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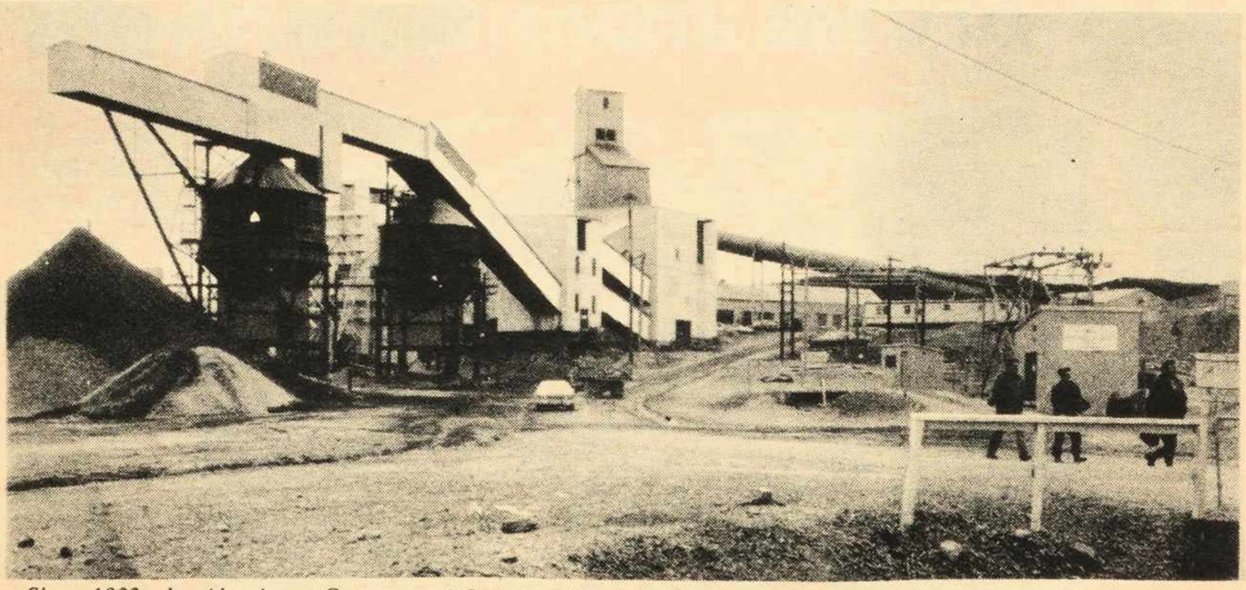
St Lawrence



Since 1933, the Aluminum Company of Canada (Alcan) and its predecessors have been the single major employer in St. Lawrence. The fluorspar mines they operated there closed this February

out of St. Lawrence and we're going."

Alcan then offered to lease the mines and assets to the province for $1 a year over the next five years. The province would be allowed to sublease the mines to a company which might want to operate them, but Alcan would retain ownership.

Government rejected the proposal and countered with an offer to take over the mines permanently for the same nominal fee. Alcan declined and Mines Minister Brian Peckford has threatened further action. He has not specified what kind of action government is considering, but he dismissed nationalization on the grounds that the government does not want to operate the mines itself because it would entail compensation.

Since the announcement of the closedown, residents of St. Lawrence have posed several questions about the decision.

Given corporate planning, asked businessperson Ron Aylward, why did Alcan pump in $8 million for a new shaft and a new mill (which was to improve the grade of ore) in the past couple of years?

Rudd contends that there have been drastic changes over the past four years in the fluorspar market. These changes were not foreseen four years ago when the recent capital expenditure was approved, he stated.

Residents have also questioned whether this capital expenditure was used in cost of production figures to show that St. Lawrence was non-competitive. Rudd replies that the company did not include that $8 million or another $2 million spent in improvements in cost of production.

Rudd also dismissed charges by former mayor Jules Mirault, once an Alcan employee, that extravagant spending on senior staff and on travel to Montreal was in part to blame for high production costs. He argued that Alcan had to make such expenditures to attract the needed skilled

The loss of the mines will be a severe economic and social blow to the 2,300 residents of St. Lawrence.

personnel and that, in any case, the amounts spent were "negligible" relative to overall costs. However, he could not produce figures on the amount spent on renovations of staff houses, maintenance of these houses and air transportation.

The timing of the closedown has been ironic in terms of health and safety in the St. Lawrence mines. Since the first fluorspar was extracted in the 1930's, health hazards have been a major problem and the proof lies in the extraordinarily large graveyard in the community.

In 1941, a series of strikes prompted government to appoint a board to look into dust problems in the mines. While little came out of their report, the complaints raised by the workers at that time resurfaced a decade later when a disproportionately high number of miners were afflicted by what was then thought to be tuberculosis.

Not until 1967 did the public become aware of the fact that miners had been dying of lung cancer attributable to dust and radiation. Government greeted the reports which were publicized by calling the problems "passé."

Eventually, however, the health hazard was recognized and a special fund set up by the government and Alcan to afford some compensation to the widows of the miners who had died.

But that compensation is small—one widow, who recalled watching her 190-pound husband dwindle away to a mere 45 pounds before dying, bitterly points out that she has had to raise her family on $350 a month. As far as she is concerned, Alcan's departure is good riddance.

The agreement which provides her and other widows with compensation will expire in 1981 and what happens thereafter has not been determined by the company or government.

Nor will the company assume any responsibility for miners who joined Alcan after 1960, the year ventilation was improved, even if similar health problems are detected in them in a few years from now. Rudd says those problems, if they arise, will have to be handled by the workmen's compensation board.

No health problems among this group have been detected yet and Mike Slaney, president of the St. Lawrence Protective Union, says health conditions in the mines have never been better.

Older Alcan workers who suffered partial disabilities as a result of the dust and radiation but who were kept on the payroll doing work in dust free areas are to receive no special compensation either, Rudd said, although the company will continue insurance premium payments for miners who worked there prior to 1960.

Slaney, however, feels the company has a greater obligation to those who lost their health digging fluorspar. He said the union has asked that Alcan or the workmen's compensation board be forced to pay 75 per cent of wages of these men in compensation.

At present, the dozen or so involved are getting only 30 per cent compensation, which means anywhere from $50 to $120 a month. Unless new arrangements are made, the men will be pushed onto welfare rolls.

One man who has already faced this crisis is Tom Tobin, who after 12 years in the mines had to quit in 1962 because of heart and lung ailments. The father of nine, he still has four children in school and must support the family on $340 a month. Part of this comes from the workmen's compensation board and the rest from the Department of Social Services.

Although the books assess his disability as 30 per cent, Tobin found he was unable to take on the strenuous work of fishing or gain employment in other mines or in Labrador.

The big adjustment, he says, was to have so much time without being able to do anything. "You go half crazy sometimes."

Dissatisfaction with benefits

The unionized workers are entitled to severance pay of one week's wages for every year of service. Management and clerical employees will receive the same rate of compensation for their first 15 years of service, but the rate beyond 15 years is 1.2 weeks wages per year.

While this formula provides staff employees with a greater financial benefit than the unionized workers, it was the cause of much disgruntlement. A number of staff were laid off last April and they received two weeks wages for every year worked up to 20 years and one month's pay for each year beyond.

Consequently, the staff members who stayed on until the end expected the same settlement and when Alcan announced the new formula, they were angry. Levi Pike, a 35-year veteran with the company, calculated that the change would cost him $25,000.

Alcan's rationale, according to Rudd, is that staff that stayed on past April had the advantage of an additional six months' employment. They also had more warning before losing their jobs and consequently more time to look for alternative work, he stated, whereas those laid off in April were made "redundant" immediately.

The town council, while it will inherit the curling rink and other recreational facilities, will also have to take over the operating expenses of these. In a town which will soon lose the $50,000 annual grant Alcan paid in lieu of taxes, as well as property taxes of residents who will be forced to leave, the expenditure is heavy.

Former Mayor Jules Mirault noted that the town had intended to increase the Alcan "tax" last year to $75,000. But it deferred the increase because company officials stressed the necessity of keeping costs down if the St. Lawrence mines were to remain viable.

And while Alcan is looking toward a good year in terms of profits from its worldwide operations—aluminum demand and prices are on the upswing—the future of St. Lawrence is very uncertain.

Government has admitted that even if Alcan hands over the assets and mineral rights for a nominal fee, it will be a few years before a new company could be found to take over operations.

Another prospective economic base for the community is the establishment of a fish processing plant which would include a trawler fleet capable of prosecuting the off-shore fishery. Even if mining is to continue, a second industry would be valuable to the area as a permanent economic base which would continue after the mines are depleted.

However, while St. Lawrence is ideally located for the fishing industry, there are many problems with this option. Miners who have never fished or

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worked in a fish plant would have to be retrained. Others may not be able to adapt to the new occupation.

The construction of a fish plant and a trawler fleet would in any case take years, even if begun immediately. Moreover, other plants on the Burin Peninsula on which St. Lawrence is located are not operating at full capacity—a good example is the plant in nearby Fortune which, although long established, is having problems replacing its aging trawler fleet.

In the meantime, those who remain in St. Lawrence will face the prospects of government make-work projects, unemployment insurance, and welfare, until either the mines or fishery come into operation.

What this will do to the social wellbeing of the community, whose residents have prided themselves on the fact that they have contributed much to the economy and to government coffers, can only be answered in the future.

What is happening to St. Lawrence is not unique. Bell Island, which was once a prosperous iron area, fell prey to the same tragedy in 1966 when the Dominion Steel and Coal Corporation (Dosco) closed down the 60-year-old mines.

Government assistance to the miners came in the form of mobility grants and retraining programs but today Bell Island's main source of employment remains with government services in the area of health and education.

The possibility has recently arisen of the mines being used to store oil. Wabanex, a subsidiary of the gigantic Power Corporation, has made this proposal. The project, however, hinges on a favourable decision by the United States to join Canada in the agreement.