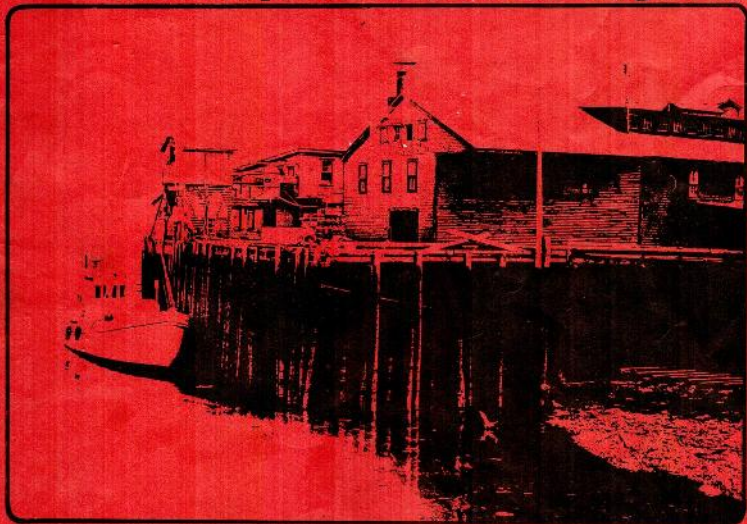


the mysterious east

an independent atlantic magazine



Many
Dead
Issues

Deep
Water
Storm

Money
Over
Matter

ABOUT the mysterious east

One of the most interesting and important things about our society is that, in law and in practice, corporations are being treated very much like separate and independent human beings, with many of the same rights and abilities that human beings have under law. They can own property, sue (or be sued) (sometimes), control crimes, many of them have recognizable personalities. Some of these persons allow depend on that of a dominant figure in the corporation, like K.C. Irving Ltd., for instance, whereas others are simply a result of the sort of business the corporation is in and the circumstances surrounding it.

But corporations have powers and abilities people don't have. You never find a corporation in jail. De instance, and a corporation don't die naturally. A corporation can reinvent itself and a corporation doesn't even have a wife and children to worry about, or a sense of justice, or a conscience. Controlled by such things, a corporation can be run down in a way that is very difficult for a single human being.

The individuals who make decisions in a corporation are usually protected from the consequences of those decisions that ordinary corporations are formed, after all, to do. When a corporation is punished, nobody is hurt. If it's a fine, all that happens is that stockholders get a smaller dividend. There are no penalties comparable to those exacted on individuals who commit crimes or do foolish acts; the corporation cannot experience remorse, or imprisonment, or a sense of responsibility for its wife and children. It can't learn from experience the industry of unemployment or wealth.

Because of the corporation's immunity to these human failings, and because of our society's strange notion that economic considerations are the only ones that make any

real difference, corporations have attained an astonishingly powerful and central position in our lives and our institutions; our governments often seem to exist mainly as agencies for promoting the well-being of corporations. The New Brunswick Development Corporation, for instance, like equivalent organizations in other provinces, seem to have as their fundamental aim the promotion of a climate most good for corporations, even though this climate might be disastrous for people.

In this issue of *The Mysterious East* we offer, among other things, a look at some of the results of this preoccupation with the already privileged in New Brunswick. Pulp and paper companies, mines, and petroleum companies are all demanding, and receiving, privileges that would automatically be denied the most industrial individual. What individual has protection from the possibility of being prosecuted for creating a nuisance? What individual is likely to be given millions of dollars worth of publicly expropriated land? What individual would be protected from the consequences of his own improvidence to the time that the North Shore mining companies are likely to be?

And in case you consider we're being unduly cynical about the nature of corporations, consider this: K.C. Irving has taken up residence in the Bahamas, leaving what he has so often indicated a big beloved New Brunswick, and the only conceivable reason is the corporation balance sheet. Leo Sobey has indicated they're thinking about leaving Seaside for "the home states" and then merchandising claims about moving the *Maritimes*, so much for the oft-repeated claim that Irving put his money into New Brunswick because he loves it. Corporations do things because the balance sheet says they should; all other reasons would be sentimental foolishness.

Nice guys, as Leo Durocher used to say, finish last. Corporations can't afford to be nice guys.

INSIDE

Contributing Editors: Garry Allen, Donald Cameron, Robert Campbell, Russell Huat, Andrew Scott.

Staff writers: Ed Levesque, Ralph Lystwick

LAYOUT and Design: Janice Oliver

Subscription and Circulation: Susie Levesque

Quality Control: Wanda Shearn

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BLACK'S HARBOUR



Photo — Bill Durocher

"The thing that killed the company was equal opportunity. Kids in Black's Harbour got a choice to get a decent education; and they began to really see what the company was doing to us."

Connors Bros. Ltd. of Black's Harbour in New Brunswick owns 95% of Canada's sardine industry. Bill Tremblay, a young company worker with a couple of years at university, was describing what life was like in Black's Harbour, Beaver Harbour, and Back Bay — three non-towns which the company virtually owns. For some reason, the three communities are not legally incorporated towns or villages, they are simply collections of houses — most of them owned by Connors Bros. Bill Tremblay spoke at length of the Company's power. "In Black's Harbour especially [the biggest of the three and the site of Connors Bros. head office] the whole community revolves around the Company. Everything anyone does — short of leaving town — is in some way dependent upon the Company. It reminds me of those great factory towns in nineteenth century England. You know, where whole families worked in the same dingy factory and together managed to draw the same wage as one decently paid man. For a long time it was hard to complain because the Company always had a double threat against you. Since most people live in Company housing, a man could lose his job *and* his home." This double threat has lead to a rather incredible situation. The employees of the world's largest sardine company, today, in the last third of the twentieth century, have no union of any sort. That is, no workers union, no tenants' union in Company houses and no town organization. There is no organizational vehicle with which to compensate for, or to counteract, the power of the Company.

growth of the company

As the Fundy tides surge through countless tree-clad islands and crash into rocky caves and harbours of Passamaquoddy Bay, strong tidal currents churn up tiny organisms

or plankton — thus the Fundy coast is one of the "best feeding grounds in the world for small herring or mackerel." Late in the nineteenth century, Patrick and Lewis Connors started a packing company on the shores of Black's Harbour about 35 miles west of Saint John. In 1923, the business was sold to Neil and Allan McLean. Technology, foreign exports and hard work saw the little company grow into the largest of its kind in the world. As Connors Bros. grew, it slowly became the lifeline of Black's Harbour — building its own stores, restaurants, theatre and houses. The Company took on responsibilities normally left to individual initiative; and so the people became increasingly dependent on the company. In time, as differences between company and worker interests arose, this dependency gave way to fear.

Long rows of identical, shabby wood-frame houses line the road leading into Black's Harbour and the Company factories. On a little hill on the other side of town are a few large, well-kept houses set back on broad green lawns. Luxury model cars sparkle in the driveways. To step into this neighbourhood is to leave the seacoast town of Black's Harbour with its grimy, smelly factories and enter the plush world of money, power and high society. The McLean family, which bought the Company in 1923, are not strangers to the board rooms and brokerage firms of Bay Street. When Bill Tremblay spoke of the Company power he was not exaggerating. A glance at the Intercorporate Ownership Directory reveals the extent of Connors Bros. ownership: Beaver Harbour Canning Co.; Black's Harbour Manufacturing Co.; Connors Lewis & Sons Ltd.; Fundy Cold Storage Ltd.; Fundy Marine Insurance Co.; Robichaud & Co.; Seal Cove Canning Co.; and Shippegan Cold Storage Co. Ltd., are all owned by Connors Bros. Ltd. Most of these companies are centred around Black's Harbour and neighbouring com-

munities. However, the McLeans no longer own Connors Bros. Around 1966 it was sold to a company owned by Megray Investments Ltd. which is in turn owned by George Weston Ltd. Weston is owned by Whittington Investments Ltd., which is owned by the G.W. Weston Charitable Foundation of Toronto — the largest company complex in Canada. It also owns companies like Eddy Match, Weston Bakeries, Loblaws, Lane Bakeries, Nabob Foods, Atlantic Wholesale, B.C. Packers, Sobey's stores, McCormick's Ltd., William Nielson Ltd. and over 100 others.

The purchase of Connors Bros. was another step toward the corporate ideal of a vertically integrated industry. Vertical integration is the ownership by one company of all phases of an industry — from the raw resource to the packaged consumer product. The advantage of vertical integration is that a company, through its interlocking subsidiaries, can sell goods to itself at any price; thus a large profit can be concealed by spreading it thinly through a maze of dummy holding companies to take advantage of any loopholes in the tax laws. Also, vertical integration aids in streamlining the process from raw product to the retail store. The advantage here is obvious. Non-vertically-integrated industries must pay higher costs to put their products on the shelf, yet the product is roughly the same price as the one which went through the vertically integrated process.

Nonetheless, selling the Company certainly did not end the power of the McLean family in Black's Harbour — or anywhere else for that matter. *Who's Who, 1970*, still lists Senator Donald McLean as Chairman and chief executive of Connors Bros. Ltd., president of Seal Cove Canning Co., Lewis Connors & Sons Ltd., Quoddy Seafoods, Craft Canning Co., Black's Harbour Mfg. Co., Black's Harbour Paper Co., Fundy Publishing Co., Deer Island Transport Ltd., Robichaud & Co. Ltd., Saint John's Admiral Beatty Hotel, as well as the Director and Vice President of the Fisheries Council of Canada, a Trustee of the Fundy Hospital Association, Past President of N.B. Fish Packers Association, President of the N.B. Liberal Association, [Senator McLean did not offer for re-election at the party convention in October] a member of the Finance Commission of the N.B. Research and Productivity Council, local Employment Commissioner of the Unemployment Insurance Commis-

sion, and an alternate of the Roosevelt Campobello International Park Commission. He belongs to the Union Club in Saint John as well as the Masonic Lodge.

Donald A. McLean Jr. [known around town as "Sonny" McLean] is the director of Beaver Harbour Canning, Fundy Cold Storage, Lewis Connors & Sons, and Black's Harbour Manufacturing Co. Murdo Lauchlin McLean is treasurer on the board of, and director of Connors Bros. Ltd., and the Fundy Hospital Association.

A clear picture of raw, unchallenged power now emerges. A company publicity booklet proudly announces that "Connors Bros. owns practically the entire town of Black's Harbour, with a hotel, department store, hospital, garage, theatre, community hall, library, restaurant and skating rink..." The school and a new hospital were built by the company but are owned, of course, by the provincial government. By virtue of their position in Connors Bros., the McLeans control every source of employment in Black's Harbour save two — the hospital and the school. But don't forget, Senator McLean is a Trustee of the hospital while Murdo is treasurer and director. The school was, perhaps, a little more difficult since the province appoints three of the nine trustees. Still Ted Nason has been elected a Trustee by acclamation for years. He is also on Connors Bros. Board of Directors. In addition, it seems — although no one seems quite sure — that when the McLeans sold out to Weston, they retained ownership of company housing. That company housing is one of the mainstays of the Company's power in Black's Harbour.

of all the company workers, the acadians in french village are the most independent

Most people in Black's harbour live in company houses. Rents are very cheap — between \$30 and \$65 a month. A large percentage of the houses were built with government grants under the Winter Works Programme. (Since this ended, little or no housing has been initiated.) If a man should quit working for the company and find another job, say, in Saint John or Saint George, his rent is raised immediately — usually it is doubled. There is no protection against this action. Nobody has a lease — leasing is unheard of in Black's Harbour. However, not everybody lives in a company house. There is a small community called French Village, inhabited mostly by Acadians, at the edge of town. A small cluster of tar-paper shacks and little wooden houses, these are privately owned. Remarkably enough, there are also two meagre-looking grocery stores — the only non-company retail outlets in town — selling briskly to those who refuse to shop at company stores. Of all Company workers, the Acadians in French Village are the most independent of the Company. Owning their own homes, they are not afraid to take outside jobs as those in Company houses are. Many commute daily to Saint John — some are paid as much as three times the wage earned by Connors Bros. employees. The implications of this have by no means escaped the Company. A small group was living in Black's Harbour quite independent from Company control. An independent French village was living proof that Connors Bros. was not necessarily the centre of the universe for Black's Harbour. The Company had to find a way to control the people of French Village.

Historically speaking, a totalitarian or closed system must build up some kind of wall to separate itself from the outside world. The best is of course an ideological chrysalis but ignorance will do just as well in a pinch. Although land in French Village is privately owned, Connors Bros. owns at least 100 yards or so of the narrow winding road leading



Photo — Bill Durocher

Late in the nineteenth century, Patrick and Lewis Connors started a packing company on the shores of Black's Harbour.

up to the village. On this site a Company worker was asked to build a barrier or roadblock across the road. This he did. Then, realizing the consequences of his actions he inspired the already aroused Acadians of French Village to tear down the barrier. This done, the police arrived and rebuilt the barrier. For his part in the furor, the company worker was fired and has been on welfare ever since. Eventually, the barriers came down as the Company graciously relented.

connors bros. wage scales are usually absolute minimum

Using the D.B.S. statistics for 1966, the last year for which complete statistics are available, one can compute the average hourly wage for "production and related workers" on a national, regional, provincial and industry basis. For all manufacturing industries, the Canadian average is \$2.23 an hour. The Atlantic provinces rate is \$1.80 — the same as the New Brunswick rate. Of all industries, Food and Beverage workers are the poorest paid — averaging \$1.30 per hour in New Brunswick. And of all workers in the Food and Beverage industry, fish workers take home the worst salaries. The average hourly rate for Canadian fish workers is \$1.38, while for Atlantic fish workers, the rate is \$1.16. And New Brunswick fish workers average a paltry \$1.07 per hour. (These figures are for 1966, and wages have risen slightly in subsequent years.) Now Connors Bros. with over 13 plants and thousands of workers in Black's Harbour, Back Bay, Deer Island, Grand Manan, Campobello Island and Shippegan must be considered a major employer in the New Brunswick fish industry, and hence largely responsible for such a low hourly rate. Indeed, Connors Bros. wage scales are usually of the absolute minimum, rock bottom type with few, if any, fringe benefits. An ignorant 18-year-old student could be paid 90 cents an hour, if he is not careful, when he applies for a summer job. In fact, students can and do work for Connors Bros. during the year. Mrs. Melissa, a Black's Harbour housewife, who packs fish for Connors Bros. recounts an appalling story. "Just before Easter, the company knew it could hire vacationing students so the week before they laid off a lot of regular men. The following week they hired all these students, there were even 14 year old boys there. The students did the same work as the men that were laid off but, of course, were paid less. Some of the men were married, with families too, and they were laid off for seven weeks." Employing under-age labour is relatively simple. The school board must give written permission — and it does — through the Company's representative on the Board, Ted Nason.

Connors Bros. employs hundreds of women on a piece-work part-time basis. Usually, a married man cannot make enough to support a family so his wife must also work — usually in the fish-packing room. Packing women never know more than one day in advance if there will be work. "I get up at 5:30 in the morning," says Mrs. Melissa, "I call the Company and a recorded message says if there is or isn't fish to pack. If not, then I'll phone at 6:30, then 7:30 and so on. It's a terrible way to bring up a family because you can never plan anything in advance, nor can you budget properly. Last year I worked every day I could except for about seven weeks. So in about 45 weeks I made \$1800. Also some women feel they need money so badly that they work day and night for weeks on end. Now, with no sleep for a week, what kind of work does a woman do? One woman even had her son come and pack while she ate lunch." When Connors Bros. hires a packer, they assign her first to a specific packing room in a specific plant.

If there is no fish at that plant, a packer may work in any of the plants. Consequently, of course, there are times when a woman will report for work only to find all the positions taken at the packing tables. She will receive no pay whatsoever for her efforts. (Most unions require a company to pay at least 4 hours wages when an employee reports and there is no work.)

As one might expect, working conditions are somewhat less than the best.

Last winter, truckloads of frozen fish were driven to the Black's Harbour plant from Canso, Nova Scotia. With the packing room doors open to unload the fish, the women packed with their outdoor coats on while foremen carried pails of hot water around to restore fingers frostbitten while packing deep frozen fish.

Rumours abound that the main packing plant has been condemned. A repair crew constantly works on the buildings. Nevertheless, last summer a warehouse built on piles collapsed, sending 25,000 cases of sardines into the harbour. Undaunted, the Company retrieved the cases and paid school children one cent per can to scrub the rust off them with steel wool. One 16 year old boy worked a full week of 40 hours and made \$17.

To be sure, warehouse space is at a premium in Black's Harbour. In the can shop, machines spit out sardine cans at the rate of 180 per minute. The room is lit by about 50 naked bulbs hanging from a low ceiling. The din of the machines drowns out any possible conversation between the 12 or 15 operators. Despite this production, cans are in short supply during the peak fish season. Consequently, cans are produced year-round and stored in basements of houses rented to employees.

the psychological emphasis of fear

Mrs. Melissa tells of "whole families working in close proximity in a plant. They bring family quarrels to work and take the work home with them. That's an awful life." Fridays are heavy days in the packing room. To get enough packers, some foremen threaten all kinds of dire consequences. "It's true," emphasizes Mrs. Melissa, "they put fear in the people and the people believe them. The people are



Photo — Bill Durocher

"I get up at 5:30 in the morning," says Mrs. Melissa, "I call the company and a recorded message says if there is or isn't fish to pack. If not, then I'll phone at 6:30, then 7:30 and so on."

scared of the Company. I know some women who miss doctor's appointments on Fridays because they're too afraid to lose their jobs." "When you write this article," Bill Tremblay intoned, "be sure to emphasize the psychological emphasis of fear. The kids aren't too afraid but their parents are. The Company has always dominated their lives. Many don't know what life could be without fear. For instance, we're always trying to organize a union for all Company employees. The older men are the hardest to convince — you know, they feel responsible for their families and they know what the Company could do to them."

Attempts to organize unions in the past have elicited an iron hand response from Connors Bros. Union organizers have been refused at the hotel and quickly ushered out of town by the police. A number of years ago a 14-year-old boy was fired for refusing to reveal the identity of two Company workers who were soliciting support for a union. Presently, the Canadian Food and Allied Workers Union, a branch of the Amalgamated Meat Cutters and Butcher Workmen of North America — is signing Company employees in hope of gaining a foothold for organized labour in Black's Harbour. The CFAWU, many will remember, is better known for its strong-arm tactics in trying to raid the United Fishermen and Allied Workers Union in Carso, Mulgrave and Petit de Graf, Nova Scotia. At this point, however, it seems any union in Black's Harbour is better than no union at all. The CFAWU has so far held three meetings to publicize itself and its aims while signing up Connors Bros. employees. There was, of course, no attempt to meet in Black's Harbour itself, since Connors Bros. owns the theatre. Meetings were held in the nearby communities of Penfield and St. George. Attendance was encouraging but some employees, who had earlier promised to attend, did not show up. It was later discovered that on the day of the union meetings, Company trawlers would stall on their way home — perhaps cruise about the harbour entrance — and arrive at the factory wharf just as the meetings began. Of course, the cargos of fresh fish had to be unloaded, processed and packed — thus necessitating a sizeable complement of employees who, unfortunately, could not attend the union meeting.

Getting enough employees to sign union cards is no simple job. The easiest to sign are the women in French Village whose husbands work out of town. Twenty of them signed in two hours, while a week's canvassing amongst those totally dependent upon the Company might yield five or six signatories. Meanwhile, upper echelon company office-workers casually wander through the packing rooms giving out unsolicited and misleading (if not untrue) information about the union to the workers. Nevertheless, organized labour will come to Black's Harbour despite the Company's efforts. A general feeling toward unionizing is slowly gathering support. Eventually and inevitably the union will win.

why has black's harbour never been incorporated?

One of the most astonishing things about Black's Harbour results from its status as an unincorporated community. Interestingly enough, there is a three man police force, police and fire station, fire trucks and police car. Now under the Municipalities Act only a legally incorporated town may hire policemen; otherwise the job belongs to the RCMP. But the Assessment Office for Charlotte County in St. Andrews reports that Connors Bros. owns all the land on which its factories, offices, stores, restaurants and houses are built — including all the roads through the com-

munity. In effect, the whole community is private property — perhaps like a feudal estate. "Like every proprietor", comments E.G. Allen, Deputy Minister of Affairs, "Connors Bros. can establish its own rules on its own land and, of course, enforce those rules." In fact, the policemen are sworn in as Provincial Constables (the same status as Game Wardens or Dog Catchers) and maintain a liaison with the RCMP, but are hired, fired, paid, and presumably trained by the Company. They are, in fact, security police dressed like regular policemen.

"Naturally," continued Mr. Allen, "as an unincorporated community, Black's Harbour does not receive any of the unconditional government grants, usual to legal towns, for police protection and other municipal services." Why has Black's Harbour never been incorporated? Donald A. McLean was asked, "That's just something we've never bothered to do," he replied. "The Company has always taken on the responsibility for services itself." — Now if Black's Harbour was legally a town, land taxes would be the basis of the municipal government and Connors Bros. would pay most of the taxes. Tax money would be used to pay for the same services the Company already supplies — so economics cannot be the reason for its unincorporated status since either way, the Company pays. Why shouldn't the community be incorporated? — the unconditional grants would save money for the Company. Perhaps it is that a municipal government might fall into the hands of people the Company could not find favour with? Would the Company find a town council a Pandora's Box? Might the Company find themselves usurped — a palace coup, perhaps, on a feudal estate? A closed system must create a single unit or power. Opposing forces within a system tend to enhance freedom while a unanimity of power tends to prohibit it. "Power," queried Mr. McLean, "oh, I don't know. We don't look at it that we exert that much power. We're just in here to run a business," which is exactly the point. There is only one end to a business — profit. Any power lost by the Company could result in better conditions for its employees. Better conditions cost money. In the recent School Board elections, the NDP ran a full slate of candidates in and around Black's Harbour. They lost, but at least the Company man did not win by acclamation. In the October 1970 provincial elections, everyone in Black's Harbour knew that if the Liberals won by 50 votes, each person over 21 years would receive a pint of liquor (remember, Senator McLean is an old and established figure in the Liberal Party). The Liberals did win in Black's Harbour but the overall figures for Charlotte County put the Conservatives out in front — nevertheless, a promise is a promise and everyone got their liquor.

When Connors Bros. was sold to Weston, the McLeans chose a gathering of the townspeople in the Company theatre as the most auspicious moment to break the news. Allan McLean rose and said words to the effect that the McLeans had taken care of the people for years but had finally decided to sell. He was sure the new owners would be capable of taking care of the people as well as the McLeans had. Nice of the Lord and Master to take such good care of the servants.

Like feudalism, the company system is inevitably crumbling. If Equal Opportunity was the first crack in the dike, unionism would constitute a genuine and probably irreparable breach. It would likely be followed by tenants' union and a petition to the province for legal incorporation of the town. There is probably no way the Company can avoid this, though clearly they will do their best to postpone it. Gradually, and in spite of the best efforts of Connors Bros. Ltd., the twentieth century is dawning in Black's Harbour.

That the Atlantic Provinces are in thrall to business is surely no surprise to anyone at this point. On the one hand we're so desperate for industrial development and jobs (at least our politicians are) that we repeatedly offer our shirts to business to come in and exploit our natural resources and our docile labour force, and on the other we bail out falling businesses and allow others to pollute with impunity because if we made them clean up they'd pull out.

The reactions of politicians to the crash in Bathurst and along the North Shore is a case in point: the first instinctive reaction is to get DREF grants to save sick corporations. Dick Hatfield even suggested we sponsor a "forest-based in-

dustry" up there - and at this time when the pulp and paper companies are in financial trouble everywhere and when it looks increasingly as though the New Brunswick government is going to have to step in with some of your money and mine to help the new mills at Nackawic and St. George over the hump.

The three articles about business in New Brunswick which we present here - the first two by Andrew Scott and the third by Russell Hunt - have as their common theme the obedience we pay, not just in New Brunswick but throughout the Atlantic Provinces, to corporations whose only conscience is the balance-sheet.

ANDREW SCOTT

1 HEADLINES DEADLINES AND OTHER DEAD ISSUES

New Brunswick residents must be embarrassed to notice that, once again, the provincial government of New Brunswick has missed, forgotten, or otherwise ignored another of those pesky anti-pollution deadlines.

We are becoming rapidly used to this ritual phenomenon - deadlines made loudly and broken silently. The provincial government, after all, has been seriously and sincerely negotiating with some of the larger pulp and paper mills, including Fraser Companies at Edmunston, for over eight years. That is, admittedly, a long time to be unsuccessfully nosing around some of the world's dirtiest garbage cans - but then they tell us that politicians can get used to anything. That's why it's a good practice to change them frequently.

Premier Hatfield has warned us many times about the imminent dangers of pollution:

"Pollution control is a serious question to which serious people are addressing their minds in increasing numbers."

— November 7, 1970.

"The price of complacency will be an environment badly affected by the ravages of pollution."

— November 7, 1970.

"Pollution is here. No longer is it a matter for leisurely discussion; it is a problem with which industry and government must immediately come to grips."

— January 21, 1971.

"The problem of pollution is now so widespread, so entrenched and so very dangerous, that only full mobilization will gain the victory for us, our children, and those who come after them."

— February 2, 1971.

When asked whether the government would extend the December 31, 1971 deadline for New Brunswick pulp and paper companies to install anti-pollution facilities, Hatfield's pollution proverbs lost a lot of their punch:

"No comment." — November 22, 1971.

Would the government penalize the mills failing to meet the deadline?

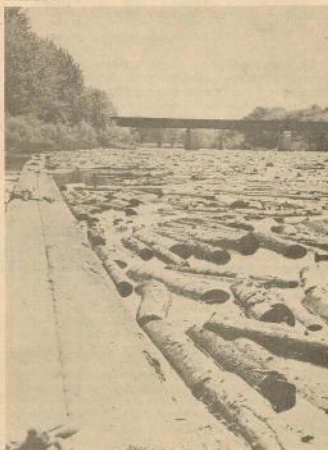


Photo — Bill Durocher

"No comment." - November 22, 1971.
Is the government interested in retaining its credibility?
"The most important quality for a leader to have is credibility. I want to be frank and honest and forthright. There is so much a leader is hampered from doing if he lacks the confidence of the people."

- October 28, 1970.

The December 31, 1971 deadline for the province's pulp and paper mills to install primary effluent treatment facilities was announced with loud and self-congratulatory trumpeting in March, 1970.

"There will be increasing and continuing penalties for failure to meet that deadline. The Fraser effluent load

must be reduced by 80% through primary and secondary treatment."

- March 4, 1970.

"Polluters should act swiftly because severe penalties for delay may be coming in new programs."

- March 4, 1970.

"This is a firm position of government and a position where we are trying to make it very emphatic to everyone involved that we need action."

- March 4, 1970.

CHANGING PARTNERS

Unfortunately, these ambitious statements were trumpeted by William R. Duffie, Natural Resources Minister with the Liberal government. We should like to remind you, in case it has slipped your mind, that the government has since changed hands. Nothing else has changed, however, and G.W.N. Cockburn, the new Fisheries and Environmental Affairs Minister, stated earlier this year that the deadline was still in effect.

"It generally appears that most pollution abatement deadlines set for the pulp and paper industry . . . will be met."

- May 7, 1971.

Cockburn discussed the specific individual requirements given to four of the messier mills - Fraser Companies in Edmunston, Irving Pulp and Paper and MacMillan Rothesay in St. John and Miramichi Timber Resources in Newcastle, MacMillan Rothesay and Miramichi Timber Resources could meet the deadlines, we were told, and, while the Irving mill requirements had been modified, primary effluent treatment would be in progress by December 1, 1971. The end of the year is here and of these three industries, only the Newcastle mill has co-operated.

It is interesting to note that Fraser Companies owned the Newcastle mill until January, 1970, when they sold all its fixed assets, its woodland operations and a sizeable investment in Boiestown Lumber to Miramichi Timber Resources for \$41 million. Nobody quite knows who owns Miramichi Timber Resources, but they would seem to be better corporate partners for New Brunswick than Fraser Companies are. But, of course, that isn't saying much.

The Environmental Affairs Minister went on to declare that the Fraser Companies mill in Edmunston was a special problem and would not be able to meet the deadline (although they would not be penalized); The Edmunston mill is indeed a special problem; it easily the most dangerous source of water pollution on the St. John River and Fraser's has been avoiding a clean-up job for years. The

chronic excuse is that they want to convert their pulp operations to kraft processing and talk of spending up to \$65 million on renovations. This juicy but as yet invisible plum has kept the New Brunswick government tongue-tied for years. After all, why clean up the old mill if a new one is going to be built? The distant promise of all those construction jobs causes the average public official to forget whatever he's supposed to be doing and contemplate hoary visions of re-election, rake-offs, large statues and other symbols of public gratitude. And so, the Fraser situation remains - dirty and dangerous.

Cockburn went on to say that:

"All other than (March, 1970) existing pulp and paper industries were required to provide primary treatment only and are all programming towards and will be expected to meet the required deadlines."

May 7, 1971.

Fraser companies shares may be getting a little too hot for the investment portfolio of the average, sensitive, public-minded company these days. In August, 1970, Wabasso Ltd., a large Canadian textiles corporation, sold most of their 10% interest in Fraser. (Genstar Ltd., a huge diversified company with interests mainly in chemicals and building materials, owns another 13%). H.R. Crabtree, president of Wabasso (and also chairman of the boards of directors of Fraser Companies and Howard Smith Paper Mills, a Domtar interest) announced the sale.

Minority shareholders representing a 10% interest in Wabasso attempted to set up a protective committee to present to the company their criticism of the transaction. They felt that, as a result of the sale, they had to accept a loss of almost \$1 million rather than benefit in Fraser's "currently improving financial situation." The shareholders also stated that they felt they were not being supplied with all the details of the transaction and that their interests in Wabasso were being "adversely affected".

Perhaps the directors of Wabasso know something about Fraser Companies that nobody else does.

MORE SAYINGS OF CHAIRMAN FELLOWS

With the tact and good grace expected of Environmental Affairs Ministers in today's society, Cockburn has had nothing to say in connection with the latest deadline dodge. Declining this golden opportunity to make an inconsistent fool of himself, Cockburn delegated the chance to a lesser official, but one especially trained in the delicate art of public excuse-making.

Yes: an old favorite. E.S. Fellows, Chairman of the New Brunswick Water Authority.

We really tried to keep Fellows out of this piece but he wouldn't stay. In the July, 1970 issue of *The Mysterious East*, we thought we had conclusively shown the unsavoury connections Fellows had with the forestry industry: his incredible and arrogant disregard for public concern over water pollution; his constant attempts to mislead the public with incorrect information (that domestic water pollution like sewage is a more serious threat to the environment than industrial pollution, for example), and his fatherly protection of the pulp and paper industry (to whom he had long been an official advisor).

Fellows was chosen to leak the deadline botch to the press and with a heavy-handedness guaranteed to arouse the most insensitive feelings, our beloved chairman summarized the present situation with one of his succinct and widely-envied pearls of wisdom. "There's no way you can get blood out of a stone," he said.

Now, what's a respectable citizen to do? Here we have 70% of New Brunswick's pulp and paper mills blatantly ignoring a "firm" government "demand" to introduce pollution control devices by a certain date or suffer the consequences (obviously because they know there will be no consequences); continuing to dump their filthy, smelly and deadly mess into our rivers and lakes, and the Chairman of the New Brunswick Water Authority says, "You have to look the facts of life in the face. There's no way you can get blood out of a stone."

A 1969 statement by Chairman Fellows proudly wraps



International Paper tug in Dalhousie port.

up the whole shoddy affair:

"Water pollution has been and remains the outstanding environmental problem."

Thank you, thank you. We know it "has been" and we are convinced that it will "remain" — at least while you and your boss and his boss are still around to tell us how it is.

THE CORPORATE SQUEEZE PLAY

Six corporations, operating seven pulp and paper mills in New Brunswick, are "unable" to introduce pollution control devices into their operations. Their excuses (if they bother to make any, that is) are mainly economic ones.

Large companies are full of economic excuses, quite possibly, these excuses are the *raison d'être* of much corporate enterprise. The constant financial whining; the wheeling and wheedling for government subsidies (but never, of course, government control — the kind of control that would automatically accompany such large sums of money in any similar economic transaction); the absolute disregard for the community and the environment and for anything not intimately connected with the Company and

the Company's Profits — all symptomatic of corporate effort in an underdeveloped area like New Brunswick where the large company can afford to be a slob or a bully or both. And the government buys it. A fool and his money may soon be parted but, in this case, it happens to be our money. Of the many worthy causes towards which public funds might be donated, one would hardly expect Fraser Companies (for example) to be a top contender — and yet the government is willing to give an undisclosed but undoubtedly large grant to this company in order to speed up the installation of pollution control devices.

The installation of pollution control devices remains painfully slow.

STONES WITH BLOOD IN THEM

An afternoon with the various corporation services of *The Financial Post* reveals another side to corporate "distress".

FRASER COMPANIES LIMITED

Fraser companies operates two New Brunswick pulp and paper mills at Edmunston and Atholville. A wholly owned subsidiary, Fraser Paper, operates mills at Madawaska in Maine. 1969 sales of \$91.3 million were the highest ever recorded. In 1970 sales were down to \$73.7 million because in January, 1970, Fraser sold their Newcastle mill which in 1969, had sales of \$14.6 million by itself. 1970 assets were up to \$102 million from \$97.4 million in 1969, retained earnings were up to \$67.9 million from \$60.5 million compared to last year's \$23.2 million. The company's capital expenditures have increased at an alarming rate. In 1967 they were \$4.1 million and in 1968 were only \$2.6 million. In 1969, however, they were \$10.6 million and in 1970 rose dramatically to \$39.3 million. Fraser controls over 1.8 million acres of timber limits and freehold lands in New Brunswick.

CONSOLIDATED BATHURST LTD.

Consolidated Bathurst operates the mill at Bathurst through its wholly owned subsidiary, Bathurst Paper. In 1970, the company had sales of almost \$354 million and assets of almost \$491 million making it the 22nd largest corporation in Canada and the second largest pulp and paper company. A net income of \$11.2 million was reported for 1968 while profits in 1969 were \$11.6 million and \$25.7 million was invested in property and plant. Earnings were only \$1.6 million in 1970 and the company declared an actual net loss of \$10.7 million but appearances are deceptive. Much of the loss was accumulated by writing down the value of some of Consolidated's less economical operations.

The company has been repeatedly accused of just taking the profits from its New Brunswick operations and failing to reinvest any of the proceeds in its plant and equipment (which in Bathurst's case, are rapidly becoming obsolete.) This situation is hardly the case in all the company's dealings, however, as even in 1970, a supposedly disastrous year, it managed to invest \$22.9 million in "purchase of property and plant." With the recent lay-offs as evidence, it would seem that Consolidated Bathurst is phasing out its New Brunswick operations (despite federal area incentive grants of \$2 million in 1969-1970).

A few other related bits of information tell us that Consolidated was fined \$109,000 in December, 1966 for offenses against combines legislation, that the company controls 22,936 square miles of timber lands (1,597 square miles in New Brunswick) and owns 3,961 of them outright including the entire Island of Anticosti in the St. Lawrence, and that 36.5% of Consolidated Bathurst is owned by Power Corporation of Canada, one of the fastest growing conglomerates in Canada and believed to be a major financial sponsor of the Liberal Party.

ACADIA PULP AND PAPER LTD.

Acadia Pulp and Paper at Nelson-Miramichi is a wholly owned subsidiary of Atlantic Sugar Refineries Company. In 1970, Atlantic Sugar had assets of \$97.4 million, sales of \$76.2 million and net earnings of \$6.3 million. That year the company also managed to completely acquire Sonco Steel Tube for a mealy \$8.8 million, Lyman Tube for an undisclosed price, and invest \$1.4 million in their fixed assets. In 1969 Atlantic Sugar had a net income of \$5.3 million.

Atlantic Sugar also has extensive interests in the fishing industry via several wholly owned subsidiaries - Atlantic Fish Processors, Canadian Tuna and Ocean Maid Foods. These companies operate plants in "designated areas" under the Area Development Act, and are thus eligible for massive government financial help. From 1965-1970, over \$20 million was handed out in direct subsidies and income tax reduction provisions.

Atlantic Sugar controls 35% of the Eastern Canada sugar market and in 1963 was fined \$25,000 under the federal Anti-Combines Act for offenses involving prices and import quotas on raw Cuban sugar.

Acadia Pulp and Paper will soon become a far larger economic force than it is now. Glengair Group Ltd., an investment and holding company, which owns 62.3% of Atlantic Sugar, stated in October, 1971, that it will sell the latter company's sugar refining business and assets to Acadia Pulp and Paper in order to take advantage of Acadia's substantial "tax loss carried forward position".

MACMILLAN ROTHSAY LTD.

MacMillan Rothsay in St. John is owned 51% by MacMillan Bloedel Ltd. of Vancouver. In 1968, they were the tenth biggest Canadian company with assets of \$743 million, revenue of \$584 million and net income of \$38.8 million. In 1969, MacBlo reported profits of \$42.6 million and put \$105.1 million into capital expenditures. In 1970, profits were down to \$17.4 million but the company still managed to throw \$46.7 million into capital expenditures. MacBlo controls over 623,000 acres of timberland in New Brunswick and is Canada's largest pulp and paper company.

NEW BRUNSWICK INTERNATIONAL PAPER CO.

New Brunswick International Paper Co. in Dalhousie is owned by Canadian International Paper, a subsidiary of International Paper of New York. This giant corporation had profits in 1969 of over \$115 million and invested \$201.5 million in their own plants, properties and woodlands. In 1970, profits were over \$82 million and capital investments were up to \$203.4 million.

Canadian International Paper has a 100% interest in many large Canadian companies (Dominion Cellulose, Anglo-American Paper) and counts a 50% interest in Masonite Co. of Canada, International-Stanley of Canada and Tahsis Co. among its investments.

IRVING PULP AND PAPER LTD.

Irving Pulp and Paper doesn't make its financial statements public — presumably it is embarrassed to admit the enormous profits it is making.

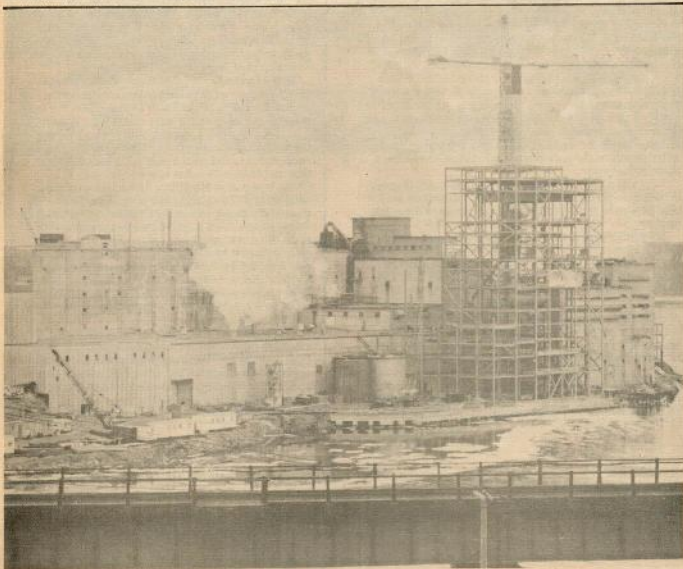
Many companies will undoubtedly threaten the public by stating that to clean up the pollution mess, they would have to lay off workers. They may even (like Consolidated Bathurst) lay off a few hundred workers to cruelly enlighten the public about their economic "difficulties". Privately owned pulp and paper companies have the population of New Brunswick by the balls. Clean up the environment and you may lose your job. Keep your job and watch your lakes and rivers quickly turn to shit. Every way you look at it you lose.

And what are the alternatives? Outside of nationalization, there are few. The New Brunswick government claims that the pulp and paper industry is undergoing grievous financial hardships although it would be truer to say that these giant corporations are only feeling the same economic squeeze that industry throughout North America feels. An economic belt-tightening causes large, international companies to centralize their operations and those indus-

tries on the periphery (like New Brunswick) are the first to be abandoned or cut down.

There is little a government commission (such as New Brunswick has just set up) can do to change the situation — they can only plead with the companies to stay, offer them larger concessions in the form of land rights, subsidies and loans, help them minimize their expenses by understating the dangers of environmental damage and the need to install pollution control devices or by taking the company's side in labour disputes over pay hikes and fringe benefits. Government could, of course, take action against industries that are too arrogantly indifferent towards the communities and regions they have decided to exploit — they could nationalize them.

The chairman of a recently appointed government commission to look into New Brunswick's pulp and paper industry is Clarence T. Clark, a retired vice-president of Fraser Companies, and Fraser Paper, New Brunswick's worst industrial polluters. It is difficult to imagine Clarence making an unprejudiced report on his former employers, operators of 20% of the province's pulp mills.



DREE adds to Irving's mill. The mill adds to the air and water.

Photo — Bill Durocher

HAIR RAISING CORPORATE INDIFFERENCE

The average multi-corporate attitude to anything but unlimited economic expansion is expressed by a comment in the 1970 Annual Report of MacMillan Bloedel Ltd. MacMillan Bloedel, with head offices in Vancouver, owns 51% of Macmillan Rothsey, operators of the large St. John newsprint mill and one of the seven New Brunswick mills unable to meet the anti-pollution deadline. MacMillan Bloedel states that their "economic problems stem from a continuing failure by Western society to exert the self-discipline essential to sustained growth..."

Well, how about that?

It seems that Mac-Blo profits are levelling off after an enormous boom period where they found themselves in the enviable position of being able to rip off millions of acres of virgin B. C. forest. They find that the forests don't stretch forever and have decided to blame you for lacking the "self-discipline" necessary for them to make profits. In effect, MacMillan Bloedel is telling you that you don't bend over nicely enough for them - you don't work hard enough and you don't work cheap enough. Lack of "self-discipline" equals laziness.

MacMillan Bloedel profits were only \$17.4 million in 1970, lowest in 10 years. They were only able to put \$46.7 million into capital expenditures (this includes things like new mills, pollution-control devices on old ones, etc.). In 1969, a good year, they reported profits of \$42.6 million and capital expenditures of \$105.1 million. So 1970 was a slightly poorer year and one can definitely see the horizons of the forest industry boom that glazed the eyes of forest entrepreneurs a year or two ago. But Mac-Blo is hardly starving. They are complaining now by contrasting present paltry profits of the peak forest exploitation years. Don't let them fool you.

How about another example of the frightening disregard of large companies to the human communities they are kind enough to settle in? Examples are numerous enough, surely.

New Brunswick International Paper Co., operator of the Dalhousie mill, is a wholly owned subsidiary of Canadian International Paper Co., which, in turn, is a wholly owned subsidiary of International Paper Co. IPC had earnings in 1970 of over \$82 million.

The 1970 earnings included a \$39.6 million "reserve provided to cover estimated extraordinary losses to be incurred in connection with *anticipated abandonment of facilities which are unprofitable, obsolete or unusable and cannot be made profitable by economically justifiable expenditure. It also covers facilities which do not meet environmental standards and cannot be brought into compliance for similar economic reasons.*" (from *International Paper 1970 Annual Report* - our italics.)

This statement quite obviously means that International Paper Co. will unashamedly dump industries where they cannot "afford" to clean up - they have provided a reserve to cover the loss.

New Brunswick International Paper Co. at Dalhousie was one of the seven mills unable to meet the anti-pollution deadline of December 31, 1971.

Who knows? Perhaps New Brunswick is on International Paper Company's garbage list. Someone is.

POOR PULP MILLS

A black and gloomy future (and present) for the pulp and paper industry is being force-fed to the New Brunswick by its daily newspapers. Naturally. Those papers are owned by the same man who owns one of the province's largest pulp mills and he doesn't want you to think that he's making any money. He'd much rather have you think that his industries were having a rough time - then you won't complain so much when the price of his product goes up. Control of the media helps to protect his business interests and gives us examples of deception like the following.

In the December 28, 1971 issue of the *St. John Telegraph-Journal*, we find a little story under the ominous headline "Pulp, Paper Outlook Dim." A line like that is guaranteed to scare most of the population of the province (especially those who only read the headlines). Reading on, we find a comparatively encouraging report on the pulp and paper industry that concludes with a few wise words from J. V. Clyne, bossman at MacMillan Bloedel. He comments what while 1971 earnings will be up from 1970 - an abnormally poor year for the Canadian forest products - they would in no way compare to the earnings of 1969. What the greedy bastard neglects to say, however, is that "the earnings of 1969" were the highest ever recorded by the Canadian forest products industry. The trick is to dwell on the bad years but never to mention the good years; it's an old form of lying about how much money you make when the debt collector comes around.

Clyne goes on to say that "we see a continued moderate improvement in sales and earnings in 1972." Now only the greediest entrepreneur would confuse a "continued moderate improvement" with a "dim outlook" - which makes you wonder a bit about the *Telegraph-Journal*, doesn't it?

2 BLIND MASTERS



Brunswick Mining & Smelting corporation now owned by Noranda... is one of the world's most expensive smelters.

A COMPANY IS RARELY an isolated phenomenon. Corporate structure implies a network of dependence and interdependence and forces us to see the difficulty of trying to isolate one company and assess its failings or praise it. Blame is hard to attach, criticism impossible to focus, and so the corporate machine keeps rolling. In America, it rolls its way into war and economic tyranny; in Canada, it rolls into regional disparity, unemployment and disillusionment.

Decisions do get made, however. They may not be final ones but they certainly are effective ones. What industry should be phased out because the funds involved in it would bring better return elsewhere? Should support of an industry with marginal profits be extended because of future prospects, because of government aid? One is tempted to add "because of public desire" or "because of community threat", but at the present time, that would be wishful thinking.

An examination of the corporate structure to see who makes decisions and to see what kind of decisions they are likely to be necessary for a valid perspective of any economic situation, be it the plight of the pulp and paper industry or the disintegrating economy of New Brunswick's North Shore.

A brief look at Consolidated Bathurst, industrial backbone of the North Shore, for instance, shows that while Consolidated may be losing in one section of their operations, they are certainly raking it in in most other areas, and that the reason for their losses in New Brunswick is found

in their refusal to reinvest profits in the Bathurst mill to keep it modern, profitable and competitive. The company feels if it lies around long enough and lays off enough workers (over 320 for 1972), then the government will likely step in and modernize its operations for free through subsidies, grants and guaranteed loans.

The company is probably correct.

That the government should be expected to step in and offer free financial aid to a giant corporation has brought the spectre of corporate exploitation home to even such people as New Brunswick M.L.A.'s. Both H.H. Williamson and Frank Branch (Liberal M.L.A. for Bathurst) have suggested that the government "take an equity position in Consolidated Bathurst" (Liberal jargon for nationalization, a nasty word usually associated with socialism). For effective control, the government would have to purchase only 37% of the 6,042,604 outstanding common shares (Power Corporation of Canada owns 26.5%) and a buying price of \$8.00 per share would probably persuade disillusioned shareholders. (Consolidated Bathurst common shares closed at \$6.13 on the Toronto stock exchange, December 18, 1971.) Total price to New Brunswick - \$17,886,104. Not an unreasonable sum of money when you consider that New Brunswick is going to subsidize Lorneville to the tune of some \$14 million - some of which will be seen again. In an equity investment of the kind described above, the government would hold voting control, would be entitled to dividends and could sell the stock again if it needed to.

MINES GO UNDER

THE MINING INDUSTRY on the North Shore is another serious and immediate problem. The projected 150 man lay-off by Anaconda American Brass is a difficult move to analyze. The U.S. firm claims to be hurting because its copper mines in Chile have been nationalized but, of course, that is the risk a company like Anaconda takes when it treats foreign countries such as Chile and Canada as mere sources of cheap raw materials.

Miners at Nigadoo River Mines are on strike for higher wages which the company claims they are unable to afford. In fact, a kindly government inquiry recently confirmed for an anxious public the company's inability to provide better pay. Now the word is out that unless miners go back to work, the company may have to close down the mine permanently.

Sound like a threat?

Well, as far as an examination of available information on the company goes, it just may well be a threat. Nigadoo River Mines is part of an incestuous corporate set-up calculated to obscure the financial responsibility of any individual group. Nigadoo financial statements are incorporated with those of its parent company, Sullivan Mining Group, which are, in turn, consolidated with those of Sullivan's owners, East Sullivan Mines. East Sullivan Mines owns 55.6% of Sullivan Mining Group. Sullivan Mining Group

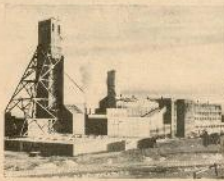
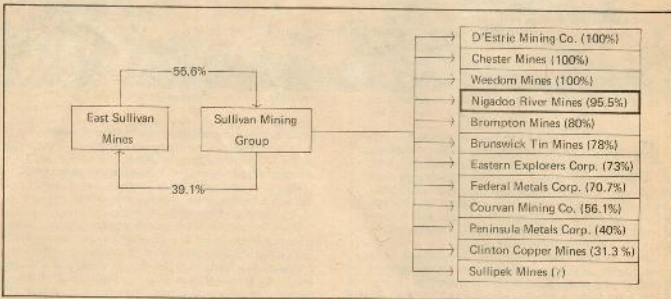
owns 39.1% of East Sullivan Mines. Sullivan Mining Group also owns 95.5% of Nigadoo River Mines. Confused? Good, that's exactly what is intended. A simple chart helps to clarify things.

Something we do know, however, is that the combined profits of Sullivan Mining Group and East Sullivan Mines were \$5.9 million in 1969 and \$5.6 million in 1970.

Very shaky.

We also know that Nigadoo River is not running out of mineable ore. Estimated reserves at September 1, 1970 were 2,200,000 tons and as approximately 300,000 tons are milled per year, that would seem to leave enough ore for seven years. The mineral concentrates are not dropping below worthwhile levels, either - in fact they seem to be increasing. The 1970 reserves were rated 2.88% lead (up from 2.66% in 1969), 2.84% zinc (up from 2.66% in 1969), and 3.67 oz. per ton silver (up from 3.47 oz. per ton in 1969). Together with the minor metals that the mine provides (over 1.3 million pounds of copper, 180,000 pounds of cadmium and 60,000 pounds of bismuth in 1970), the mine's reserves could be conservatively priced at \$55 million and the value of the average yearly production of minerals would be at least \$6.7 million.

What is wrong with Nigadoo River anyway?



Brunswick Mining & Smelting No. 12 Mine



Brunswick Mining & Smelting No. 6 Mine



East Coast Smelter

BRUNSWICK BUNGLES

IT IS THE BRUNSWICK MINING AND SMELTING, East Coast Smelting and Chemical and Belledune Fertilizer situation, however, that causes the average observer of the North Shore most concern. An examination of these related companies' operations provides more instructive lessons in government "misencouragement" of private industry.

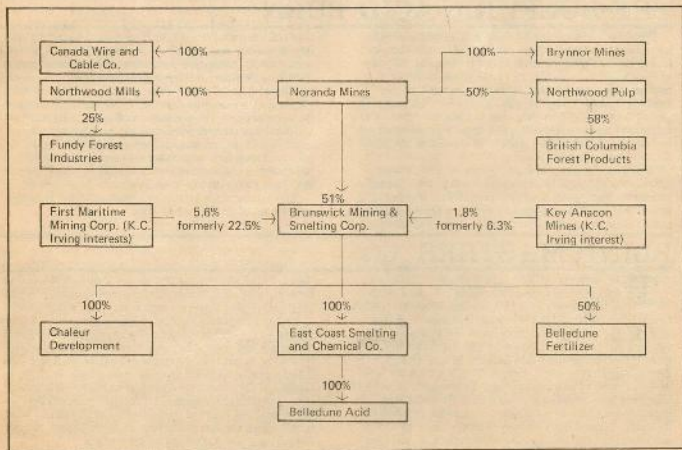
These companies own and operate two lead-zinc-copper-silver mines, two concentrators with a combined daily capacity of 7,500 tons, a lead-zinc smelter and refinery, a sulphuric acid plant complex and a 350,000-ton chemical fertilizer manufacturing plant in the Bathurst area. The companies are controlled by Noranda Mines, the giant Canadian mining corporation, and until recently, K.C. Irving interests held a considerable investment in Brunswick Mining and Smelting. Another simple chart dispels corporate confusion.

The company histories, especially that of East Coast Smelting and Chemical, reveal sad stories of inefficiency and delay. In October, 1964, Brunswick announced a decision to move into the iron and steel business. A wholly owned subsidiary, Bay Steel Corporation, was formed to develop iron ore deposits on Brunswick property. In 1965 the project was suspended — over \$3.3 million had been lost. In 1966, construction of East Coast's smelter was well under way when the complex had to undergo a general enlargement and suffer changes in design and specification. The estimated cost of the smelter rose from \$26 million to \$75 million, and when funds for completing construction could not be raised through normal channels, Brunswick's

shareholders approved a proposal to allow Noranda Mines to assume management and voting control of the company.

With the Noranda takeover, one would have thought that the company's troubles were over — Noranda had an impressive record. The company's profits — over \$58 million in 1970 — ranked ninth largest in Canada and its revenues of \$482 million were considerably larger than those for the whole province of New Brunswick (\$358 million in 1970). Noranda has been one of Canada's most financially successful corporate ventures in the last few years — profits have increased regularly (28% from 1967 to 1970) and 1971 looks like it's going to be a bumper year. Net income was \$49.1 million for the first nine months (up 12% from 1970) and would project a 1971 profit of over \$65 million. Noranda almost doubled their fixed assets from 1969 to 1970 and controls large chunks of such notable companies as Central Canada Potash (51%), Canada Wire and Cable (100%), Northwood Pulp (50%), B.C. Forest Products (29%), and 25% of New Brunswick's newest wood products mill, Fundy Forest Industries.

Well, talk about a giant friend in time of need. Noranda took over the reins, the province relaxed and Bathurst waited to be known as the town whose streets were paved with zinc. In 1967 and 1968, however, smelter operations were still far below capacity. Another major construction program was initiated in late 1968 to improve dust and fume control, to install additional plant systems and to provide new production facilities. Another \$2.2 million was added to the bill of what was rapidly becoming one of the world's most expensive smelters.



NORANDA VS IRVING

NORANDA DID NOT SEEM to be pulling off any major successes and the shareholders were not pleased. At a recent special shareholder's meeting in Fredericton, even aught speculators like K.C. Irving sounded off. "Noranda has not salvaged anything. The picture has become progressively worse. . . . What I predicted would happen and what I attempted to prevent from happening, has happened." Irving, despite his suggestive phraseology, was not single-handedly holding up the roof of Brunswick Mining and Smelting, but he did have reason to feel annoyed. After all, his investment in Brunswick (through First Maritime Mining Corp. and Key Anacost Mines — the company that sold Brunswick the property for its No. 12 mine way back in 1953) has been diminished from 28.8% to 7.4% in the financial reorganization passed at the special meeting.

Irving went on to blame former New Brunswick premier Louis J. Robichaud for pushing the East Coast smelter project through without adequate planning and financing. The charge would seem to be true (the government eagerly guaranteed \$40 million worth of East Coast bonds to finance the smelter) but Irving's motives are suspect. He, of course, wanted to own Brunswick — or, in his own words, "to have control and management of Brunswick Mining and Smelting in the Province of New Brunswick."

Well, Noranda certainly hadn't pulled Brunswick out of the fire — in fact, for four years, they seemed to have sat and watched the mining company lose money. Perhaps because they had a negligible direct financial investment in the company, Noranda felt they could play with their more interesting and promising projects rather than put old

Brunswick back on a more secure financial footing. The New Brunswick company did have some pretty tough competition in the fight to attract the attention of Noranda top dogs. The larger company was busy spending \$41 million on an open-pit copper mine at Babine Lake, B.C., \$105 million on an aluminium complex in Missouri, \$123 million to expand their copper smelters and refineries, \$10 million on a new copper-nickel mine near Timmins, Ontario and \$95 million on a forest products complex in B.C.

New Brunswick? Where's New Brunswick? Noranda had, however, lent New Brunswick almost \$50 million by taking up a bond issue. Perhaps fearing the safety of this large loan, the big mining corporation recently undertook a complete financial reorganization of the Brunswick-East Coast mess. They took a controlling equity position in Brunswick and decided to shift the unhappy smelter from East Coast to Brunswick and then buy it from Brunswick for \$1.5 million. Why? Nobody's quite sure but it's not a bad purchase price considering that the thing cost \$75 million to construct.

Noranda also decided to convert the smelter from lead-zinc operations to lead, a process costing another \$10 million and putting 280 men out of work. Why? Who knows? W.G. Brissenden, president of Brunswick, claims that lead markets are disappearing which makes the conversion sound pretty silly. He also claims that it is becoming more and more unprofitable to continue treating zinc. The company has told plant union officials that the conversion is because of rising coke prices. Coke, however, is used in both lead and zinc smelting.

THE SULFURIC ACID BURN

What's left of East Coast Smelting and Chemical? The magnificent smelter has been confiscated; \$40 million in loans guaranteed by the government for nothing; 30 years of substantial tax concessions by the government for nothing; the exclusive New Brunswick lead and zinc smelting rights given by the government for a 10 year period for nothing. East Coast has nothing left now but a sulphuric acid plant which doesn't operate properly either and which, unfortunately, leads us to the last of the North Shore's tales of industrial woes.

Belledune Fertilizer operates a massive, 350,000-ton, \$20 million chemical fertilizer plant next to the smelter. Brunswick Mining and Smelting owns 50% of this proud new employment-generating industry. The federal government kicked in a \$3.5 million grant to assist with construc-

tion costs and the National Harbour Board built a \$2 million deepwater port capable of accommodating 40,000-ton ocean vessels. Altogether a model sort of industrial project. Belledune Fertilizer is temporarily closing down in January, putting 65 persons out of work, because of a lack of sulphuric acid, an essential chemical in the fertilizer manufacturing process. The company used to get their sulphuric acid from the aforementioned unhappy sulphuric acid plant on a 25-year contract. The sulphuric acid plant produced its goods by utilizing the sulphur dioxide by-product of the aforementioned unhappy smelter, now undergoing a mysterious conversion.

This is commonly known as a chain reaction. It tends to put a lot of people out of work.

BLIND MASTERS

THE NORTH SHORE SITUATION reveals story after story of sacred cows being devoured under our very eyes by Canadian foreigners too big to say no. What did the provincial government get for all its loan guarantees, tax concessions and exclusive smelting privileges? Just 280 more families on unemployment. The expropriation that Bathurst M.L.A. Frank Branch suggests for East Coast Smelting is a little too late now. A couple of years ago it might have worked; it would have been less expensive then and Noranda would have probably been glad to get the New Brunswick problem off its hands. But now the company is hardly likely to surrender an equity control they have so recently acquired (and

they are somewhat bigger that we are.). In New Brunswick, we have to be particularly careful in our choice of corporate partners. The desperate man is very easy to take advantage of and corporate machinery has no moral scruples, no interest in the human dilemma. We are foolish to be afraid to operate and control our own resources and industries. Why does the provincial government hasten to expropriate 8,000 acres for its new Lorneville buby (displacing 250 families in the process) and yet fear to expropriate a dangerous or inefficient company? Perhaps we are puppets being led down the road to disaster by blind masters who forgot where we were going years ago. Perhaps we can do something about it. Perhaps we are too late.

LORNEVILLE, NEW BRUNSWICK

3 IN DEEP

RUSSELL HUNT

IN JUNE 11 OF LAST YEAR an Order-in-Council of the New Brunswick government officially expropriated 8,000 acres of a community called Lorneville, on the Bay of Fundy in St. John, New Brunswick. The expropriation was ordered to provide land for a number of prospective industries, principally a deep-water port for use by supertankers. This expropriation climaxed speculation about a government-sponsored superport which

had begun as early as February, 1968 — and began a storm of protest which looks likely to last some time yet.

The struggle between the provincial government, the New Brunswick Development Corporation, the Saint John Common Council, the Lorneville Ratepayers' Association, the Saint John Chapter of the New Brunswick Conservation Council, and various other interested parties involves three main issues: expropriation, ecology, and economics.

THE GOVERNMENT PROTECTS ITS CITIZENS FROM SPECULATION

THE LORNEVILLE RATEPAYERS' ASSOCIATION HAS objected to the expropriation on a number of grounds. In a brief presented to the government last August they charged that the expropriation was announced before notification of individual property owners, before any negotiations or appraisals had taken place, without specific announcements as to the government's need for such land, and before any compensation had been paid — that in short, they had been treated as though they didn't exist. They objected to expropriation on the grounds that Lorneville is a historic, stable, attractive community which will simply be obliterated by this development and argued that in purely economic terms they are being required to subsidize private industry out of their own pockets.

The question whether Lorneville as a community is more important than the (problematic) heavy industry complex is a difficult one, of course. Weighing the feelings of human beings against the demands of economics is always difficult. But listen to Norm Ferguson, an articulate spokesman for the Lorneville Ratepayers' Association, talking about his home:

"I didn't actually buy it. It was given to me by my uncle. The property was part of — well, it's now divided into four. The original Ferguson homestead was owned by my great-grandparents. The house across the road here is a hundred and four, a hundred and five years old. My father gave a piece of this across here to his brother, and this piece on this side of the road to another brother. And that uncle gave me this piece of land. At the same time another brother of mine has bought just up the road. So within touching distance of one another there are five Ferguson families. And this occurs two or three times through the village. In fact, this is one of the reasons why people down here don't sell too much land. They're keeping it for their sons or grandsons or something like this. So we're quite concerned not only with the lot of our land, but we're concerned with the lot of — really the lot of what traditionally has been the legacy for our children. And we feel this is kind of unique in New Brunswick, too, you know. People are after the

dollar a lot of other places, but up until about ten years ago I don't think you could have bought a lot of land in Lorneville.

"The Fergusons bought this from the original grant, which was granted to a man by the name of Craft, way back in, well I couldn't tell you the date, but it's been well over a hundred and fifty years ago, and there's been one transfer from Craft to Ferguson of half that grant, and its been in the Ferguson name ever since.

"And according to the Department of Public Works I don't own the land."

Or listen to him on the government's attitude toward the citizens of Lorneville:

"We got the meeting together and we got officials of the government down here and they informed us that in fact we no longer owned our land. And at the time we tried to push for what this all meant. And we found out that we were living there in our homes through their good graces. They owned our homes.

"And someone in the village said, 'Well what about my father, he's in his late seventies. What can he do? Where can he go? And a member of the justice department from the government said — and this is a direct quotation — he said, 'That's tough. We own the land.'"

WHETHER OR NOT IT IS APPROPRIATE for a government to take away people's homes in order to make room for industry, it is clearly unacceptable for a government to allow people to discover their homes are no longer their own through cryptic and unclear stories in the newspaper. For months after the order was publicized, apparently no one in Lorneville knew precisely whose homes had been expropriated. By November 26, even the Saint John *Telegraph-Journal*, an uncritical booster of the superport, was calling for a little less secrecy about the land situation: nobody yet knew exactly how much land was to be taken or what the compensation might be.

The Lorneville Ratepayers' Association also charges that the government, while ostensibly protecting them from land speculators, is in fact speculating itself on behalf of

private industry and at the expense of Lorneville property owners. For they point out, expropriation really represents a freeze on property values at the level where they were before the superport and industrial complex were announced. Had there been no expropriation, they argue, land values would have risen astronomically and the residents of Lorneville could have made the profit. As things stand now, of course, either the government or the industry will make the profit. This, asserts Vincent Galbraith and Norm Ferguson of the I.R.A., explains the mammoth amounts of land expropriated — 879 acres for a thermal plant, 500 for the superport, 350 for an oil refinery (which, like all the other industry, may or may not materialize), 800 for a base-metals complex, 90 for an asphalt plant. All of these figures seem excessive, but look positively sane beside the 500 ac-

res designated for a land bank in case further industrial development occurs.

The insensitivity and incomprehension of the government is hard to believe. When Galbraith asserted last August that Lorneville property owners were being forced to subsidize private industry out of their own pockets, Rodman Logan, Provincial Secretary and Minister of Labour, said blankly that he didn't see how; after all, the Lorneville people were going to be paid for their homes. And George McInerney, of the New Brunswick Power Commission, one of the major beneficiaries of the artificially depressed land prices, chimed in that it certainly was not speculation on the part of the government: the NBEPCC really was going to build a power plant, no kidding.

WHO PICKS UP THE GARBAGE?

THE MOST IMPORTANT PART of the whole question is probably the issue of pollution of an already-damaged environment — and all that can be said is that the government, as usual, has been issuing bland assurances at a very efficient rate. As to investigation into the possible consequences of the deepwater terminal or the refinery or the thermal plant or the asphalt plant — well, the Development Corporation's been doing just about what you'd expect. If you'd like a notion of what could be done, you can write the Maine Natural Resources Council and ask for a booklet called *Oil and the Maine Coast*, which was prepared during the (successful, by the way) campaign to stop the superport refinery development at Maclisport. It is a very scary document.

Since so many of the elements of this industrial complex are yet to be determined, it's hard to do much more at this point than to ask whether the government, or Continental Oil (Conoco), the prospective user of the superport and possible constructor of the refinery, or the NBEPCC have considered some of the questions that present themselves immediately. Questions like these, some of which have been asked by the Lorneville Ratepayers' Association and some by the New Brunswick Conservation Council:

*If, as the New Brunswick Development Corporation projects, some 700 tankers will use the port every year, isn't a major oil spill a certainty? Especially since Irving Canaport is so near and since no plans for co-operation in navigation are envisioned? Why has no one investigated the comments of two veteran sea captains to the effect that Lorneville may well be a mariner's nightmare? B.G. Cobham, a senior harbour pilot, said in 1968 that a natural situation similar to the Lorneville proposal existed in Battle Harbour, Labrador, and that apparently safe harbour was shunned by all mariners (Saint John *Evening Times Globe*, June 24, 1968).

*When there is an oil spill (and the question is when, not if) who will be responsible for it? Conoco has said they were "ready to stand behind any oil spills or misfortunes if they are responsible for it." But it's hard to believe they'll be much more responsible than Irving Oil, who merely deny that there are any spills from Irving Canaport — even while mile-long slicks are sighted and they are holding ships out to sea while repairing their pipelines. Aren't we going to be faced, over and over, with the sort of situation that occurred with the Irving spill in December, where two governments and a company bickered over responsibility until the slick broke up and could be explained away as "seaweed"?

*And if we were sure someone would take the responsi-

bility, isn't it clear that, as the Maine Natural Resources Council has pointed out, the technology for cleaning up such spills is "primitive" and that in fact any sizable oil spill in the Bay of Fundy — with its vicious tides and cold water — would represent a major disaster, not only for Saint John but for the whole bay and its fisheries and tourist industries?

*Is the Development Corporation or the government aware (we're sure Conoco is) that the mono-mooring type of port in use at Irving Canaport and planned for Lorneville has been prohibited for use in any U. S. port by the U. S. Army Corps of Engineers because it's unsafe?

*Does the government really believe George McInerney's statement that pollution from the planned thermal plant at Coleson's Cove in Lorneville will be reduced because the sulphur content of the oil will be 30% lower than that used at East Saint John? (The Lorneville Ratepayers Association has done some mathematics — unchallenged by the government — to suggest that since the plant will be much bigger, the amount of pollutant — mainly sulphur dioxide — will be vastly greater than from the East Saint John plant. They also point out that that plant will release, when complete, 500 tons of sulphur dioxide per day — an amount which would, according to the clean air regulations of the U. S. government, render over 800 cubic miles of air hazardous to human health. With a bit of southwest wind (a common occurrence), they point out, this would include the Saint John Water Supply and extend over Island View Heights, Milford, Millidgeville, Rothesay, and up on the Kennebecasis.

*Do we in fact need a thermal plant at all? In announcing the plant last August, McInerney pointed out that the major market for power is in New England. This pretty well solves the problem for New England: they get the power, we get the pollution. How much power does New Brunswick need for itself? Do we really want to spread 500 tons of sulphur dioxide over the Kennebecasis in order to air condition another swimming pool in Boston?

THESE ARE SOME OF THE FIRST QUESTIONS that have to be answered about the Lorneville project. There may be satisfactory answers to them and to other questions that conservationists might ask — but so far, not many answers seem to be emanating from a government that clearly regards its citizens about the way the average grade school teacher regards brain-damaged children — a group to be manipulated rather than taken seriously.

DEVCO MAKES A DEAL

LET'S ASSUME THAT THERE WERE no environmental catastrophe implied in the Lorneville development and that we had guarantees that Conoco was going to be a "good corporate citizen". It's interesting to look at how New Brunswick and Saint John are doing in purely economic terms.

Some intriguing points are made by the Saint John chapter of the New Brunswick Conservation Council in their brief opposing the rezoning of Lorneville for heavy industry, which was presented to the Saint John Common Council in January.

For instance, the Conservation Council has wondered why, if Lorneville is such a desirable location (and there seems no reason to doubt that it is at least as desirable as any place on the east coast of North America, which is what James Addison of the Development Corporation has called it), New Brunswick has not been able to negotiate nearly as good a deal as Maine turned down for its aborted superport at Machiasport. Occidental Oil, their prospective tenant, offered — among other things — 20 cents per barrel of oil to be paid into a non-profit New England Natural Resources Foundation. By calculations based on the Development Corporation's figures, an equivalent deal would generate over 14 million dollars a year for conservation purposes out of Saint John Deep at Lorneville.

But Maine planned, it seems, on getting even more return than the conservation tariff. Governor Curtis said in the hearings over the matter, "There is a tremendous amount of profit involved in these facilities and we could certainly be remiss just to allow them to be developed for the jobs alone, because there are a great many benefits that could be accrued in payments in lieu of taxes and so on."

Or take, the Conservation Council suggested, the St. Croix refinery in the Virgin Islands, which has contracted with the U.S. Department of the Interior to (1) make royalty payments of 50 cents per barrel to the Virgin Islands Conservation fund (at Lorneville, that would come over 36 million dollars a year); (2) employ residents of the Virgin Islands at the rate of 75 % for the first year of operation and 80, 85, and 90 per cent for succeeding years and guarantee employment of 400 people within a year and 500 within three years; (3) prevent environmental pollution in accordance with applicable laws; and (4) pay normal tariffs on petroleum products brought to the United States (estimated at about 6 million dollars annually — and this is a much smaller refinery than the projected Conoco Lorneville refinery).

No such arrangements have been made or projected with Conoco by the New Brunswick Development Corporation. What will New Brunswick get in payment for the risks we are running? The Development Corporation has made it clear that we are to expect a return of no more than about two million dollars a year from the port, and that's from all sources — business, corporate, personal, and property taxes.

WHAT WILL CONOCO MAKE? One can only guess — but experience at Irving Canaport indicates that you save about a dollar a barrel by shipping in supertankers as opposed to regular, 50,000-ton class tankers: at that rate Conoco will save a hundred and seven million dollars a year — over and above the margin of profit they're presumably making shipping the stuff in regular tankers now.

From ancillary industries (none of which, except the thermal power plant, are yet guaranteed, by the way — and

if you drive out to the rotting piles of machinery and deserted buildings at Westmorland Chemical Park outside of Moncton you can see one multi-industrial complex which was triumphantly projected by the New Brunswick Development Corporation) the corporation predicts tax revenues of another million dollars, which would be mainly from the refinery Conoco's thinking about building and from an asphalt plant the Corporation might be able to lure somebody into putting up.

But how likely is that million? K. C. Irving's 50-million dollar refinery is presently assessed for tax purposes at four million dollars — does anyone believe that the new one, three times as expensive to build as Irving's, would be assessed five times as high? That's what it would have to be to produce even \$600,000 (at the prevailing rates of taxation, about a dollar and a half for business taxes.). And the asphalt plant would have to be assessed at \$10 million to produce the rest of that hypothetical million — not a likely prospect.

(An interesting implication of these calculations is that they were presented to the Common Council of Saint John, in the presence of officials of the Development Corporation, and no one disputed them. Either, then, they're substantially correct or the Development Corporation is too contemptuous of the Conservation Council to bother arguing. Either hypothesis seems about equally damaging to the Development Corporation.)

Okay, so New Brunswick isn't doing too well in the deal. How is Saint John faring? They're not going to do much better: estimates of total tax revenues for the city run from three hundred thousand dollars to half a million dollars (these figures were offered at the same meeting and were not questioned, either by the Development Corporation or by the city). From the port, which would probably be assessed at six to eight million dollars (Irving Canaport is six: Mr. Denny of the Development Corporation indicated Lorneville would probably be closer to eight) — at a hundred thousand dollars a year. But Saint John will have to build a pipeline to carry water to the area; interest on the loan from the federal government alone will come to \$250 thousand dollars a year, and the city will have to pay that until the province — eventually — takes over the debt, paying it from users fee for the port, if the fad for supertankers doesn't die off in the meantime. And it will cost the city \$15 thousand a year just to keep up the new roads. Plus other expenses. That half a million (at most, assuming all of the Development Corporation pipe dreams come true) doesn't look like it's going to go far.

And it's interesting to note that a study of the economic implications of a refinery proposed for Tiverton, Rhode Island, conducted by the College of Resource Development of the University of Rhode Island, and to which the Conservation Council also referred in its brief, concluded that there was no certainty that the refinery would result in a decrease of the town's effective tax rate. One of the reasons for that was the reduction in State aid due to the town's increased tax base — a situation clearly parallel to that of Saint John, where the city's financial position is already disastrously affected by the presence of large industries which lower the city's equalization grants from the province (the province bases its figures on the full value of the industry) but don't pay their full share of the taxes because of concessions. The Conservation Council pointed out, in fact, that in another clearly analogous case, that of Port Hawkesbury, Nova Scotia, taxes went up after the construction of

a supertanker port and oil refinery.

And does anybody think the beggars at the New Brunswick Development Corporation are going to drive a better bargain than Nova Scotia did for Port Hawkesbury?

THE STORY OF LORNEVILLE is as yet incomplete. While it looks as though the Lorneville Ratepayers' Association has lost its battle — Saint John City Council, its last resort, has decided to allow the rezon-

ing of Lorneville for heavy industry — it's impossible to know whether anyone has won.

One thing, however, is sure. If Lorneville is allowed to proceed without further public reaction, the forces in government which want to ignore the general public will have established a nearly fatal precedent, and the New Brunswick Development Corporation will have cemented its position as an economic and social dictator in New Brunswick.

MYSTERIOUS EAST PREDICTIONS

Cut these out and stick them in your 1977 calendar.

We predict that by 1977:

Lorneville, N.B. will be a devastated area on the order of Trail, B.C.

The Lorneville port will be idle or in desperate trouble because supertankers are being phased out in favour of other fuels and other forms of transporting oil.

The Lorneville petrol-based industries will all be in financial trouble and will be under extensive subsidization by the government.

Unemployment in Saint John will be approximately the same rate it's at now.

There will have been a dozen minor and two major oil spills in Saint John Harbour, wiping out large areas of fisheries and finishing off Saint John Harbour Salmon.

Air and water pollution caused by petrochemical industries at Lorneville will be producing periodic toxic levels of contamination. The government will have set deadlines for clean-up, but the companies involved will not be able to meet the deadlines because of their difficult financial conditions.

The New Brunswick Government will announce

triumphantly the establishment of a new deepwater port and petrochemical complex at L'Etang, New Brunswick.

Continental Oil Company will set another record for profits during the fiscal year 1976-77. It will be discovered that they are phasing out all deepwater ports because supertankers have been proven uneconomical.

"The directors of Continental Oil were down here two or three weeks ago, and the display put on by our worthy mayor in Saint John was just out of it altogether, you know — if one of the directors said, "Jump," he wouldn't say, "how high" — he'd say, "Is that high enough?" "

—Norm Ferguson,
Lorneville Ratepayers' Association.



Although Joey Smallwood's government was defeated after this article was completed, it seems unlikely that Premier Moores - when he finally gets into Joey's old office - will have any substantial effect on the men who own Newfoundland.

Unless Mr. Moores decides to nationalize all major industry in the 23 year old province - which seems unlikely - the control and ownership of the province will remain with the handful of men who have controlled it since before it joined Confederation.

Moreover, it seems unlikely that the situation will

improve as long as the government continues its extravagant industrial subsidization programme.

While Mr. Moores' Conservative government may favour Conservatives instead of the Liberals favoured by Mr. Smallwood's Liberal government, Messrs. Lundrigan, Shaheen and Doyle will benefit equally from either government. Like New Brunswick's K.C. Irving, the men who own Newfoundland own enough of it to be apolitical. No Newfoundland government could afford not to seek the support and good will of these men who control the fate of thousands of Newfoundlanders.

GARTH COCHRANE

WHO OWNS NEWFOUNDLAND?

There are several rich families in Newfoundland: the Crosbys, Ayres, Outerbridges, Bowings and Lundrigans, just to name a few. But having wealth and "owning" are not always the same thing. When I think of who owns Newfoundland, the thought of money does not enter my head. The people who really own us are those who control the resources and the lives of the people, and the information available to them. In these terms, there are very few candidates for ownership of the province. They are Bowers, Price(Nfld.), Lundrigan, Shaheen and Doyle. These people have been given ownership on a silver platter.

The problem, if you wish to call it one, starts with the premise that people need jobs in order to eat in this society. One way of providing jobs is to induce an industry to locate here. Unfortunately, Newfoundland is pretty far removed from the markets, but we do have natural resources. So the government negotiated with the Anglo-Newfoundland Corporation, now Price(Nfld.), to locate a paper mill here. To make it worth the company's bother, they gave them the rights to land and timber in the area of their mill. A later development was the Bower Pulp and Paper Mill in Corner Brook. In this case, the company was given rights to the timber on their land only, not rights to minerals as was given Price. These rights have been given for a period of 99 years, and between them, these companies control 60% of the forests of the Island. Rights to two-thirds of the remainder have been given to Newfoundland Pulp and Chemical, a Shaheen organization.

Criticizing these concessions, the Atlantic Development Board in its *Forestry in the Atlantic Provinces* reports that the rate of development and its extent are "secretly limited by the present tenure of the two pulp and paper companies". They go on:

"Having absolute control over the wood supplies on their respective limits, the companies do not practice any form of forest management. The fiction

of an allowable annual cut is perpetuated by going through the motions of making this calculation without knowledge of the actual amount of merchantable wood [over 40 years old and at least 5 cords per acre] currently available or the rate of growth. Little attention is paid to the establishment of the next forest crop when a stand is harvested; nonetheless, natural regeneration of certain species is usually abundant."

The suggestion has been made that the government take over the control and management of the forests. The companies balk at this. The ADB report had this to say:

"An argument commonly advanced by the pulp and paper companies to justify the holdings of large areas of land under license is that control of forest land is essential collateral for obtaining loans in the 'financial markets of the world'. This argument is not supportable. The control which a company exerts over its wood supply derives, not from the land on which the wood is growing, but from the legislative act granting permission to the company to use the wood. As long as title to the land remains vested in the crown, the legislature has the authority to amend the act. It follows that comparable security would result from an act guaranteeing the company an annual supply of wood from crown lands; in other words, the company need not have any licensed land at all."

I put the question to a bank manager in St. John's and he told me that an investor is looking to see if the company has a supply of wood for its operation, not land on which wood is growing. It is the supply which guarantees the mill's ability to manufacture paper. Thus, a legislative guarantee of wood would, or at least should, have the same effect, he said.

The question then arises whether in fact the government can afford to take back control of a previously given resource; it is, after all, simultaneously attempting to bribe other industries into locating here. Such action, unless agreed upon by the mills, would create an air of instability in provincial affairs and make other think twice before taking a chance. It is obvious that before the government can take such action, it must stop giving the remainder of the province away. Yet, to date, the government continues to give things to certain companies with the hope that something good will eventually come of it.

The latest example of this is the Come-By-Chance oil refinery. This refinery is being built by the provincial government at the cost of \$155 million. The financing involves a \$30 million issue of debentures by the government and loans totalling \$125 million made by the crown corporation that is building it. John Shaheen's organization operate the plant for 27.8% of the net profit, 5.1% of the gross sales and also be repaid all expenses and supervisory costs during the construction phase plus 100%. The crown corporation set up to run the refinery while it still being paid for is not allowed to declare any dividends, thereby cutting off any profit which might be derived for the people's benefit. When repayment is complete in 15 years, Shaheen can buy the refinery from the crown corporation for \$2,000. (No, you didn't read that wrong. It said two thousand dollars.) Thus, the return to the province and, hence, to the people, on the \$155 million, is piffling. When asked questions in the House of Assembly on the nature of the deal, what his profits would be, what he would produce, where he would sell it, and how much power (which will be subsidized) he will consume, Shaheen simply said he could not give an answer because he did not want "Imperial Oil" to know what they were doing (as if Imperial Oil does not already have a good idea); he also stated the answer was in the act Law 86, pleading this law much the same as a person pleads the "Fifth" in the U.S., or alternatively he said that the government would have to answer that question. He also made it well known that he was dealing with the government and not the people or their representatives in the House of Assembly, that he did not care whether the power he was getting was subsidized, or how much the subsidy was, and he did not really care about the people of the province. His interest is, obviously, only in the profits.

Another way one gets to own us is through government-sponsored building. Such an organization is Lundrigan's. In the *Montreal Star* of November, 1968, Boyce Richardson reported that "[J]ed Roberts [a minister in Joey's cabinet] said Lundrigan's... was built up as an act of deliberate policy by the Newfoundland government, through the use of Newfoundland preferences.... Their success had been based on leaseback, he said. But Arthur Lundrigan denied that...."

How does leaseback work? The government decides it wants something built and a firm such as Lundrigan's or Newfoundland Engineering and Construction will put its people to work to design the thing and draw up specifications. The firm will then build it and the government will buy it for the original cost plus a certain profit over a period of 15 to 25 years. The government has built \$200 million in projects on leaseback.

Greg Power, also mentioned in Richardson's article, claimed that the university, trades schools, hospitals, nurses' homes, and a home for the aged were built on this leaseback or cost-plus, if you prefer, arrangement and that these buildings cost up to twice the price of a tendered building.

In some cases, where the building was to become a crown institution, e.g. a hospital, the firm building it will

be given a proxy exempting it from Federal taxes even though the government does not yet own the building and despite the fact that tenders were not called.

In an advertisement in the *Book of Newfoundland*, Lundrigan's admit building the following on leaseback:

*Grand Falls Hospital.
Gander Hospital.
Labrador City Hospital.
Bale Verie Hospital.
Several other hospitals including St. John's first Children's Hospital.
Corner Brook Vocational School
Grand Falls Vocational School
Gander Vocational School
Supervised construction of vocational schools at Botwood, Stephenville Crossing, and Port Aux Basques*

Other construction schemes they were involved in with government include:

Sir Richard Squires Building, government offices in Corner Brook.

Arts and Culture Centre, Corner Brook.

Marystown Fish Plant.

Marystown Ship Yards.

The Golden Eagle Refinery, Holyrood, (which also included Shaheen.)

Holiday Inns at Corner Brook, Gander, Clarenville, and St. John's.

And several miles of highway including two useless and dangerous overpasses near Corner Brook. (They cross and recross the same set of railway tracks about two miles apart and the first week one was open, a highways department track went through the brittle concrete guard rail.)

Lundrigan's also manage two other companies which were brought into the province and failed. One is Atlantic Gypsum, which burned the fingers of several other firms. Lundrigan's management has made it a paying concern. The other is the North Star Cement Plant which could not sell enough cement. After taking this one over, Lundrigan's started manufacturing cement products and now it is also paying its way.

Creative Printers, the home of the Queen's Printer in Newfoundland is also a Lundrigan operation. They also print the government's propaganda sheet called the Newfoundland Bulletin (also called the Newfoundland Bull-et-in or Bull-sheet).

More evidence that these people own us was provided by the St. John's *Evening Telegram* of April 17, 1971, in the form of a listing of the public debt, now about \$1 billion. At least \$30 million is owing Lundrigan's for leaseback projects. A further amount in the neighbourhood of \$10 million is owing them directly and for Holiday Inns on a guaranteed loan. In excess of \$155 million is guaranteed or borrowed on behalf of Shaheen for Come-By-Chance. And \$58 million guaranteed on behalf of J.C. Doyle's Limerboard mill. (So far I have not touched on Doyle. However, he has control of 10,000 square miles of timber in Labrador and holds mineral rights on over 6,000 square miles of the province.) In essence, then, it is really Lundrigan, Shaheen and Doyle who own us. You might say Joey freaked on L.S.D.

About two years ago, workers at the Gerhardt Kennedy Shirt Company in Winnipeg went on strike for more money. But not much more. The company paid them just slightly more than the Manitoba Minimum wage and the workers had asked for a 10 cent an hour increase.

"No," said the company president, as he shut the plant down, "I'll move to New Brunswick where I can get workers for reasonable wages."

Fortunately, he never made the move. They wouldn't have talked to him anyway. Officers of the New Brunswick Development Corporation said, "We wouldn't help someone who came here just to exploit the cheap wages", they said. Well, maybe they wouldn't; at least in that case they didn't.

But the Nova Scotia government seems scarcely willing, to make even the gesture. The province's most recent acquisition is Aerovox Canada Ltd., an American owned, financially troubled electronics company that announced

in mid-November that it was shutting down its Hamilton, Ontario, operation and moving it to Amherst, Nova Scotia. A union spokesman for the employees in Hamilton says the company is moving to Nova Scotia because of the low wages and to get away from a union contract.

But to the politicians the welfare of the employees, it seems, is of secondary importance. Perforce, any company that wants to establish itself in the Maritimes is a good company.

Premier Gerald Regan eagerly announced, "This is great news for Amherst and the province as a whole." Not to be left out, Roger Bacon, Cumberland County Conservative M.L.A., said he thought it was "a first step forward for the Amherst area". And of course, Amherst mayor Norman Mansour declared, "we are moving in the right direction." Needless to say, the Chronicle Herald thought it was "a fresh wind blowing."

A FRESH WIND BLOWING

AEROVOX MOVES TO AMHERST

Steve Hart

This is all that the people of Nova Scotia have heard since the announcement was made November 10 that Aerovox Canada Ltd. was shutting down its Hamilton Ontario Plant and moving to Amherst.

Here's the "fresh wind". Aerovox, an American-owned company, is on the skirts in Hamilton. Five years ago, 300 employees worked for Aerovox. Now in November, 1971, there are 68 workers, mainly women, producing components for radios, televisions and fluorescent lighting. Sales for the total Aerovox operation have dropped by \$8.5 million between 1966 and 1970. Markets in Canada are dwindling, according to vice-president of the company, Paul McPhee.

So the company is coming to Amherst to get the same production for lower wages. "McPhee is making no bones about moving to Amherst for low wages and to get away from a union contract," said Jim Brown, business agent for local 520 of the United Electrical, Radio and Machine Workers of America (UE) which represents the Hamilton employees of Aerovox.

Many of those women made over \$3.00 per hour (including the piece-rate earnings) with top wages set at \$3.78 per hour. In Amherst, wage rates are expected to be in line with the \$1.25 per hour paid at General Instruments in Sydney.

It's really another "mini General Instruments" we are getting. Low wages. Weak union or no union. Constant threat of shutdown with no compensation. (The Hamilton employees are not even getting severance pay for the shutdown.) No day care centres or maternity leave for the work force which will be 85% women. And the profits from the operation will be shipped out to the shareholders in the United States.

It's this kind of "new industry" which local politicians and the press like to wrap up in a flashy package and

label "development".

Paul McPhee of Aerovox has promised that 90 new jobs will eventually open up in Amherst. However, he says it will take 2 to 3 years to reach that total. By June 1972, when the plant is scheduled to open, 35 to 40 workers will be on the payroll.

The company will occupy a 5673,000 plant on 10 acres in the Amherst Industrial Park. They received a \$236,000 grant from the Department of Regional Economic Expansion to help them move.

"It was the icing on the cake," said McPhee. The icing is paid with our tax money, the cake is low wages, low taxes and the low cost of land in Amherst.

Aerovox has been a government "welfare case" for a long time. After buying out the Canadian-owned Polymet Corporation in 1937, Aerovox received major contracts for war materials during World War Two. 5% of its production is still supplying military demands. Since 1965, the Defense Research Board has been footing half the bill for research into thin-film microcircuitry. The main product of Aerovox remains capacitors (condensers) for radar, radios, televisions and telephones.

In the late 1960's the bubble burst. More and more of the Hamilton employees were laid off. Last month's announcement was made of the shutdown.

It will mean that the Aerovox employees - many with 18 to 35 years of work at the plant - will be on the streets in late spring. They will get only the meagre benefits of a weak pension plan and no severance pay. Ontario is having its own share of layoffs and shutdowns and the women of Aerovox will have a hard time finding new jobs.

It is their plight which Nova Scotia politicians are crowing over. "It is a cause for concern when the federal government uses taxpayers money to subsidize an American company in its move to a low wage area," said Jim Brown of U.E.

"We would point out that the move by Aerovox is a glaring example of Canadian workers' livelihood being

Special to *The Mysterious East* from the *East Coast Worker*.

destroyed at the whim of corporate decisions being made in a foreign country," he continued.

Both UE and Hamilton Mayor Vic Copps sent protest telegrams to DREE minister Jean Marchand. But they only made Marchand angry.

"I am trying to create jobs, not destroy them," he snapped in the House of Commons on November 11.

So the Marchand creation has brought us less than 100 jobs, jobs which could disappear in a few years as happened with Clairtone or Pyrominerals in Sydney. Or jobs that could never amount to anything as happened with the infamous Hustler Corporation on Cape Breton and with so many other "great hopes" and "fresh winds".

There you have it. Unemployment is soaring. Our young people are leaving the province. Local plants are

shutting down. Foreign companies are coming in with offers of \$1.25 an hour jobs.

All the local politicians and businessmen do is stand on the sidelines and cheer. They have done precious little to develop this province for the benefit of Nova Scotians. They have become weak, fawning servants for outside capitalists.

At a press conference announcing the Aerovox move, Gerry Regan said with a straight face, "Whenever a new industry such as this settles in an area, every facet of the local economy is affected, even down to the corner grocery store."

The corner grocery store is about how far the Amherst Aerovox employees will get to spend their paycheck.



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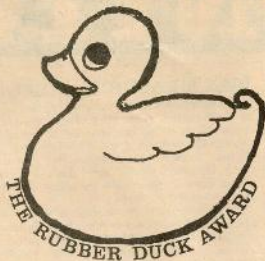


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EDUCATION MINISTER LORNE MCGUIGAN

Usually the Rubber Duck Award is given to public officials who demonstrate conspicuous knavery or incompetence or stupidity. Seldom do we have the pleasure of awarding the esteemed Duck to one man for all three. But with such an outstanding candidate as New Brunswick's Education Minister Lorne McGuigan, we could scarcely do less.

We could have given the minister the award for appointing the vice-president of the Young Progressive Conservative Association in Saint John — and his basketball locker room cohort — to the District 20 School Board despite the fact that he had lost the election for the job.

Or we could have given it to him for his brilliant solution to the Tracadie school strike. After requesting for months that their new school be properly ventilated the students walked out. To stop the strike the minister demanded that all the students in the school sign a letter pledging that they would unquestioningly obey the school authorities. When a handful of students understandably refused to sign such a document, threatening to take it to the Canadian Civil Liberties Association or to court if necessary, the minister hit on a compromise solution. The students would sign the letter and then immediately afterwards the minister would burn it in their presence. Brilliant.

But we are going to give it to him for his extraordinary agreement with Sunbury Investments Limited to lease a warehouse for the District 25 School Board in Oromocto.

Early last spring, representatives of the District 25 Board sought the approval of the minister to purchase a 8,000 square foot building in Oromocto for office and main-

tenance space.

Mr. McGuigan refused to approve the purchase telling the former vice-president of the School Board that it was not in the budget.

Then on April 27, shortly after the Board's purchase request was turned down, the building was purchased by a recently incorporated company named Sunbury Investments Limited for \$99,000.

Less than two months later, apparently having changed his mind, Mr. McGuigan decided to lease the building for ten years and eleven months from Sunbury Investments for use by the District 25 Board.

The minister agreed to pay the five month old company a total of \$294,000, in rent plus taxes and utilities over the period of the lease with an option to purchase the building up to July 1st, 1977 for \$247,000, or at the termination of the lease for \$222,300, plus the rent already paid.

In other words the minister agreed to lease the building for almost three times what it would have cost to purchase it or to buy it in six years for over four times the original purchase price.

While certainly an extravagant arrangement, what makes Mr. McGuigan's change of mind particularly noteworthy is that Francis B. Mabey, the father of Sunbury County Conservative MLA Reginald Mabey, was an officer of the company and guarantor of the mortgage.

Perhaps ironically, Reginald Mabey witnessed Mr. McGuigan's signature on the lease.

And so, Mr. McGuigan, straight from the pork barrel, this month's slippery Duck.

MONITOR

ERADICATION

WINIMAC, Indiana — Marijuana crop eradication is now a widespread reality in many parts of the United States. An eradication program, sponsored by federal grants, involves aerial spraying of the plants (which makes up to 20% of roadside and natural vegetation in some states) with 2,4-D, a hormone-type herbicide with some remarkably dangerous side effects. 2,4-D causes plants to succumb through unnaturally rapid growth and can do drastic damage when applied aerially. Due to the near-impossibility of anticipating wind velocities and direction, the spray often winds up where it's not supposed to. The U.S. government, it seems, is determined to wipe out the nefarious weed regardless of the consequences. They may merely be eliminating one "problem" by introducing a much more serious one in its place but then U.S. public officials have always shown far more interest in preserving the minds of their subjects from "subversion", "sedition" and other vague and mysterious entities than in preserving their environment.

THE FOX STRIKES AGAIN

CHICAGO — There is now another chapter in the continuing saga of the Fox. The Fox, a Chicago eco-guerilla, whose identity is only known to his compatriots, has been taking the fight to save the environment into his own hands. He has, for example, charged into oil company offices hurling slinky gunk, chopped down billboards, and plugged smokestacks. His latest exploit was closing down an asphalt supply plant near Chicago which emitted a thick, gagging dust.

In a night raid, the Fox and his allies shut down the plant machinery, causing the asphalt to solidify in the tanks and pipes. Repairs in the next morning found locks attached to the roots and a note saying, "You have choked our friends, caused a stench, killed wildlife and plants. Clean up your factory so that we will not have to lock it up again."

But it seems the Fox will have to strike again on another night, because plant manager Jim Malaffey denies the factory causes pollution.

WAR MEASURES USEFUL BUT...

MONTREAL (CUPI) — Commenting on the activities of the police forces in Quebec after the proclamation of the War Measures Act, Quebec Justice Minister Jerome Choquette said recently that the police — and I don't blame them, it's their job — are often prone to go too far.

While not denying the "usefulness" of the War Measures Act in "apprehending certain people involved in criminality and ... in other ways," the Quebec Justice Minister said it was not the right legislation to pass last October. Choquette said that his contact with the police has shown that there is a difference "between the law texts which give certain powers you feel will be used sparingly, and the police mentality."

As an example, the Justice Minister recalled that after one mass roundup by police (acting under the WMA) he told the police he didn't want any more arrests without his specific permission. "Then I received from the police, at my home on Saturday nights a list of 70 persons they wanted to arrest." Choquette said he saw on the

list of 70 persons the name of a lawyer he knew quite well and who was accused of being actively engaged in defending political activists. "I knew him as just a lawyer and an entirely peaceful individual, so I told the police to scratch the whole list. I told them that if the whole list was built that way, it just didn't make sense." Choquette criticized the value of the WMA because of the difficulty in convicting people arrested under it. "The dismal record in prosecuting those charged under the act taught me that juries are not ready to convict on a question of words, unless there is an overt act.

In August, Choquette suspended proceedings against about 40 persons who still faced trial on charges arising out of arrests arising out of the WMA. However, he still feels that some control was necessary last October. "It was entirely necessary to have some legislation, but whether the legislation (that was passed) was good is debatable," he said.

"If we had to have the same situation again, I don't think that I would favour exactly that solution."

YANKEE DOODLE DANDY

TORONTO — A group of Canadian writers and publishers here recently commemorated the first anniversary of the sale of the Ryerson Press to an American publishing company.

The group, which calls itself the Friends of Egerton Ryerson, has issued a poster depicting a statue of Egerton Ryerson, the founder of Ryerson Press, dressed in an Uncle Sam suit singing, "I'm a Yankee Doodle Dandy."

The group drafted a public statement signed by twelve prominent Canadian writers and publishers which warns that federal government action is still needed to ensure a vigorous Canadian publishing industry.

"Even though it isn't yet won, it certainly hasn't been lost."

They also note that Ontario's Royal Commission on Book Publishing has succeeded in getting new policies implemented in Ontario to help book

publishers in that province, but nothing has been done for the many Canadian-owned firms located outside the province.

The sale last December 1 of Ryerson Press, owned by the United Church of Canada, to McGraw-Hill of Canada Ltd., a wholly-owned U.S. subsidiary, created a public controversy of major proportions a year ago. Ryerson's publishing operations have now been merged into McGraw-Hill and its printing plant disbanded.

Among those signing the statement are Edmonton publisher Mel Hurtig, University of Toronto professor and writer James Eays, novelist Graeme Gibson, Governor-General's Award winner David Godfrey, and publishers James Lorimer, Peter Martin, Carol Martin, Mark Frank, Glen Siebrasse, Fred Cogswell, Dimitrios Roussopoulos and Shirley Gibson.

OFFENSIVE TEXTBOOKS

TORONTO — Racist school textbooks are still widely used throughout Canada, says a recent report on textbooks prepared by the Ontario Institute for Studies in Education.

Among 125 textbooks still in use in Ontario, the authors of the report found Native peoples referred to as "savages", blacks as "primitives", and Muslims as "infidels".

The report noted, incidentally, that most of the offensive textbooks were published in the United States.

THE FLYING DUTCHMAN

OTTAWA — "The ships and the crew members were real but the search for the employer turned into something of a ghost hunt," began the Canadian Press dispatch describing an attempt by the Seafarers' Union International to determine which Irving-owned company its men worked for.

The SIU was applying to the Canada Labour Relations Board to be certified as bargaining agent for 85 men employed on six tankers chartered by Irving Oil Ltd.

The application named as the employer Kent Lines Ltd., one of several shipping companies owned by K.C. Irving but Ronald Lister, the lawyer representing Kent Lines, said that the company was merely acting as an agent of Irving Oil.

Kent Lines advances money for wages and other expenses but the bills are paid by other companies. Mr. Lister added he felt no need to apologize for the maze-like structure of the Irving corporate Empire.

He said the union probably should have named Irving Oil as the effective owner of the ships and the employer with whom to bargain.

Joseph Nuss, representing the SIU, said an intricate web of companies has been set up to hide the real ownership of the tankers and insisted that Kent Lines has acted essentially as the employer of the men.

The board reserved decision on the case.

Needless to say its difficult for a union to bargain on behalf of its members if it can't discover an employer to bargain with. All of which may help to explain the cocktail party comment of a former employee of the Irving-owned television station in Saint John that CHSJ was the only television station he knew of that owned a tug boat.

A BUSINESS DECISION

PINCHER CREEK, ALTA — In July, 1971, Shell Oil Canada and Gulf Oil Canada paid fifteen Pincher Creek families an out-of-court settlement of \$700,000. A number of citizens from this small southwestern Alberta ranching community had launched a civil action against the two corporations in 1965 to recover damages caused by air pollution. The settlement may mark a big step forward in the ability of individuals to demand recompense from industrial negligence.

In 1957, the oil companies built gas processing plants south of Pincher Creek. The plants remove hydrogen sulphide from the local "sour" natural gas and convert it to sulphur. The Alberta government demanded that the plants achieve a 93% conversion efficiency and successive government permits became more and more restrictive. The remainder of the hydrogen sulphide is incinerated and goes into the atmosphere in the form of sulphur dioxide.

Local ranchers soon started suffering eye irritation — diagnosed to be chemically caused. Other inhabitants, especially children, were afflicted with vomiting, nausea, severe headaches and loss of appetite. Cattle and hogs were affected and some farmers had to sell off their livestock at a loss. Farm machines and fences rusted faster than usual.

Complaints to the companies and to the government were ignored. Plant officials claimed that their operations were run in accordance with government standards — and presumably they were. A government inquiry suggested the farmers were suffering a psychological illness.

The farmers set up a Pincher Creek Industrial Pollution Committee and kept records of all illnesses, dates, places and wind directions for several years before launching the civil action. Their court expenses were partly defrayed by \$5,700 provided by the Farmers Union. The farmers' lawyer, who had an engineering background, discovered that at certain times the plants emitted more sulphur dioxide than was permissible and that these times coincided with the dates of the more severe illnesses. Five years after the court action was launched, the out-of-court settlement was arranged.

The out-of-court settlement, of course, carries no legal weight and demonstrates no guilt or responsibility. Shell and Gulf both claim to have settled as "a business decision". The Pincher Creek farmers, however, consider the settlement a victory by an exploited rural population over a huge and wealthy opponent — right under the upturned nose of an uninterested government.



"...AND YOU'D HARDLY GUESS THAT LESS THAN TEN MILES FROM THIS BEAUTIFUL BEACH IS AN OIL TANKER PORT AND REFINERY."

SAFE CYCLING

CHICAGO - With ecology-conscious people abandoning cars for bikes, several city agencies in Chicago have realized that the city has potentially 10,000 bike commuters who live within eight miles of the central business district. Therefore, the Department of Development and Planning, in cooperation with the Chicago Park District and private bike organizations, devised a scheme to connect Chicago's 15 miles of lake-front bicycle paths and other bicycle paths throughout the city with "bicycle safety routes" where there are streets and cars. The first step of the integrated bicycle route system will include 34 miles to be designated with 24 by 18 inch trail markers. The city, however, envisions 250 miles of bike roads.

WELCOME HOME!

NEW YORK - Used to be that when a young American got his draft notice, the choice he had to make was a fairly straightforward one - the penalties attached to either decision were known to all. Evade the draft and he would be harassed, hated, alienated, discriminated against and, most likely, imprisoned; accept the draft and he would be war-mongering, classified, compromised and possibly dead. If and when he came home from the war, however, it was generally conceded that his problems were over - he would be rewarded with respect and social status, generous GI incentives would provide for his education and reintegration into society and he would be more or less free to pursue those things he really wanted to do.

Not any more, buddy.

In *Forward*, a GI paper published in Germany, we find new alternatives offered the returning hero. It appears that the New York State Chamber of Commerce has recently published a pamphlet entitled "Drug Abuse as a Business Problem," advising members

not to hire Vietnam veterans. Quotes the pamphlet, "With the spread of drug abuse in schools and among members of the armed forces in Vietnam, it would be unrealistic for business to assume it could recruit from these markets and not risk bringing abuse, narcotics addicts and pushers into companies, despite all sophisticated screening available.

It's a tight spot for the draftee, but then with recruiting from the schools out of the picture also, it must be an equally gloomy spot for American industry. Perhaps when industry is fully automated, there will be no need to recruit anyone - but that is hardly the case today. Seeing that young people are too irresponsible to work in glorious American factories, and seeing also that young people will eventually form most of the labour force, it would appear that the American economy was in imminent danger of collapse. A stagnant American economy, however, could never afford to send soldiers and equipment to Vietnam. Ah, the evils of dope.



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THE FRENCH CANADIANS AND THE QUEBECOIS

A HISTORY OF QUEBEC BY LEANDRE BERGERON
NEW CANADA PRESS TORONTO 1971

History books are seldom best-sellers. Yet this history book has been at the top of sales charts in Quebec for several months. Why? Bergeron's history of Quebec is a social-class analysis of Quebec society — present and past; even before its publication the book had provoked a level of controversy seldom encountered in Canadian publishing. Although Bergeron only devotes five pages to the FLQ-kidnapping crisis of last October, his is probably the most meaningful book to emerge from the stormy events which precipitated the War Measures Act. If you are not from Quebec, Bergeron gives you a historical analysis of the causes of the crisis which you would not find anywhere else. Viewed from his perspective, the October crisis was not a small act of romantic piracy dreamed up by a few fanatics; instead, we see that in the context of Quebec's history, the October crisis was inevitable.

During the preparation of the book, its publishers, New Canada Press of Toronto, and the author, approached the Imperial Oil Company for permission to reproduce the historical drawings of C.W. Jeffreys — these drawings are owned by Imperial and by purchase agreement with the Jeffreys Estate must be made available for educational purposes without charge. The reproduction of the Jeffreys drawings was essential to the publishers for these drawings depict crucial events in Quebec's history which are recorded nowhere else. At first, Imperial gave its permission but then changed its mind, claiming that the book was not "educational" but was merely a reflection of a particular social philosophy. The publishers then circulated a petition which pointed out that all histories reflect a social philosophy and it was Bergeron's misfortune to have selected a philosophy Imperial and its parent company, Standard Oil of New Jersey, were bound to find unpalatable. As a result of the petition and other public pressures, Imperial Oil finally agreed to permit the use of the drawings.

Bergeron revises previous histories and in some cases creates his own terminology. "Discovery" is a word he abolishes: he claims that North America was not discovered, but conquered. So, to say Jacques Cartier discovered Quebec is the same thing as saying Hitler's armies discovered Poland. Bergeron invents the word "Canayen"; this term refers to the 70,000 persons of French descent who were living in New France at the time of British Conquest. The descendants of the Canayens consist of two groups: the French Canadians — those Canayens who have decided to accept the colonization of Quebec by English then American interests and the Quebecois — those who chose to cling to their culture and resist assimilation. Under Bergeron's typology, our Prime Minister is clearly a French Canadian.

Throughout his book, Bergeron consistently dissolves many of the myths about Quebec that are still taught in

schools today. In his forward to English Canadians he exposes what is perhaps the greatest myth regarding the formation of Canada. "Canadians have been told that their country was founded by two nations who decided one day to become partners in building a country, like two businessmen getting together to swing a deal. . . . Canadians have been told things about the Quebecois that reassured them and kept them away from the real issue: that the Quebecois are colonized and that Canadians are accomplices of the colonizer."

As a historian Bergeron sometimes lets his ideological enthusiasm cloud his prose with the exaggerations and over-statements found all too frequently among Marxist propagandists. For example, in dealing with the young French colony's struggle against the fierce attacks by the Iroquois Indians in the 1660's, Bergeron cannot resist a purely speculative dig at Dollard des Ormeaux, a hero in every school child's history text. According to the school books, des Ormeaux led a group of sixteen volunteers down the Ottawa River to delay a massive Iroquois attack against Montreal. The tiny band of raiders built a crude fortress on the shore of the river and valiantly engaged the several thousand Iroquois as they drifted past in their canoes. The Iroquois, thinking that they had run into a sizeable settlement, landed their canoes and wiped out the small fort and its defenders. Bergeron deals with des Ormeaux in two curt sentences: "In 1660 Dollard des Ormeaux thinks he and his men can check the Iroquois and at the same time seize a sizeable amount of booty to pay their debts. These seventeenth century cowboys are all slaughtered." Somehow it is difficult to imagine anyone would go voluntarily into battle when outnumbered by more than 300 to 1 simply to work his way out of debt.

However, as an analyst of contemporary Quebec society, Bergeron is incisively accurate. Quebec is a colony of English Canada and the United States by virtue of the fact that the Quebecois do not own the facilities for industrial production or natural resource exploitation and therefore they do not have any voice in the executive-level business decisions which deeply affect their lives. Bergeron uses the example of the infamous Asbestos strike in 1949; in this strike the miners refused to go back to work despite government orders and threats from their American employer, the Johns-Manville Company. The striking miners forceably prevented the company from importing scab labour to steal their jobs. Management's response was swift and effective; the executives asked the Quebec Premier, Maurice Duplessis, to repress the men who were tired of working over ten hours a day in dangerous surroundings for a meagre wage. Duplessis responded like an obedient janitor clearing away yesterday's garbage. He dispatched a 25-car provincial pol-

the riot squad to the northern mining community; 180 strikers were arrested and many more were beaten.

But Bergeron is at his best when de-mystifying traditionally held assumptions about life in Quebec. After describing the apparent political structure in Quebec, he offers the real structure for examination: "The people elect Members of Parliament, who are attached to parties. The parties 'win' their elections with electoral campaigns financed by big business. The party in power must first of all pass laws to favour the companies, then other laws to appease the people - such as family allowance and welfare. The government is in the service of the companies, it is a caretaker government. This kind of democracy is called bourgeois democracy. This is really a dictatorship by the possessor class." A description of Premier Daniel Johnson's Union Nationale administration of 1966 to 1970 supports this assessment: "With the nationalists, Johnson spoke of independence; with American financiers, of internal stability good for investment; with farmers, of better agriculture; with the English Canadians, a new federalism; with the city dwellers, of the revival of the 'Quiet Revolution'. Subtle and calculating, Daniel Johnson knew how to give the impression of governing without ever doing so."

Bergeron correctly realizes that in Quebec it makes little actual difference as far as political power goes whether you are a member of the middle-class or a worker. People at both levels lack access to decision making because they do not control the means of production or the means of exploitation of natural resources. For example, in 1926 the pulp and paper industry in Quebec grossed 107 million dollars. Of this 107 million, less than a million was paid back in the form of salaries, with several thousand dollars being paid in taxes. So, less than 1% of the industries' earnings went back into the province.

This book should not be read exclusively in the context of Quebec history, for Bergeron's description of Quebec society and politics can teach us much about why things are the way they are here in the Maritimes. When you stop and think about it, the problems are remarkably similar: both Quebec and the Maritimes have long suffered the deleterious effects of foreign ownership. Both areas have had to sell their natural resources at low prices and are now beginning to realize that they cannot idly give away what is their only source of wealth. Both areas suffer from chronic unemployment and out-migration. Demographers now estimate that between the years 1837 and 1910, over half a million Quebecois left the province to seek work in English Canada or the U.S. and in both areas the bulk of the populace have no say in how their economy is to be operated and who is to benefit from it. Nova Scotia has its own government agency for the encouragement of industry - IEL, and Nova Scotia has foreign-owned resource exploiters like Scott Paper; Quebec also has its own industrial incentive programme and its own foreign-owned resource exploiters like Noranda Mines and the electorate of both areas have the same empty promises from politicians who never really act in the interests of the people.

A student newspaper in Toronto, *The Varsity*, had this to say about Bergeron's history of Quebec: "As English Canadians there are several important uses we can put this book to. We can use it to understand not only the history of French Canadians, but also the economic structures which govern the lives of us all."

FOLLOW-UP FOLLOW-UP FOLLOW-UP

WHATEVER HAPPENED TO THAT LETTER WE SENT?

A couple of us here at the magazine sent in, independently, an employment-generating project to the government's Local Initiatives Program. (Magazine editors starve just as easily, and probably more frequently, than other people.) Taking note of the bureaucratic hassles that accompanied the Opportunities for Youth program this summer, we thought we would get a jump on the herd and began to work on the application as soon as the program was announced. By mid-November, we had mailed our project off to regional headquarters in Halifax and, as far as we could tell, we were the first in the Fredericton area to get an application away. Several days later we got a notice saying that our application had been received and we were given an official application number.

All was well.

Several days after that we got a telephone call from Halifax and a young lady told us that our expense estimates were \$96.00 over the allowable 17% and would we mind if she trimmed a few dollars here and a few dollars there so that she could send the application off to Ottawa quickly. Of course, of course, we smiled, go right ahead, and feeling the righteous glow of those who were almost gainfully employed, we spent our last three dollars in the tavern.

Well, the weeks dragged on and our righteous glow quickly disappeared under the cold and hungry December skies until finally, on December 13, almost a month after sending in the application, our feelings of neglect overcame us and we tried to phone the Fredericton Local Initiatives Program Information Officer at the local Manpower office. Somehow we stumbled into the mysterious government inter-city telephone network, the results of which can sometimes be hair-raising.

"Hello, can I speak to Mr. Start, please?"

"We have no record of a Mr. Start working here, sir."

"Where am I?"

"I have no idea sir, but you are talking to Ottawa."

"Ottawa? I'm in Fredericton, New Brunswick, trying to reach my local Fredericton, New Brunswick Manpower Office."

This is the Department of Manpower in Ottawa, sir. Can I help you?"

"Well, on second thought, yes, perhaps you can."

And so, we explained our problem to the nice lady and she told us that we should talk to Mr. Sheret in Ottawa, who apparently had some responsibility for approving the applications. Advancing tremulously once again into the mysterious government inter-city telephone network, we managed to hail Mr. Sheret. He sympathized with our problem, promised to check out our wandering project, and said he would phone us back at 3:00. At 4:45, overwhelmed by the government's punctuality and consideration, we marched right back into the mysterious government inter-city telephone network and got on Mr. Sheret's ass. He swore that he had never heard of us and had certainly not talked to us that afternoon as he thought his memory could go back at least that far. He would,

however, let us talk to Mr. Kent, who is apparently responsible for losing Local Initiatives Program applications from the Maritime region. Mr. Kent was not at liberty to tell us how he lost our application but he would connect us with Miss Gerell, who was keeping some sort of tabs on what applications were being lost and by whom, etc. A cheerful voice told us she'd definitely find out who lost our application and phone us back immediately.

Sure enough she did, restoring a bit of our confidence. Our application had not yet reached Ottawa and was still at the Halifax regional headquarters. That's funny, we thought, because they had told us they'd sent it on. She gave us the number of Mr. Stewart, the regional director at Halifax, and suggested we let him know we were still alive and still poor.

Mr. Stewart, somewhat annoyed that we were not letting events take their normal course, referred us to Mrs. Morrison who looked up our project for us. In a few minutes, she was able to tell us that the application had been sent to Ottawa over two weeks ago. This information caused our smoldering unease to erupt into panic and we repeated our conversations with the various Ottawa officials to Mrs. Morrison. She chuckled confidently and murmured something that gave us the idea that we were not an isolated example of citizens suffering bureaucratic indigestion. She would find out what was happening and phone us back as quickly as she could.

Surprisingly soon, we heard from Mrs. Morrison again. She had been talking with some of the right staff and they told her that Ottawa now definitely knew of our application and that the original teletype message must have been bungled. "One little number misplaced, you know, can really mess things up." Well, yes it can — especially if that little number happens to represent you and your employment prospects for the next six months. Although everything is supposed to be cleared up now and we should "definitely hear something in two or three days," nobody here has much faith or enthusiasm left and, anyway, how can we tell that the same thing won't happen all over again? The average person would have rung up a phone bill of over ten dollars just to get things sorted out and that can be a bit heavy if you're on welfare.

Last month's article on Opportunities for Youth called for immediate decentralization of any similar government programs for the painfully obvious reason that a lot of things seem to go haywire in the time it takes an application to travel between Fredericton and Ottawa. We had assumed that a lot less could go wrong if we only had to send it to Halifax and were pleased to see the establishment of a regional headquarters there. "Regional headquarters" is only another bureaucratic flim, however, to make a highly centralized (and therefore inefficient) operation appear close to the people. "Decentralization" must mean to the government just a few more useless desk-pouderers opening their mail, drawing their pay and slowing things down for those poor and unemployed persons who simply cannot afford the time.

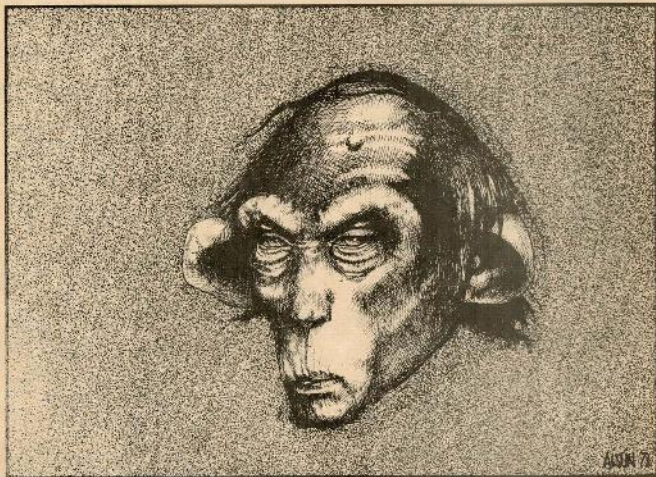
Just what we needed.

We had hoped that the government officials in charge of administering the Local Initiatives Program would learn from their experience with the Opportunities for Youth program. The two programs have a very similar structure and Cam Mackie, co-ordinator of LIP, was also director of OFY. The bureaucracy for the new program, however, appears more massive, more distant, and more inefficient than even before, and one wonders how many unemployed and poor people will actually "participate" in the program and how many will eventually benefit?

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MEI

WHERE IN
THE WORLD
IS THE
"ELECTRIC"?



Marshall McLuhan

reaction



Dear Sirs:

I was disappointed to notice in your November, 1971, edition a lengthy and favorable article, "The Campbells of Sydney", describing the weekly newspaper known as the Cape Breton Highlander.

Those of us who are perhaps a bit more familiar with this publication know something of the record it has chalked up over the years. Honestly, I can't see how anyone could view the Highlander as a progressive or "labour" paper. It is certainly not a successor to the Maritime Labour Herald or even the less-than-reputable Steelworker.

What the Highlander is simply the local Liberal rag. Of the two papers, I much prefer the Post, because it does present some community information in addition to its political propaganda. The Highlander, on the other hand, generally consists of about four pages of political pap and about sixteen of "filler", mostly advertising.

As you correctly note, the Highlander has a propensity for "strong words". Some might call it another term, "character assassination". The Highlander delights in personal vilification, rather than examining the record. The case of Donald McInnis, M.P. ("What could you expect from a pig but a grunt?") is typical of the Campbell approach. Robert Muir, M.P. is to Campbell "Bare-Buff Bob"; Jerry Akerman, M.L.A., provincial N.D.P. Leader becomes "Jeremiah", a prophet of doom. Anyone who Campbell dislikes, which means anyone who is not a Liberal hack, is sure to find themselves branded as a clown, a buffoon, or an idiot; but never is it clearly explained just how it is that they happen to be clowns, buffoons or idiots.

There is probably no public representative who Campbell has attacked with greater vigour than myself. Yet, as you note, he was willing to accept my articles on Labour and Politics in Cape Breton for publication, over a period of four or five years. Where I offended Campbell so deeply, and why I suggest he has since maligned me so viciously, was that I grew so disgusted with his approach to journalism that I had no alternative but to disassociate myself from him and his paper.

A year or so after this I was elected as an N.D.P. M.L.A. for Cape Breton Nova, defeating a Conservative cabinet Minister who had generally been considered unbeatable. (Campbell's paper had predicted: "Paul MacEwan has worked like a horse and will almost surely be put out to pasture.") When I was elected, Campbell was outraged. He attacked me without mercy, for who my father was, claiming that I was a demagogue, that the voters had taken a "great leap backwards" by electing me, and that I had appealed to the "unsophisticated" sector of the electorate. All this a week after I was elected.

Since then, Campbell has never once examined what I have done for my constituents or what progress the constituency has been making. All it has been is this constant,

carping, vitriolic personal abuse. One week he had me "ordering the faithful" to support some aldermanic candidate "on House of Assembly stationery", another week he has me trying to get "President Kenneth Kuanda (sic) to reach across the sea and remove Derek Haysom as President of Sysco." When it comes to reporting on the activities of at least this M.L.A., Mr. Campbell is a real Alice in Wonderland; where he gets some of these hare-brained inventions is beyond me, but I know that he has at least to date not yet ventured into the uncomfortable world of reality to find out some of the things I am REALLY doing. I suggest that as a presumably-responsible journalist he might start trying to do that one of these weeks.

This is the approach he takes to non-Liberal political doings. Is this slavish support of old-line politics "progress"? Is backing of the Anti-Labour policies of the Regan and Trudeau governments "supporting labour"? Is a liberal rag really any alternative to the Tory press? Is unsubstantiated character assassination and personal abuse, departments in which the Highlander is much WORSE than the Cape Breton Post, an "alternative press"?

Check the record and you will see that as your fishermen noted, they have been opposed to the N.D.P. every time. Pardon me, one exception: they backed one N.D.P. candidate, Ed Johnston, in one constituency, back in 1965. The predecessor of the Highlander was not the Maritime Labour Herald; it was the old Sydney Record or the old Glace Bay Gazette, and the old Halifax Liberal papers which back in the days of George H. Murray and Ernest Howard Armstrong used EXACTLY the same journalistic tactics that Campbell and Co. use to-day. Check the record! You will further see that the type of journalism J. B. McLachlan practised and what Campbell is doing to-day are so far removed that there is simply no comparison at all. I am particularly sensitive to the reference to McLachlan, as J. B. McLachlan was a man who gave all he had in life to further the cause of the workers as he saw it, and to compare such a revered figure to this Campbell is more than a trifle impertinent, I suggest.

If Campbell were less of a bigot - and that is all I consider him politically as well as otherwise - his paper might be taken seriously in the Cape Breton area. As matters stand, it is not, because Cape Bretoners generally resent excessive personal smear tactics against those who are attempting to serve them as political, union, or community leaders. Again, if you check the record, you will find that generally the Highlander's endorsement in any election is the kiss of death. He backed Jake Campbell for U.M.W. President, Earl Smith for Mayor of Sydney, Ed Johnston, Vince Morrison, Bob Fergusson for M.P., Alex McInnis for alderman (and almost everything else up to God), a "Team" of candidates for civic posts several years ago. All lost; several were crushed. Conversely, I am convinced that at least in part it is the vicious attacks of the Highlander that keep people like U.M.W. President Bill Marsh, M.P.'s Muir and McInnis, and his other whipping-boys, popular and elected time after time. I seriously suggest that if Sandy Campbell were to come out strong for Bob Muir in the next federal election, Muir MIGHT for once be in trouble at the polls.

I could go on about this Highlander for much longer, because I know the people connected with it, their tactics, and their mentality; but I think this should be sufficient to put matters in some perspective.

Yours Truly,
Paul MacEwan,
M.L.A., Cape Breton Nova.

Sir:

The Highlander hasn't changed its basic philosophy since it was established eight years ago. Paul MacEwan was an ardent supporter (as was Jeremiah Akerman) up until the time that THEY changed, by seizing the opportunity to advance themselves at the expense of the struggling Nova Scotia NDP party. (Forgive the redundancy.) MacEwan and Akerman are a couple of scrabbling sucked eggs whose grasp exceeds their reach. Their self-seeking political adventure inevitably brought them into conflict with *The Highlander*, because we're against anyone who tries to rip off the ordinary people, regardless of whether the ripoffers call themselves bleeding-heart liberals or socialists or make no pretense at being anything other than greedy capitalists. The MacEwan-Akerman rantings are no different than the rantings of the other right-wingers who detest *The Highlander*. It's still a free country and they have the right to posture and gesture and make endless speeches filled with endless, meaningless, tragicomic platitudes. Old P.T. Barnum was right when he said, "There's one born every minute"; he should have added, "and two to take em". It's true that a lot of the causes and candidates which *The Highlander* supported lost at the polls, (Jeremy Akerman was one, in the last federal election), but *The Highlander* doesn't try to pick a winner and support him; it tries to get behind those it thinks deserve to win. I waded through as much of MacEwan's letter to *The Mysterious East* as I could bear. It's just a rehash of the disturbed crap that he's

been dropping on the community for the last year or so; he relieved himself of many of the same petty gripes in his formal opposition of the radio license application in which *The Highlander* was involved last month. (Incidentally, MacEwan joined forces with the nearderthal *Cape Breton Post* in screaming protests of the CRTC decision which awarded the radio license to our group, which consists of people seriously dedicated to doing something for the community by putting their money and time and talent where MacEwan puts only his mean mouth.) He has nothing to say which we haven't heard before. It is all predictable and expectable. Without wishing to offend Paul, I would suggest that the style and substance of his public utterances would lead people to believe that he must have grown up on the same farm as his strange bedfellow Donald MacInnis, MP. Sorry to take up so much of your space. MacEwan's flattery and my reply aren't worth it.

Sincerely,
Sandy Campbell.

As a postscript to his reply, Sandy Campbell enclosed the following article from the December 22 issue of The Highlander: "This gives some indication of MacEwan's paranoia about criticism from any quarter," says Campbell, "including the poor people represented by Malcolm Gamble, vice-president of a public housing tenants' association."

Pall's personalized stationery

Malcolm Gamble, vice-president of the James Street Tenants Association suggested in a letter to *The Highlander* last week that C.B. Nova MLA seemed to have lost interest in speeding up elimination of pollution that casts a particular pall over the Pier area—which is home to most of MacEwan's constituents. The letter smoked out the NDP MLA who fired back a chintzy letter, mailed in a Legislative Assembly envelope but written on Pall's personalized stationery. Constituent Gamble was considering following instructions to the letter.



December 16, 1973

Mr. Malcolm Gamble
19 April Terrace
SYDNEY, Nova Scotia

Dear Mr. Gamble,
I read the dirty lies about me which you had published in the *Highlander*. When one works as hard as I do trying to help make a better life for people like Malcolm Gamble, this kind of abuse from someone who knows better is pretty rotten. You might start helping to eliminate pollution in Sydney by applying this piece of toilet paper to yourself. Please rub vigorously.

Yours faithfully,

Paul MacEwan
PAUL MACEWAN
N.L.A. C.B. Nova

Back of the Book

WHOLESALE DEGREE OUTLET

Once again the University of New Brunswick has plodded through the time-honoured cliché of conferring honorary degrees to three notables.

Sometimes a university gives an honorary degree to reward a faithful benefactor or to soften up a potential benefactor, but usually it is in recognition of a worthwhile achievement or career in the realms of arts or sciences or it for outstanding service to mankind.

So, we warmly applauded the stately progress of the Hon. Mr. Justice Roger Quamet of the Court of Queen's Bench as he crossed the platform. And again we applauded when Dr. James M. Harrison, Assistant Deputy Minister in the Federal Department of Energy, Mines and Resources crossed the platform. The last worthy to run the honorary gauntlet, however, threw us into confusion. Mr. Derek John Marks? Who is Mr. Derek John Marks? What, we asked in dismay, is the extent (or amount) of this gentleman's contribution?

Now, Derek John Marks, it turns out, is a distinguished journalist, a former editor of the *Daily Express* and a director of Beaverbrook Newspapers. He has recently been appointed personal advisor to Sir Max Aitken, Chairman of Beaverbrook Newspapers and Chancellor of U.N.B. Well really, we muttered, we might have been told. "Honorary degrees may also be awarded to loyal employees of the Chancellor."

Had we misunderstood the purpose of honorary degrees? Apparently we had. For instance, in 1966, John R. Gordon, who joined the Beaverbrook Newspapers in 1922 and rose from chief sub-editor of the *Daily Express* to editor and director of the *Sunday Express*, was awarded an honorary degree while as recently as 1969, Sir Thomas Blackburn was the recipient of a similar prize. Blackburn was the

general manager of the *Daily Express*, the *Sunday Express* and the *Evening Standard* before becoming a director of Beaverbrook Newspapers. He had also served as vice-president and chairman of the Beaverbrook newspaper empire.

Well, we smiled, determined to be not the least bit surprised when some future Public Orator stretched his arms proclaiming, "Will Christopher Gorm, printer's devil for the *Transylvania Bugle*, please step forward!"

PUSHY GRIT ZAPPED

(LPNS) ST. JOHN'S NFLD. — Overreacher of the week award goes to Tom Burgess, member of Newfoundland's House of Assembly for Labrador West and leader of the New Labrador Party. Burgess was left with the balance of power after the deadlocked October 28 provincial election, and both Liberals and Conservatives reportedly offered him a cabinet post in return for his support which he eventually pledged to PC leader Frank Moores.

But as the Liberals clung desperately to power, Burgess grew even more impatient than most people. Last week St. John's newspapers revealed that a subscription to the *Toronto Globe and Mail* addressed to "The Honourable Thomas Burgess, Minister of Agriculture, Mines and Resources" had been arriving for some time at the Confederation Building.

Initial speculation centred around a practical joke, but the subscription department of the *Globe and Mail* said the subscription had been placed by a Mr. T. Burgess in Labrador City.

Burgess, reported the newspapers, was unavailable for comment.

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