in San Juan, Puerto Rico. The second block includes Chalk's New York real estate, primarily apartment buildings. The third and major block is the Washington holdings—all organized under D. C. Transit of Delaware, formed after a D. C. regulatory commission once objected to Chalk issuing more stock in the bus company, an objection he sidestepped by issuing the stock through the Delaware parent. D. C. Transit of Washington is thus a wholly-owned subsidiary of D. C. Transit of Delaware. Under the D. C. company, there are five real-estate subsidiaries and a second and smaller bus company, W. V. & M. Coach Company. Directly under D. C. Transit of Delaware is the D. C. Realty and Development Corporation, which holds additional Chalk properties, organized into four more subsidiaries.

Chalk's benefits multiply into the far reaches of his corporatedom. When money is given out, even by Chalk, he manages to be there always, his left hand taking from his right, a juggling act in which one gain is made into two. When the District of Columbia required Chalk's D. C. Transit to pay for removal of streetcar tracks, the bids were taken and the lowest bidder was Chalk himself, working through yet another new subsidiary—a road-building company in which Chalk, as usual, had no prior experience. When the city decided to let him put advertising on the buses to help his financially hard-up bus lines, it was the quickly-formed Transit Card company that got the contracts. And when the White Motor Company buses were purchased by D. C. Transit, they were bought from the friendly local White Distributor, O. Roy. When Chalk rented a house from Georgetown University, it was D. C. Realty, a Chalk subsidiary, that paid the $500-a-month rent, but D. C. Realty rented the house in turn to D. C. Transit for $900, a profit of $400 for the realty company, which means Chalk. He gets by with a little help from himself.

The story of Chalk House West, a Washington apartment complex, is proof enough of Chalk's statment: "I can make one dollar in private money go as far as $10 in public money and I've proved it with D. C. Transit that a little private money can go a long way." In 1959, he sold a trolley car barn, with land, in southwest Washington to the D. C. Redevelopment Land Agency for $3.5 million. A few years later, that same agency held an architectural design competition for a high-rise apartment complex to be built on a portion of the land—the owner of the winning design could buy the property. First place went to an architectural firm retained by O. Roy Chalk, who thereby got back for $767,000 a portion of the car barn land for which he had received $1.5 million in 1959.

Chalk then got government financing to build a $7-million high-rise and townhouse apartment complex, organized as a subsidiary of the D. C. Realty company, which itself is a subsidiary of D. C. Transit.

As usual, Chalk's running of Chalk House was not nearly as inspired as his acquisition of it. The electric-eye door on the automatic garage was broken for the better part of a year, the garbage lay uncollected and festering in the hallways for days at a time, and security devices were in such disrepair that whole blocks of apartments were systematically hit by thieves, according to tenants. The tenants formed a council to do something about all this in October, 1969, but a month later, Chalk had sold the place for over $1 million in cash and a Virginia estate valued at $478,000.

The sale provided further gain. In the style of the Mark Twain character who sells fur pelts at the front door and goes to the back to retrieve them and sell them again, Chalk contemplated further development. For the new exploits he obtained a $250,000 farm loan on the estate, which caused some controversy within the Farm Credit Administration—where some questioned whether Chalk was a bona fide farmer, just as it was once questioned in the Senate press gallery whether he was a bona fide journalist. Chalk is probably as good a farmer as he is a railroad man or journalist.

A Leaping Alger

The staple of the Chalk ventures is real estate, which makes Chalk a uniquely qualified transportation man, because the business of transportation, since the days of Jay Gould, has been land. Chalk is landed due to the lucky circumstance of his marriage to Claire Cole, whose father was rich in New York properties. This is the one great leap in an otherwise convincing Horatio Alger story—Chalk was a poor immigrant, born in London in 1907, brought to New York at the age of three (which made him a derivative citizen, explaining his curious non-involvement in politics).

Chalk could have stuck with the land and been modestly wealthy, but something drove him beyond merely watching values go up while he stood still. Perhaps Jack Kerouac would have understood Chalk's love for moving bodies—buses, trains, airplanes—a love that led him to some very romantic acts, like the time he tried to take the $6 billion New York subway off the city's hands for $615 million. He has always waxed more poetic about buses than airplanes, preferring to call his planes "sky buses" rather than his buses "street planes," and musing over various bus designs like the Mack Truck "dream" model, planned especially to appeal to women. But his first financial venture was with planes. His desire to get off the ground no doubt increased when he heard of possible military contracts, and when he discovered he could buy two surplus planes for $10,000, fix them up for another $50,000, and call it an airline.

The maiden flight of TCA between LaGuardia and Miami airports revived, even with the improved technology, the pioneering drama of Kitty Hawk. It was bad weather and the plane wouldn't start. So Chalk hired some boys to pull the prop around and finally it turned over and took off with a certain faith—a faith that would later be strengthened when, in 1949, Chalk received an audience with Pope Pius XII. The pope blessed Chalk and extended his blessings to Trans Caribbean, remarking, "This is the first airline I have ever blessed." A high degree of belief has also surrounded other Chalk enterprises where the lack of financing and adequate maintenance or planning is compensated by enthusiasm—or as Chalk puts it, "Place our thoughts in high clouds. Color them beautifully in warm hues of sunny optimism."

TCA got off the ground, and Chalk sought military contracts. In 1951 he went to the Pentagon, where he was told that a single airline owner could not receive such business, that he had to be part of a group. So Chalk went out and organized his own group—the Independent Military Air Transport Association (IMATA). Soon, the IMATA not only had contracts, but was outstripping the "big boys," and Chalk had shown that an individual with ingenuity could enter a market thought to be reserved only for established and rich organizations. His airline brought soldiers home from Europe, refugees from Europe to Israel, Marshall Plan engineers to Greece, and airmail from Italy to South America. In 1955, Trans Caribbean made a $2.5-million profit. In 1957 it received a regular, scheduled route from the CAB, becoming the first nonscheduled led airline in modern times to do so. The route was San Juan to New York, later expanded to include other Caribbean countries.

Chalk's Puerto Rico-New York flights had begun on a nonscheduled basis long before he got the regular route. In fact, Chalk is personally responsible for bringing more Puerto Ricans, whom he calls "my people," to New York than any other man or organization—his maverick airline began flights with marimba bands and box lunches, his agents scoured the islands looking for customers on a 15 per cent commission, and most important, Chalk lowered prices.

When Chalk entered the Puerto Rican market, the other two airlines, Eastern and Pan American, were charging $180 one way. But in the heat of competition, he lowered his price to $45, forcing the others to follow suit. This drastic reduction in fares made Chalk somewhat of a hero on the island, and suspect in the airline industry—a man who wouldn't play the game. Because of Chalk, the West Side became the largest suburb of San Juan.

These were the days when Chalk could see glimpses of a real, unified empire, unencumbered by the obstacles that would plague him later—commissions, cities, organizations that didn't understand his antibureaucratic, one-man state, his participatory monopoly. It could have worked out that one's entire daily travel, mental and physical, would depend on Chalk—a Puerto Rican would turn on Chalk's TV station to see an advertisement for New York via Chalk's airline, board that airline to arrive in New York and be transported by Chalk bus or subway to the new Chalk development, where Chalk's newspaper would be waiting. At each point, there would be O. Roy, encouraging, cajoling, taking a little off the top.

It is this poetic unity, the global economic karass, that Chalk has always sought. He wanted one thing to lead into the other, as they did on on the balance sheets; but in real life he feel short. "For one thing," he says, "my railroad was in the wrong place." For another things, he never had the money to buy solid tycoon items and had to settle for a tenuous, second-string empire—*El Diario* being his *New York Times*, D. C. Transit his Union Pacific, Trans Caribbean his Eastern, all vulnerable to quick shifts of fortune.

Chalk on the Water

Now that he is out of TCA, Chalk's newest project, as yet undisclosed, his "next crusade," is the sea. He has retreated on land and air, but water represents uncharted opportunity. The merchant marine attracts Chalk, he is a sucker for moribund industries with high potential for public pay-ins, the D. C. Transits of the future. But this time, he wants to work through the bigger forces: "I'd like to join a railroad, an airline, a shipping company, a boat company, and put it all together." He would like to do it through American Airlines. There are still laws, but Chalk hopes they can be changed.

It seems impossible now, but so did D. C. Transit in 1956. Chalk, a complete unknown at the time, entered the Washington transit bidding in the crisis period after Louis Wolfson, a former owner, had drained the company and after a 52-day strike encouraged Congress to look for another owner. There was substantial sentiment for public ownership, and several private bidders already had sought the franchise unsuccessfully, when Chalk offered a late bid, which was miraculously accepted. He was aided in this coup by an old friend, Colonel George Gordon Moore, the brother-in-law of President Eisenhower.

The mysteries of the agreement were soon forgotten with the announcement of the financial settlement. Chalk had picked up a company worth $23.8 million on the books for only $13.5 million. The Commissioners had accepted the Chalk offer because he was the only bidder reputed to have the proper financial backing. But Chalk never used his own money. All but $500,000 of the purchase price was paid for with loans made on assets of the company itself—a $5.6 million loan was secured by the same amount of cash still in the company, another $3.5 million was borrowed by mortgaging the streetcars and buses, and the final $3.9 million by mortgaging some of the real estate.

People soon realized they had overestimated Wolfson, or underestimated Chalk. In three years and four months, 12 years ahead of schedule, Chalk paid off the loans, partially through the sale of the southwest trolley barn, but mostly from operating revenues. By 1959 D. C. Transit had also reimbursed itself for the original $500,000 investment, paid $640,000 in dividends, and accumulated $2.5 million in retained earnings.

Chalk's early willingness to take out of the company more than he put into it is reminiscent of Wolfsonian tactics, profitable but not particularly innovative. But Chalk's restless imagination soon came up with another, more pioneering, tactic of corporate management—shredding. The idea of shredding a company is to pull assets into subsidiaries, leaving a big hole in the middle of the company, a hole never to be filled.

The shredding was occasioned by the death of the trolley car. It should be emphasized from the beginning that Chalk wanted to keep the trolleys. He accused certain powers of trying to stampede him into converting to an all-bus system and repeatedly said, "I have great affection for the trolley car." The Congress, the highway lobbies, and the bus companies pushed him into it—the prevailing public view was that buses were creatures of the future, while trolleys were passe. The economic reality was more important than the aesthetics—buses cost much less than trolleys, so cities could run their transportation systems more cheaply and replace old equipment more easily.

But most important to Chalk, the end of the trolleys freed over 1.5 million square feet of valuable real estate belonging to D. C. Transit, the kind of real estate no longer used in the day-to-day operations of the bus company, and therefore, technically classified as non-operating property.

Chalk is against the word "spin-off" to describe what he did, and technically, he is right. The non-operating real estate was not completely separated from D. C. Transit, it was merely put into subsidiary companies organized under the bus company but not directly a part of it.

Chalk transferred the properties into the subsidiary companies by reimbursing D. C. Transit on paper for the book value of the property. He did this by issuing stock from the subsidiary to D. C. Transit in the amount of the book value of the property. However, since the real value was much higher, the amount gained by the subsidiaries was much greater than the amount reflected in the reimbursal. Over $6 million worth of property was transferred for about $1.8 million on paper. By 1969, the net worth of the six shredded subsidiaries exceeded $14 million.

While Chalk has not sold the subsidiaries or declared dividends on their profits, they have helped him in one important way. They generate income through mortgages on the property, income that he uses throughout his empire, not just the bus company. M Street Estates is a good example. In 1964, this building, formerly a Georgetown streetcar barn, was transferred to a subsidiary for $99,000. The subsidiary mortgaged the property a year later for $2.5 million, and lent out more than half the money to other Chalk companies.

The real value to Chalk would come if he sold the shredded companies apart from the bus company itself. By paying the bus company merely the book value of the properties, he could stand to make $10 million in personal profit.

The absent-minded might easily forget that through all these land deals, loans, and investments that Chalk's real job was running a bus company. The inner maneuverings were not visible to the average rider during the first years of Chalkdom. The history of the buses, like all Chalk operations, began noisily and optimistically—the new air-conditioned green dream machines paraded through the streets with an honor guard of bathing beauties, calypso dancers, and clowns, the special interior design by Mrs. Chalk—Bahama sand for the seat tops, Mexican coral for the rear lounge, mist blue for the seats, presumably to give the flavor of the island, Puerto Rico, where Chalk often suns.

There was always enough money for new projects, never enough for old ones. By 1969, Chalk was over $2 million in arrears to the bus drivers' pension fund, and during some months, his bus company didn't even deposit the money taken out of the drivers' paychecks, the employees' contribution. (A year later he erased this debt by taking out a loan on car barns still belonging to the bus company, not the subsidiaries.) In 1967 he defaulted on the obligation to buy 85 new buses, as required every year by the Washington Metropolitan Area Transit Commission (WMATC), the local regulatory agency.

The Bus Credit Card

Chalk also got plenty out of D. C. Transit through the easier veins closer to the surface, although some of his extractions cost him more in bad publicity than they were probably worth. He benefited in the following ways:

1) Dividends. For a 10-year period, 1956-66, Chalk paid his shareholders, largely himself, a dividend averaging $500,000 a year, or a total of $4.3 million. The last dividend, $250,000, was paid in 1966, even though the company then showed a loss. Chalk's dividends represent a 100 per cent a

year return on his original capital investment, although the rate-making agencies do not usually calculate return on investment but rather on operating ratio, a measurement much more favorable to Chalk.

2) Salaries. For his part-time work as head of D. C. Transit, Chalk pays himself $65,000 a year. His total pay from all his consolidated operations amounted to over $125,000 in 1969 and was close to that figure throughout the 1960s. In addition, he gets pension benefits from D. C. Transit valued at about $16,000 yearly.

3) Expenses. Chalk sees certain connections between his private life and the bus company that the regulators do not. By 1960, the regulatory agency had disallowed more than $150,000 of company expenses for superfluous items, which doesn't mean the money wasn't spent, but that it wasn't included in calculating the operating cost for fare-setting purposes. Chalk is not one to discriminate between a penny and a dollar as far as expenses go—$60,000 to redecorate Chalk's apartment, $5,000 for a month's personal phone calls, $2.40 for a laundry bill.

D. C. Transit came into disuse as Chalk's credit card only recently. The amount of non-operating expenses charged to the company was reduced to $150,000 in 1968 and only $30,000 in 1970.

Chalk's company also benefited indirectly from provisions of a very generous franchise. (Chalk has always believed enough in the concept of free enterprise that he could accept a few socialistic gestures without being compromised.) Congress granted him that "the opportunity" to earn a 6.5 per cent return after taxes was "not unreasonable," a clause that has never been defined (6.5 per cent of what?) but nonetheless has put pressure on the regulatory agencies to set rates that would provide an adequate measure of profit. His franchise was also exempted from several District of Columbia taxes, amounting to $600,000 a year, and is exempted from gasoline taxes to the extent that he doesn't make the 6.5 per cent profit.

The WMATC has been caught between the obligation to keep buses running and to set fares to provide the company with a reasonable rate of return, and the knowledge that some of the company's financial trouble has to do with the early dividends, the debt financing, and the shredding of assets. But the fare increases that have given Chalk such a bad name would have been inevitable, according to WMATC chairman George Avery, even without Chalk. Washington suffers transportation problems shared by most large cities, the rising labor costs and the competition of the car, which have jeopardized D. C. Transit far more than Chalk has. Chalk's cumulative gain represents a very small percentage of the expenses of the company. It doesn't cost the farepayers much to make one man wealthy, and it might even be worth the extra penny or so to see Chalk operate.

The farepayers have, however, paid for Chalk's image. He is so identified with D. C. Transit, and so identified with robber baronry, that Congress would never grant his company a subsidy so that fares could be lowered, spreading the costs among those who ride buses and those who don't. Congress is likewise not ready to force Chalk out and substitute public ownership, which probably means the bus revenues will continue to come out of the riders' pockets and that fares will continue to go up.

Through all of this is Chalk the capitalist, taking advantage of what's offered, chipping around the edges, and launching his schemes with his feet firmly planted on the legal side of the line. You can't blame him for that—he has said his goal is to make money, that the American way is to make money, and he has proved that Horatio Alger still can live, even if Chalk is the last airline magnate to start from nothing, the last bus owner to take over a company with the company itself, the last man to build an empire with what he would call "intangible assets."

One wonders what the world would be like if Chalk really got his way. You get some idea by examining the projects that never reached fruition, the dream-reality world of this little, elf-like man in elevator shoes: whatever happened to the orange juice on the buses, the hostesses, the nuclear-powered bus, the helicopter service, the piggy-back bus-train to Baltimore, the Georgia Avenue monorail line, the megalopolitan newspaper, the New York afternoon newspaper, the southwest boatel-motel complex, the Washington bus-airplane terminals, the Orlando to Cape Kennedy railroad?

Nixon's Right Arm

Chalk had some good ideas, even some visionary ones. He wanted, for instance, to keep the Washington trolley system, and he suggested during the middle 1950s that maybe cars should be banned from cities. But Chalk seems to think in headlines; it is left for others to fill in the stories.

The headline analogy is more than a rhetorical trick. Chalk actually did send in headlines to his small newspaper, the *D. C. Examiner*, started in 1967, the one that was supposed to go megalopolitan until its issues dwindled from 32 pages to four pages and finally, in 1969, to nothing. He would be in Paris and call in the titles, like "Humphrey Winning" and "Nixon Scared," or "Vietnam: The Battle of World Opinion Will Be the Second Front," and then the staff, three or four people who got to work by walking through the AID rifle range in Chalk's Georgetown car barn, would have to make up the stories.

Life at the *D. C. Examiner*, the smallest cell of the corporate body, gives us some idea of what it is like at the larger places. The paper began with a publicity puff, somewhat confusing, but nonetheless optimistic—it was supposed to be local yet megalopolitan, investigative yet concise, it was to accent youth, and yet its prime big name was Walter Winchell, whom Chalk called "a real newspaper man."

In practice, the newspaper was never financed, staffed, or defined—Chalk does not delegate authority, except, in this case, to Morris Fox, the old trucker who helped get him the D. C. Transit franchise, and was once ordered to read all the copy. The glimpse of Chalk in Paris, trying to control the *D. C. Examiner*, is something like the dying days of Rome. The man sent frantic disc transcriptions: "What's going on? We turn the newspaper over to Mr. Shales? Please send me an immediate report on all staff members. What are they doing? Who is there? Who has left us? What's happening to the sales and advertising department?" When Chalk did act, according to a staff member who worked there, it would be instant and capricious, not a long-term plan of any kind, but a momentary whim, like his dreams for transportation, put a picture here, an article there, don't forget to put the D. C. Transit ad on a different page from the Trans Caribbean ad.

Chalk has always cultivated the appearance of depth where little really existed, in the ideas, the bus company, the Chalk House West apartments. The corporate management is poor of thought as well as money, the balloons have leaks, but the air never completely escapes until the balloons are sold. Chalk has marked delusions of grandeur, about himself and his companies, delusions that both keep him going and entering fields that no other men would attempt alone and also keep him from seeing the real state of things. When the newspaper was down to a few pages and an even smaller staff, Chalk talked of it as the "President's right arm in this town," as he had once worried whether a D. C. Transit strike would "affect the presidential elections" or as he had entered the WMATC, sat down at George Avery's desk, and tried to dial Vice President Humphrey.

There is something of Don Quixote in Chalk, or perhaps Willie Loman, at once inspiring and absurd, a pawnshop tycoon with a second-string empire, a dictator who pays attention to all detail and to none. Imagine the opening of the D. C. airline terminal (another bust) where the staff members had to move their cars so the one bus could turn around, where a few Latin Americans were waiting, incredulous, while the band played and Chalk was upstairs upbraiding a secretary because a salami was missing.

Salami is the least of Chalk's current problems. In years of good business, his consolidated holdings did quite well—turning a profit of $1.6 million in 1964. But in the last three years, difficult years, not only the parent, but most of the offspring showed massive anemia, bailed out in part by American Airlines, who paid off $7 million of Chalk's debts. The bus company, the major venture remaining, is still in big trouble, with debts approaching $20 million. Transit officials estimate the worth of the company at close to zero. Chalk puts it closer to $50 million, raising the estimate as the value of the company goes down, and talking of "intangible assets."

Chalk probably can't get at those valuable subsidiary properties, either. For one thing, they are being held in escrow pending a $9 million tax claim brought against TCA by the IRS.

The fact that Washington considers him a financial genius says something about how far behind we are in understanding business. We have not caught up with the old-fashioned, more obvious techniques, but they are already irrelevant. And Chalk reflects the comedy and tragedy of the last Indian on the plains, trying to remember how to herd buffalo while drearier, duller people pass by in air-conditioned jeeps. ■

BOOK NOTES

Political books scheduled for publication this month. Publishers who want their books included should notify us two months prior to publication and provide a brief (50 words or less), objective description of the contents.

Aggression: Our Asian Disaster. William L. Standard. Random, $6.95.
Autokind vs. Mankind. Kenneth R. Schneider. Norton, $7.95.
The Balance of Terror: A Guide to the Arms Race. Edgar M. Bottome. Beacon, $6.95.
The Blacks in Canada: A History. Robin W. Winks. Yale Univ. Press, $15.00.
Bring Us Together. Leon E. Panneta and Peter Gall. Lippincott, $6.95.
Comes the Revolution. Edward W. (Ted) Lewis. Arbor House, $6.50.
Counterbudget: A Blueprint for Changing National Priorities, 1971-1976. Robert S. Benson and Harold Wolman, editors. Praeger, $8.95; paper $2.95.
Destroy or Die. Martin Gershen. Arlington, $7.95.
Diana: The Making of a Terrorist. Thomas Powers. Houghton, $5.95.
Diplomaism. David Hapgood. Donald W. Brown, $5.95.
Economics, Peace and Laughter. John Kenneth Galbraith. Houghton, $7.95.
The Enemy: Notes on Imperialism and Revolution. Felix Greene. Random, $8.95.
The Female Eunuch. Germaine Greer. McGraw-Hill, $6.95.
Forty Acres: Cesar Chavez and the Farm Workers. Mark Day. Praeger, $6.95.
The Gerber Report: A Doctor's Diagnosis and Prescription. Alex Gerber, M.D. McKay, $6.95.
The Intellectual in Politics. Max Beloff. Library Press, $8.95.
The Journals of David E. Lilienthal, Vol. 5: The Harvest Years, 1959-1963. Harper, $12.50.
Julian Bond: Black Rebel. John Neary. Morrow, $5.95.
The Nightmare Decades: The Era of Senator Joe McCarthy. Fred J. Cook. Random, $10.
Now Is the Time. Fred R. Harris. McGraw-Hill, $6.95.
On Doing Good. Gerald Jonas. Scribners, $6.95.
Promises to Keep. Chester Bowles. Harper, $12.95.
Revolution and Equilibrium. Barbara Deming. Grossman, $8.95; paper $3.95.
The Second Year of the Nixon Watch. John Osborne. Liveright, $5.95.
The Stately Game. James Symington. Macmillan, $6.95.
To the Victor. Martin and Susan Tolchin. Random, $10.