

# The Marysville closure:

On January 26, 1954, Canadian Cottons Limited shocked the people of Marysville, New Brunswick by announcing that it was closing its textile mill in that town.

The mill was the only large industry in Marysville; the people were naturally concerned about the future of their town. For three years, the mill remained closed until early 1957, when it was reopened by Hamilton Cotton Company.

So the mill regained its place as the biggest employer in Marysville, and for

15 years 300 and at times more people in the area depended on the mill for their livelihood.

Then on January 26, 1973 - 19 years to the day after the 1954 closing - the mill was closed down again.

The situations surrounding the two closures were different. In '54, Canadian Cottons decided to concentrate its production in Ontario and consequently pulled out of the Maritimes; in '73, the owner of the mill, Cosmos Imperial, was

forced into bankruptcy by Industrial Estates Limited, a crown corporation of the province of Nova Scotia. In '54, the mill was phased out of operation over a period of several weeks; in '73, it was closed down without so much as five minutes' warning to employees.

The closing of the Marysville mill this year is an interesting study in corporate affairs, intergovernmental relations, and union politics. The BRUNSWICKAN interviewed key personalities in the affair and prepared the feature that follows.

By EARLE McCURDY

Last Friday, January 26, the second shift at the Marysville mill went to work as usual, in time for the 4:00 changeover in shifts. They were greeted by confusion. A notice had just been posted informing both the oncoming and the outgoing shifts that the mill was to cease production immediately. There was so little warning that the buses that normally transport workers to and from work could not accommodate the overflow caused by the necessity of transporting two shifts home at once.

Mill manager Allan Rathbone claimed he had no inkling that the mill was going to have to be closed until that day. And it was not through the action of his company, Cosmos Imperial that the mill was closed. Rather, Cosmos was foreclosed without warning by Industrial Estates Limited, whose action forced Cosmos into bankruptcy. As Cosmos' major creditor, IEL took over the mill and closed it immediately.

Reaction to the closing was one of complete surprise. Provincial politicians, the workers, and everyone else connected with the mill were taken aback by the announcement.

John Pyne, president of the mill workers' union, local 1795 of the Textile Workers' Union of America, said he was "shocked" by the announcement. "We had a meeting with the manager Friday morning from 11:00 until noon, and there was no indication that anything was going to happen. Then at ten to four when the second shift came in, the bombshell dropped."

The reason there was such surprised reaction to the closing of the mill was that intergovernmental negotiations concerning the mill were reportedly proceeding very favorably. The federal departments of trade and commerce and regional economic expansion, the development departments of the Nova Scotia and New Brunswick governments, and even the Canadian Imperial Bank of Commerce had been involved in negotiations involving a long term proposal for the mill that was supposed to eventually provide more than 300 additional jobs in the Maritimes.

These negotiations, and the government assistance that was to follow, were necessary if Cosmos was to follow through with its plans to close its plants in Ontario and shift its entire operation to the Maritimes. Included in the equipment to be moved to Marysville was a rope and cordage mill that was to be relocated from Hamilton.

Rathbone said that government assistance would have been necessary if Cosmos was to move its operation to the Maritimes because "our working capital would not allow us to move all our capital down here". In fact, he admitted that Cosmos was dependent on government help if it was to stay alive. "It's certainly been a known fact for some time," he said, "that our survival was dependent upon a successful conclusion to negotiations with government."

He said that he thought the negotiations had been resolved and that the final agreement was a "fait accompli". The agreement that had been reached called for a contribution by federal departments

of over a million dollars, while the two provincial governments were to be involved to the tune of \$500,000 apiece. The Bank of Commerce was in on the act in that it had indicated a willingness to write off part of a loan to Cosmos. But all negotiations were rendered irrelevant by the decision of the Nova Scotia government, through its crown corporation IEL, to foreclose on Cosmos and force the company into bankruptcy.

The involvement of the Nova Scotia government in the whole affair comes from its involvement with another Cosmos Imperial mill, located at Yarmouth, Nova Scotia. When Nova Scotia received an offer from Canada's largest textile company, Dominion Textile, to take over the Yarmouth operation, it foreclosed on Cosmos and put them out of business. But, unfortunately for the 300 workers at Marysville, Dominion was not interested in operating the plant there.

Reaction to the foreclosure was predictably bitter. "If this is an indication of what we would get from Maritime union," said Marysville mayor Neil Allen, "then I'm not interested." He cited Halifax's takeover of the Volkswagen importing trade from Saint John as another instance of Nova Scotia's putting its own interests ahead of the welfare of the region as a whole.

Denunciations of the Nova Scotia government came from local politicians, Mayor Allen, mill manager Rathbone, and the union local.

Rathbone termed the IEL foreclosure an "eleventh hour" move, coming as it did just as government negotiations had come to an apparently successful conclusion. "Dominion Textile is a very fine textile company," he said, "and IEL might have thought that their future was better with Dominion than with Cosmos. Obviously they made a very serious error, and in doing so they ruthlessly cut off 300 people from another province."

Nova Scotia development minister Ralph Fiske defended his department's action, saying that the "security of Dominion Textile's expertise" was preferable to "the risk of keeping Cosmos alive". He described the proposed government aid to Cosmos as "ill-advised".

But while the Nova Scotia government has been denounced from all sides, the important thing for the people who were thrown out of work, is what is going to happen next.

Mayor Allen estimated that of the \$20,000 per week payroll of the Marysville mill, some \$8000 went into the pockets of Marysville residents. The loss of this income is quite a blow to the town of 4200, but Allen has not given

up hope. "What we are doing now is surveying all avenues to bring textiles back to Marysville. If these avenues are all closed to us, we'll try to bring some other industry here...We survived in 1954 and we'll survive in 1973".

He was "not optimistic" that the plant would open very soon, however. "We have to face the fact that the mill is a large, outdated building," he said. "This is something the government is going to have to face."

Rathbone claims the mill could operate on its own without the connection with the Yarmouth mill, provided someone could be found to run it. According to Rathbone the Marysville mill served as a "feeder" to Yarmouth only in that Yarmouth needed the yarn produced at Marysville and, as a sister company, had first claim to it. He claimed the Marysville operation could be made viable on its own, a claim disputed by Ed Seymour, a representative of the Textile Workers international. Seymour charged that the Marysville plant was not included in the agreement between Dominion Textile and Industrial Estates Limited because "there was nothing of value left", and termed the equipment at Marysville "obsolete". Rathbone's contention is that "This mill is just like a great many mills in North America".

Provincial economic growth minister Paul Creaghan and premier Richard Hatfield both promised to do whatever was possible to keep the mill going. Creaghan said that the government had approached Industrial Estates about the possibility of buying the mill, but that the price IEL demanded was too high. A couple of local MLA's vowed that "the lights will come on in the Marysville mill again", but gave no indication of how such a goal was to be attained.

Mill manager Rathbone gave "full marks" to the department of economic growth, for its efforts in the situation, but the politicians would have done better if they'd manage to avoid the usual platitudes and not tried to make political hay of a situation that drastically affects the lives of a great many of their constituents.

For instance, Creaghan was quoted in the Fredericton Daily Gleaner as saying, "Possibly the most significant feature of this entire exercise was the chance for the two sister provinces to co-operate in a joint project for substantial mutual benefits." It turned out to be pretty poor co-operation, and perhaps a little less significant to the people put out of work than the fact that many of them will have to survive between now and the time unemployment insurance cheques start to come through - a period likely to be about a month long.



Marysville mill manager explains his side of the mill closure story - a story that the president of the mill workers' local called an "unhappy one". At left is a ball of yarn produced at the mill before last Friday's sudden closure.