

# EVERYWHERE

line! The  
g for years  
not benefit  
68 the real  
was -1.5%,  
government  
surplus rural  
men this was  
period one  
white slums in  
Kansas City.  
ne other side  
ate similar

tor. In 1967  
manufacturing  
s was \$85.27  
But not an  
vey done by  
Association  
w Brunswick  
ble life." The  
rtant internal

ly wages was  
ts was -1.5%,  
sonal income  
t white collar  
llar sector the  
ome brackets,

ding tendency  
family income  
A good first  
ed on income  
consisted of  
employed and  
n average cash  
obably did not  
about 137,000  
in 1966 was  
not file joint  
their husbands'  
now that across  
ss than \$1,000 a  
omen's wages to  
than in the rest  
42,000 income  
working women  
The rest of the  
g of returns and

filed tax returns  
me groups. The  
income earners)  
a year, averaging  
has increased at  
and is relatively  
has more than  
me of the people  
his is the only  
rd." The smaller,  
d for most of the  
ring the "boom."

Brunswick included  
(and the 60% of  
were in a state of  
000 unemployed  
ment subsidies,  
verage annual cash  
der-employed low  
did not succeed in  
d 51,000 income  
han \$3,000 a year.  
nce made between  
re part of a large  
ow mobility and  
roup would be very

is concerned, 85%  
population) did not  
ed capital spending  
f the "boom." 60%  
k lived in a state of  
only become worse

t poverty in New  
verty is a huge and

characteristic of our own society and our own  
my. What we do not understand yet is precisely  
and exactly *what* can be done about it. It's  
tant not to jump to oversimplified conclusions.  
before the French Revolution, there had been many  
shortages in France and one day as Marie  
Antoinette was admiring the view at Versailles there  
came to be a typically nonviolent peaceful  
demonstration going on where the people were  
protesting the shortage of food. When they told her that  
people had no bread, Marie Antoinette, who by all  
accounts was a very nice person (for a queen, who by all  
accounts was well-meaning (perhaps a little annoyed by  
the insinuation that it had anything to do with *her*)  
in all innocence why, then, they didn't eat cake?  
Maybe that's just a story. But it does illustrate an  
important point: that *economic problems inevitably lead  
to political demands*. And also a parallel to the perhaps  
meaning and probably slightly annoyed answer to  
problems of today: there are unemployed? Well,  
they should get jobs! There are people who have  
jobs? Well, they should see a doctor! People have no  
jobs? Well, they should eat cake! This is the answer of  
the bourgeoisie: whether there are enough cakes or enough  
jobs or enough jobs to go around has not been  
considered. There is obviously not enough of any of  
these things in New Brunswick. It's our job to find out  
how to find out how we can get enough to go  
on.

## The Great Economic Boom

What about the "great leap forward?" We've seen  
the main benefit in terms of personal income was to  
the relatively affluent group of people making about  
\$10,000 a year. There's another income gain: in 1966,  
people filed returns on income over \$25,000 for the  
first time. The number in 1962 was 265. In 1968 the gross  
profit of Irving Oil (48% owned by Standard  
Oil of California), NB Telephone (35% owned by Bell  
Canada) and Fraser Companies was 9.1 million  
dollars.

According to information given by the Economic  
Council of Canada, the main origin of the "boom" of  
the early 1960's was government spending. Since  
governments have a great deal of faith in the ability of  
"enterprise" to help out people, they believe that  
the good for business is necessarily good for people.  
The line is that if business is helped out then this is  
the same thing as helping the people. So our  
governments followed this line and then pointed with  
pride to the increase in average personal income, which  
we have seen didn't affect most people at all. Then  
government is careful to never publicize the more  
important facts of the matter. This touching faith in  
"enterprise" is probably the reason why, in the 1964-68  
period, most special federal expenditures in the Atlantic  
provinces went to building the industrial infrastructure  
(electric power, water, industrial parks, and mainly  
highways) and only 5-10% went as special grants to  
secondary education and manpower training  
programs. From 1963-67 the Area Development Agency  
(ADA) spent 106 million dollars on tax gifts and grants  
to industry in the Atlantic Provinces which was  
equivalent with 676 million in capital growth and the  
creation of 16,308 new jobs. Great success, right?  
No! The Economic Council of Canada pointed out  
that 74% of the jobs would have evolved as a matter of  
course without stimulation of subsidies. Also, since the  
textile and paper industry was the most highly subsidized,  
the 1961 census shows that 57% of the wage earners  
in the forest industries lived in poverty, it can be guessed  
that the jobs provided weren't the best in the world.

The Atlantic Development Board (ADB) was  
established in 1962 with Michael Wardell, editor of the  
*Atlantic Monthly* and close friend of K. C. Irving, as its first  
chairman. From 1962-67 the ADB spent its entire budget of  
\$100 million dollars on electric power, water for industry,  
industrial parks, research for development and highways.  
This was presumably good for business but had little  
effect on personal income. In all, from 1962 to 1967  
total government and institutional expenditures in  
New Brunswick total 706 million dollars. The percentage  
of government and institutional expenditure to total  
public and private investment rose from 27% in 1962 to  
30% in 1967. Obviously, the economic  
boom was entirely dependent on a massive increase in  
governmental spending and in most respects showed no  
particular interest by business to do more than take the  
subsidies and profits offered them. It would probably be  
difficult to point out that the entire cost of this



policy sold on the benevolence of free enterprise has  
been borne by the tax-paying population.

The Economic Council of Canada politely criticizes  
the "great leap forward" in its 5th Annual Review  
(1968). "Analysis has shown that spending money (e.g.  
on some kinds of economic development) in the general  
vicinity of poverty groups by no means guarantees that a  
substantial proportion of the benefits will in fact flow to  
the poor." As far as New Brunswick is concerned, that's  
a highly accurate understatement.

## What the Government Can't Do

Traditionally the government has intervened directly  
in personal income distribution only by tax policies. Tax  
policies have not only been ineffective but quite  
damaging. On the average, people and families who make  
less than \$3000 a year pay as much as 3.5% of their  
income in income taxes. Their main tax burden is in the  
form of "hidden" taxes, mainly the retail sales tax which  
adds 6% in New Brunswick to the cost of most things  
they must buy. Consequently, when the main area of  
interest in tax reform is in income taxes, the main tax  
burden of the poor is being ignored. Aside from that  
problem, most concepts of tax reform are highly  
inadequate. Take for example Finance Minister Benson's  
white paper on tax reform. This proposal would provide  
lower taxes on all personal income below \$9000  
annually. Nice, but totally ineffective and here's why.  
Taxes are relatively unimportant in the budgets of  
families living in poverty as compared with gross income  
and the price of goods and services. Since the basic  
purpose of taxes is to raise government revenue the  
money must come from somewhere. In the case of the  
Benson paper the increased burden is laid on the petit  
bourgeoisie who have the economic power to pass that  
burden back to the working class through decreasing real  
wages and through increasing the costs of goods and  
services. As C.W. Gonick of the New Democratic Party  
points out, the poor who pay lower taxes initially will  
find their rent bills will rise at least as much as their  
taxes have decreased. So the government still gets its  
revenue out of the same pockets as before "the reform."  
The ineffectiveness of traditional government  
approaches is seen in the observation of the Economic  
Council of Canada that "there has been relatively little  
change in the distribution of family income in Canada  
over the last 15 years."

There is also a question as to whether the government  
has the will to help the poor. The same people generally  
man the policy-making levels of the government as those  
who run big business, so it should come as no surprise  
that government holds the same attitudes and beliefs as  
business about what is good for the country and how to  
deal with the country's people. In addition the  
government is literally in debt to business. Deficit  
financing has led the Government of Canada to the point  
where it owes about 17 billion dollars, largely to the  
international bond market locally controlled by New  
York interests, and allots about 14% of its budgetary  
expenditure to debt interest charges. New Brunswick  
owes about 440 million dollars and will spend about 27

million dollars this year simply on debt charges.

As far as the government of New Brunswick is  
concerned, if they were interested in helping the poor  
they would not treat their own civil servants the way  
they do. According to a recent study done by the New  
Brunswick Public Employees Association in 1969, civil  
servants making between \$12,000 and \$30,000 a year  
got pay increases between 16% and 36% with the largest  
increases going with the highest salaries (Deputy  
Ministers). At the same time those making between  
\$3700 and \$5500 had pay increases between zero and  
8%. The lowest grade typist and labourers make much  
less than \$3000 a year.

A common theme runs through all the government's  
response to the problem of poverty. In every policy the  
government makes there is the highest respect for the  
businessman, the landowner, the doctor, the lawyer and  
the university professor. There is the recognition of the  
fundamental "right" of a businessman to make a profit,  
the "right" of the landowner to deal in real estate, the  
"right" of the highly educated independent professional  
to work as he pleases. After all that, when it's  
convenient, there is a little residual concern for the right  
of the people, the working people, to live an adequate  
life. In all things but rhetoric the governments of Canada  
represent the interests of the owners, not the workers of  
the society. Since it is the workers and not the owners  
who live in poverty, the government of Canada and of  
New Brunswick have neither the ability nor the interest  
to do anything for the people. Only a government which  
represented the working people of New Brunswick could  
have either the desire or the ability to help lift the  
people out of their poverty.

## Logical Socialism

A serious analysis of almost any major problem in our  
society leads logically to the necessity for an economic  
alternative. A glance at the occupational breakdown of  
the labour force in New Brunswick according to the  
1961 census shows that at least 80% of the labour force  
are workers, people who sell their physical and  
intellectual labour to other people. 20% (a generous  
estimate) could be described as owners, people who  
personally own or control the institutions that make  
them a living. Of that 20% about half are impoverished  
fishermen, hunters, trappers, farmers and craftsmen who  
do not benefit substantially from the power of their  
class and who would benefit from an economic  
alternative.

What is needed is a political party in New Brunswick  
that will represent the interests of the workers as  
opposed to the owners. A party which would not permit  
the spending of 150 million dollars on industrial  
incentives and highways which rickets flourished in the  
province. A party that would not permit Irving Oil to  
make 3.6 million dollars profit a year when the life  
expectancy of the native people is 36 years. It would be  
in the self-interest of over 80% of the people of this  
province to support such a party. Don't let anybody say  
it's not possible: if the people of New Brunswick want  
to live decent lives it's the only alternative.