

Election '74:

Post says coverup, obstruction and graft par for N.B.

By PHILIP MATHIAS
(Reprinted from
The Financial Post)

Just as in Washington, coverup, obstruction of justice, and illegal political contributions appear to have been going on in New Brunswick in recent years.

But unlike Washington, no one here seems concerned enough to mount a determined widespread investigation. The striking exception is the charge laid against J. C. (Charlie) Van Horne, former minister of Tourism, alleging that he agreed to accept "rewards" for exercising influences on behalf of parties doing business with the government.

Apart from this case, now before the courts, the provincial police — in this province, the Royal Canadian Mounted Police — apparently will not vigorously investigate some of the complaints it has received about political misdemeanors.

In this province, it's true, the force is tightly controlled by the New Brunswick Department of Justice and, to that extent, its hands are tied. But the RCMP does have some freedom of operation, and, by not making use of it, the force would appear to be acquiescing in a Justice Department coverup.

The newspapers here are not of much help either. All English-language dailies in the province are owned by the powerful local K. C. Irving family, and, for whatever reason, do no hard investigative journalism.

From time to time, the opposition Liberal Party has turned up incidents of partonage in the province, but for the most part they have been petty cases and, besides, the record of the past decade seems to show that when the Liberals were in power their patronage habits were much like those of the Conservatives. Of course, political patronage occurs in every part of Canada. Ontario has had some disturbing recent scandals — for example, those in 1972-73 relating to a political payment by a Swiss-based development company and questions over a building contract granted to another company by Ontario Hydro.

But political impropriety seems so commonplace in New Brunswick that FP recently was able to research, or turn up afresh, about 20 examples. Many involve petty government patronage of a supplier. A few are conflicts of interest or favoritism in the civil service. Others are more serious, and some already have been made public.

Involved in these cases are a senator (now deceased), three cabinet ministers, and an MLA.

The picture that emerges is one of widespread political hanky-panky:

Enough indications can be found to justify the suspicion that the government asks many of its suppliers for kickbacks into the Progressive Conservative slush fund.

FP has heard from reliable sources that kickbacks have been received from companies supplying automobiles, tires, and construction work to the government.

Anything from 2 per cent to 10 per cent of the price paid by the government for the goods may be required by the party. The amount seems to depend on the supplier's profit.

The kickbacks take a number of forms. One auto supplier who said he paid a kickback to the Liberal Party in the late 1960s said he had a relative deliver the money in cash in a briefcase. (He told FP he was shocked when he realized the voice at the end of the phone asking him for the kickback was a Senator — Nelson Rattenbury, now deceased.)

FP was also told some tire manufacturers are paying kickbacks to the Conservatives, amounting to 5 per cent of the price of the tires sold to the government, delivered in the form of credit notes to a tire dealer specified by the party. Something similar appears to have happened with a furniture company.

L'Evangeline, a French-language daily published in Moncton, recently claimed it had documents proving the Hatfield government forced a furniture supplier to pay a special commission to an ex-Conservative member of the provincial legislature. As part of the arrangement, the man was appointed the company's agent in New Brunswick.

The company retained and continued to pay the original agent it had on its payroll in New Brunswick, L'Evangeline reported, and, to cover the extra commission, the company allegedly increased the prices quoted to the government.

The government made an "internal investigation" of L'Evangeline's charges without speaking to the company or asking L'Evangeline to show its documents. A statement was made in the legislature that "after comparing prices with other companies, the committee (making the official investigation) felt the government was getting fair value for the money spent, and that is where it terminated."

Talk of kickbacks is shrugged off in New Brunswick, or dismissed as part of the local color and culture. But kickbacks, however tolerated, tend to lower the quality and value of services supplied to the government, and they do constitute a criminal act under section 110 of the Criminal Code.

Kickbacks can also be expensive for the taxpayers. In some cases, they are charged to the job and therefore, are paid by the government. Net effect: the politicians gain campaign funds from the public purse.

Petty patronage may be quaint, but it can have its worrying side. Liberal MLAs recently revealed in the legislature that many schools in the province and a new hospital in Fredericton are roofed and insulated with a plastic-foam material manufactured by a New Brunswick company that until recently had close ties with the minister of Supply & Services, Carl Mooers, and a Conservative MLA, Reg Mabey.

The Department of Education received a letter from one architect, who said he hesitated to use the plastic-foam material on a school because of "pressure being made on subcontractors and others involved in this project, political and otherwise, give us sufficient doubt as to the quality of the material."

The architect also said: "We have been witnessing, through the construction industry, commentaries that suggest a possible weakness in this material as a roof insulation..."

There has also been some concern in the construction

industry over whether plastic foams constitute fire hazard.

Early this year, Mooers sold his interest in the plastic-foam firm, and is not offering himself for re-election.

The charge against J. C. Van Horne alleges that Van Horne, former minister of Tourism in Hatfield's cabinet, accepted favors while in office. Last Week, Van Horne, was found guilty of contempt of court by the New Brunswick Supreme Court for stating publicly, among other things, that the RCMP had told him they were acting for the Justice

minister and "the whole thing was a coverup" that would make Watergate look like a "New Brunswick bingo game."

Apology

Van Horne was ordered to apologize to the New Brunswick Justice minister, Justice Department officials, officers of the cabinet, police, and ministers "for all things."

Premier Richard Hatfield's response to the scandals that have erupted in his administration has been low key — a white paper on

conflict of interest, tabled in the legislature in May (it aroused little comment), and a welcome modernization of purchasing procedures to cut down the scope for patronage.

Hatfield obviously feels no great pressure really to clean up the political circus in New Brunswick.

The RCMP's apathy seems to stem from the attitude of two or three senior officers, though it is difficult to tell from outside the force.

New Brunswick is one of eight

Continued on page 18

NDPer attacks 'cosmetic' proposals

By DAVE MCCURDY

A New Democratic Party candidate in Monday's provincial election has attacked the student aid proposals of provincial student politicians as "cosmetic"

Michel Goudreau, NDP candidate in Fredericton North, commented on three proposals which student leaders from five New Brunswick universities presented to the three major provincial party leaders last month.

The main proposal asked the ceiling for total student aid per year be raised to \$2400 per student, with \$900 of this in the form of a Canada student loan. A student now receiving the maximum amount of student aid must borrow \$1100 per year.

The student politicians also requested that the loan-bursary ratio and loan-bursary total be brought up to Canadian standards

essentially the same as the first proposal and made requests concerning deadlines for applications and other related matters.

Premier Richard Hatfield and Liberal leader Robert Higgins expressed guarded support for the students' proposals, but Goudreau blasted them as not going nearly far enough towards solving students' financial problems.

Goudreau said the proposals "smack of parochialism and only reflect the petty bourgeois attitude of the student leaders. The student leaders have not dared question the present system of student loans and bursaries which serves as another wheel in the patronage machine for the two old parties."

"The amount of money a student can extract from the government depends, more often than not, on the amount of 'pull' and the 'connections' a student, or his or her parents, has," he continued.

Only the naive would believe a university education is open to all, Goudreau said. He said gradual elimination of tuition fees and a program of government-owned low-rental student housing was needed instead of increased loans or bursaries.

Goudreau said he wished to impress on student leaders the need to be radical. "Surely with inflation causing havoc with student finances, we can no longer settle for the cosmetic proposals they came up with," he said.

The money to pay for free tuition and low-rental housing, Goudreau said, could come out of provincial liquor revenues, which now total \$24 million each year.

Peter Galoska, student union president at the University of New Brunswick, was one of the student leaders who drafted the three proposals. He said Goudreau's

criticism was well taken, but described it as "a great election platform." Galoska said he wondered how Goudreau's ideas

would be financed since provincial liquor revenues were already spent.

Continued on page 18



An education . . . like a new car or a vacation?

Memo From
HARVEY Studios

It's your Graduation.

Don't trust the photography
to anyone less than a
HARVEY photographer.

Dial 455-9415

HARVEY Studios
372 Queen St.