

Atlantic Issues

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Atlantic development

Have we been had!

by Ralph Surette

For those who had the misfortune to believe that what we have been doing in the Atlantic Provinces for the last quarter of a century to attract industry constitutes "progress," the winter of 1977 has come as a shock.

Twenty-five years and billions of dollars later we have an unemployment rate that varies between 10 and 50 per cent in some areas and localities. The industrial roulette wheel has come full circle, and Shaheen, Spevack, Bricklin, Doyle and their like haven't saved us after all.

That things have come to a sorry pass was evident early, as some of the gurus of industrialization East-coast style started chewing each other out back in December. Robert Stanfield said the DREE didn't know where it was going any more, Tom Kent complained that the "big bang" theory of economic development of the 1960's with its spectacular failures had contributed to Cape Breton's present sorry plight, and Robert Manuge, an early president of Nova Scotia's Industrial Estates Ltd., complained about Tom Kent.

To put it roundly, it isn't just DREE that doesn't know where it's going. The whole philosophy of throwing out the taxpayer's bread to attract industry, which doesn't need our money but is only too glad to take it anyway, has reached a brick wall.

Anybody with his or her eyes open didn't need the winter of '77 to realize that, but then again the question of who has or hasn't got their eyes open is what the argument is all about.

Government Attitudes Differ

The collapse of the Shaheen refinery in Newfoundland and of the Bricklin auto plant in New Brunswick seems to have had an effect on the governments of Nova Scotia and Newfoundland, but oddly enough not on that of New Brunswick. Both Nova Scotia and Newfoundland have announced they would henceforth put the accent on agriculture and the fishery. The persistent and justified image of Atlantic Provinces governments as suckers available to be taken for a ride by any industrial hustler apparently became too much to take.

It's true that the government of Nova Scotia wants desperately to get a supersteel complex at Gabarus--something it most probably won't get--but it doesn't see this as a save-the-world-in-one-shot affair. Rather, Gabarus is needed to keep industrial Cape Breton afloat: the very same government has compromised industrial Cape Breton by allowing the \$150 million renovation at Sydney Steel to be botched. Gabarus is a last gasp, not a breath of spring.

In New Brunswick, the government appears to have learned nothing from the development disasters of the past 20 years. It's almost too much to believe, but since the Bricklin fiasco in the fall of 1975 the government has pumped money into over a dozen industries which have collapsed. There are more to come.

So things have come to an impasse, as inevitably they would. The believers in giveaways are relatively silent, although they haven't disappeared by any means. I was talking to one economist at the University of New Brunswick recently who said what we need is more of the same: more subsidies and grants to industry, particularly to manufacturing industry, but with stricter controls. The fiascoes of the past two decades were due to "lack of proper industrial intelligence" on the part of governments, he said.

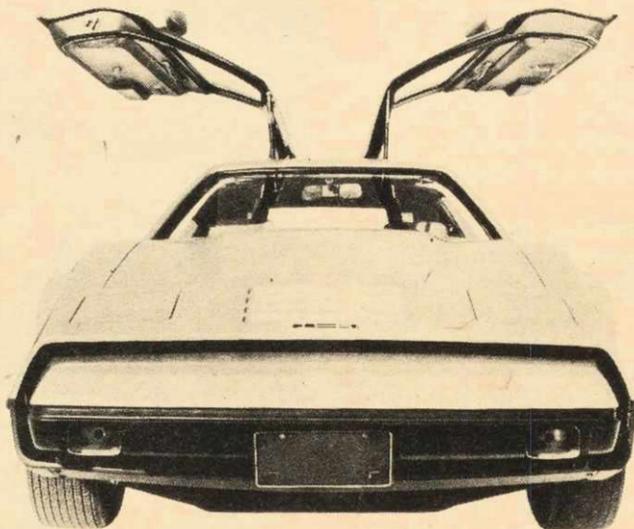
After the first industrial spectaculars--the Glace Bay heavy water plant and Clairtone Sound--or perhaps even after Joey Smallwood's

abortive attempt to raise cattle on the barrens of Newfoundland, one might have been tempted to accept this argument. Surely, more industrial intelligence and evaluation capacity is needed. But after the continual refusal to learn from experience which is exhibited by the New Brunswick government even now, what hope is

the primary resources of farming and the fishery.

In some ways this is an unspoken admission of the failure of industrial development. It should have been done before, not after, billions of dollars went down the pipe on hare-brained schemes.

Strengthening the farming and fishery



Malcolm Bricklin and his "safe sports car for the average Joe". It cost New Brunswick taxpayers \$20 million. (Some sports car — some average.)



there that better industrial evaluation would make any difference? Besides, how are Atlantic Provinces' governments going to match the resources of multinational companies?

Which Direction?

The winter of '77 has, then, turned out to be a watershed. What will happen now in terms of developing the economies of the Atlantic region? (and I use the word development in a broad sense; with author Frances Moore Lappe I say "development is the evolution of self-determination; of not being vulnerable to forces that are outside your control. Development is growth in self-reliance." In other words, industrial complexes can often enough be counter-development).

Will we see another burst of more of the same? Will DREE and provincial governments give up altogether? Will we see an exodus of people away from region--to Alberta this time instead of to Boston and Toronto? Will we see a mix of all these?

Or will our governments attack the problem in completely new ways, ways that emphasize human development rather than passage of tax money to multinational corporations, that encourage development on a human scale of things rather than according to the myth hammered ceaselessly into our ears by the daily press that all we need to do is be nicer to the multinationals and they'll all rush in here and save us. It is true that thanks to the complicity of national governments, multinational corporations are indeed "where the money is." It should be--through our purchases and our bank deposits we hand it right to them. We have no choice. That's the money which legitimately should be staying here and should be used for capital investment. But using more of our money to bribe these corporations to come here is simply staying on a vicious circle with no hope of ever getting off.

Back to Basics - Fishing and Farming

The governments of Nova Scotia, Newfoundland and P.E.I., and to some extent that of New Brunswick--its failures aside--have in the past couple of years been putting more emphasis on

sectors, encouraging ocean-oriented technology, aquaculture and sheep farming are all good signs. But ultimately that alone won't do it.

Just as in the farming sector the aim is to produce locally what we consume here instead of lugging it in from halfway around the world, the aim should be similar in manufacturing: the creation under, any form of ownership that will work (small business, government or worker-controlled industry, various mixtures of productive capacity aimed first at supplying the Atlantic market and only then at exporting.

Here we will run immediately into another official myth: only large export-oriented production facilities (necessarily owned by multinational corporations) can produce, because only they can take advantage of "economies of scale".

But there are small industries in the Maritimes which serve the regional market. How do you explain them? Why can't there be more, given government interest in them?

And the "economies of scale" argument is one that--whatever reality it did have--is weakening all the time. The unadmitted presupposition propping up "economies of scale" is the existence of cheap fossil fuels. These are no longer cheap. Transportation into the Atlantic region is going to get more expensive too, making imported goods more expensive.

There is an opportunity here to produce locally, on a scale appropriate to the region, developing local talent manpower, and resources. But our governments would have to show

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