

BRUNSWICKAN

SPECIAL ISSUE

'DAY OF CONCERN'

Labour Federation lists demands

A special meeting of the New Brunswick Federation of Labour held in Bathurst with Local Union Presidents has decided:

1. That the entire labour movement of New Brunswick will stand together, union by union and member by member to end the unemployment crisis.

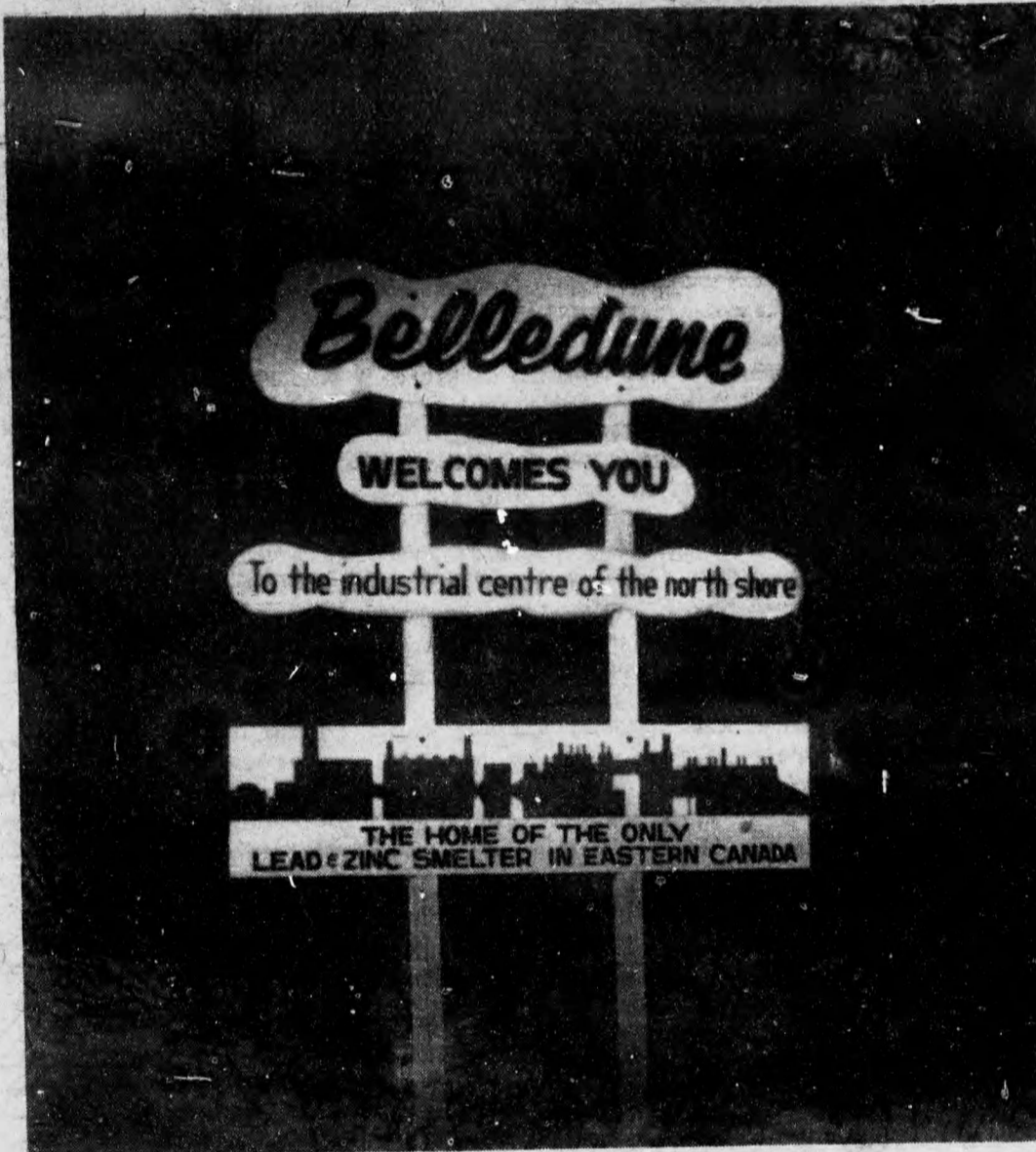
2. That there shall be an immediate moratorium on ALL lay-offs and that where necessary the Federal Government will underwrite the costs of keeping the men at work.

3. That we call on the Provincial Government to immediately petition the Federal Government to make the counties of Gloucester, Restigouche, Madawaska and Northumberland A SPECIAL AREA within the already designated area under the Government Organizational Act or amend the Regional Development Incentives Act. This would then permit the Provincial Government to negotiate with the Federal Government for capital to be invested in various projects in the area that will mean jobs for our people and a return to prosperity in the area for all.

4. We propose that immediately the above counties are designated as a Special Area the following projects and measures will be put into effect:

(a) That the paper mills of Consolidated Bathurst and Fraser's in Bathurst and in Atholville be rebuilt by a Federal investment, on a modern basis and with possibilities of diversification so that IT CAN COMPETE IN THE FOREST PRODUCTS MARKETS and provide a long term and stable future for the workers and the community.

Such modernization will lead to a possible reduction in the work force, but this can only be allowed to happen as a result of retirements, quits or other natural causes. No one should be laid-off and those already laid-off should be recalled immediately until this program is underway. **cont on page 2**



A picture is worth a thousand words.

Courtesy of Bathurst Tribune

Crisis in northern New Brunswick

The sudden rash of layoffs in northern New Brunswick are part and parcel of the economic recession affecting the whole of the western multi-national economy. Company closures and worker layoffs are occurring across Canada at an increasing rate. Being an "underprivileged" region, New Brunswick, and especially northern New Brunswick, is being particularly hard hit.

Also, due to the "underprivileged" nature of the economy, companies are allowed to get away with some of the most exploitative practices of capitalism in the pursuit of the maximization of profit. The best example of this is the mining complex of Belledune.

Noranda Mines is the number seven profit maker in Canada, amounting to 52 million dollars in 1968. Their property in New Brunswick, Brunswick Mining and Smelting, is part of the largest mining company in Canada (Noranda).

Brunswick's conglomerate on the North Shore includes the wholly owned East Coast Smelting and Chemical Co., Belledune Acid Co., Belledune Fertilizer Co. Ltd., Belledune Housing and Enterprises Ltd., Bay Steel Corp. Ltd., and Chaleur Developments Ltd.

Although it is part of the largest mining company in Canada, Brunswick has not made any profits. This is because of the arrangements in multi-faceted corporations, like Noranda, where it is the parent company that must make the profit,

not necessarily the subsidiary. The losses of subsidiaries, however, exist only on paper - the subsidiary may buy from the parents (equipment, services, etc.) at an inflated price and sell to the parent (ore, metal, etc.) at a depressed price, thus showing a loss on its own books (good for a tax write-off) but resulting in a net profit for the parent.

In "underdeveloped" NB companies are given a good helping hand from the government. Brunswick had been given a low fixed tax rate until 1993 with a maximum of fifty-six thousand dollars a year, which seems a bit low for a company with assets of \$150,000,000. Further, the province put up the guarantees for the bonds released by East Coast Smelting and Chemical and Bay Steel. Finally, the government gave Noranda a smelting monopoly. East Coast has exclusive rights to smelt lead and zinc concentrates in New Brunswick until 1976.

Nigadoo River Mines Ltd. is owned (91 per cent) by Sullivan Mining Group which made 2.7 million dollars in 1968. They enjoy similar taxation and grants privileges as Noranda.

Anacosta American Brass Ltd. is a well known giant, receiving much publicity recently for the expropriation of their Chilean Copper Mines, the world's largest. Their subsidiary Cariboo Mines is laying off all of their workers except the bare minimum necessary to legally maintain the generous mineral rights granted to them.

Fraser Company Ltd. has done well over the past years. They have expanded to now include three pulp mills, one paper board mill, and three lumber mills in NB as well as two paper mills in Maine, turning in a profit of \$6.4 million in 1969. They are also the chief polluters of the St. John River.

Consolidated-Bathurst Ltd. is the largest employer in Bathurst. The controlling interests are owned by Power Corporation, of LaPresse fame. They have forest rights equal in size to Nova Scotia.

Why are these major industries now laying off workers? It is because of the particular relationship of capital between the major capital centres (Toronto, New York, London, Bonn) with the underdeveloped region. The underdeveloped region provides capital with a reserve pool of cheap labour and a buffer for the ups and downs of the capitalist economy. During periods of expansion, such as the early and mid sixties, capital would expand into the underdeveloped regions and during recessionary periods, such as is now occurring, withdraw to the capital centres.

The industries involved in contraction on the North Shore are all super-exploitative of the resources being extracted. Because of the special privileges enjoyed for establishing in the region,

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