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# LORNEVILLE, NEW BRUNSWICK

## 3 IN DEEP

RUSSELL HUNT

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**I**N JUNE 11 OF LAST YEAR an Order-in-Council of the New Brunswick government officially expropriated 8,000 acres of a community called Lorneville, on the Bay of Fundy in St. John, New Brunswick. The expropriation was ordered to provide land for a number of prospective industries, principally a deep-water port for use by supertankers. This expropriation climaxed speculation about a government-sponsored superport which

had begun as early as February, 1968 — and began a storm of protest which looks likely to last some time yet.

The struggle between the provincial government, the New Brunswick Development Corporation, the Saint John Common Council, the Lorneville Ratepayers' Association, the Saint John Chapter of the New Brunswick Conservation Council, and various other interested parties involves three main issues: expropriation, ecology, and economics.

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## THE GOVERNMENT PROTECTS ITS CITIZENS FROM SPECULATION

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**T**HE LORNEVILLE RATEPAYERS' ASSOCIATION HAS objected to the expropriation on a number of grounds. In a brief presented to the government last August they charged that the expropriation was announced before notification of individual property owners, before any negotiations or appraisals had taken place, without specific announcements as to the government's need for such land, and before any compensation had been paid — that in short, they had been treated as though they didn't exist. They objected to expropriation on the grounds that Lorneville is a historic, stable, attractive community which will simply be obliterated by this development and argued that in purely economic terms they are being required to subsidize private industry out of their own pockets.

The question whether Lorneville as a community is more important than the (problematic) heavy industry complex is a difficult one, of course. Weighing the feelings of human beings against the demands of economics is always difficult. But listen to Norm Ferguson, as articulate spokesman for the Lorneville Ratepayers' Association, talking about his home:

*"I didn't actually buy it. It was given to me by my uncle. The property was part of — well, it's now divided into four. The original Ferguson homestead was owned by my great-grandparents. The house across the road here is a hundred and four, a hundred and five years old. My father gave a piece of this across here to his brother, and this piece on this side of the road to another brother. And that uncle gave me this piece of land. At the same time another brother of mine has bought just up the road. So within touching distance of one another there are five Ferguson families. And this occurs two or three times through the village. In fact, this is one of the reasons why people down here don't sell too much land. They're keeping it for their sons or grandsons or something like this. So we're quite concerned not only with the lot of our land, but we're concerned with the lot of — really the lot of what traditionally has been the legacy for our children. And we feel this is kind of unique in New Brunswick, too, you know. People are after the*

*dollar a lot of other places, but up until about ten years ago I don't think you could have bought a lot of land in Lorneville.*

*"The Fergusons bought this from the original grant, which was granted to a man by the name of Craft, way back in, well I couldn't tell you the date, but it's been well over a hundred and fifty years ago, and there's been one transfer from Craft to Ferguson of half that grant, and it's been in the Ferguson name ever since.*

*"And according to the Department of Public Works I don't own the land."*

Or listen to him on the government's attitude toward the citizens of Lorneville:

*"We got the meeting together and we got officials of the government down here and they informed us that in fact we no longer owned our land. And at the time we tried to push for what this all meant. And we found out that we were living there in our homes through their good graces. They owned our homes.*

*"And someone in the village said, 'Well what about my father, he's in his late seventies. What can he do? Where can he go? And a member of the justice department from the government said — and this is a direct quotation — he said, 'That's tough. We own the land.'"*

**W**HETHER OR NOT IT IS APPROPRIATE for a government to take away people's homes in order to make room for industry, it is clearly unacceptable for a government to allow people to discover their homes are no longer their own through cryptic and unclear stories in the newspaper. For months after the order was publicized, apparently no one in Lorneville knew precisely whose homes had been expropriated. By November 26, even the Saint John *Telegraph-Journal*, an uncritical booster of the superport, was calling for a little less secrecy about the land situation: nobody yet knew exactly how much land was to be taken or what the compensation might be.

The Lorneville Ratepayers' Association also charges that the government, while ostensibly protecting them from land speculators, is in fact speculating itself on behalf of

private industry and at the expense of Lorneville property owners. For they point out, expropriation really represents a freeze on property values at the level where they were before the superport and industrial complex were announced. Had there been no expropriation, they argue, land values would have risen astronomically and the residents of Lorneville could have made the profit. As things stand now, of course, either the government or the industry will make the profit. This, asserts Vincent Galbraith and Norm Ferguson of the LRA, explains the mammoth amounts of land expropriated — 879 acres for a thermal plant, 500 for the superport, 350 for an oil refinery (which, like all the other industry, may or may not materialize), 800 for a base-metals complex, 90 for an asphalt plant. All of these figures seem excessive, but look positively sane beside the 500 ac-

res designated for a land bank in case further industrial development occurs.

The insensitivity and incomprehension of the government is hard to believe. When Galbraith asserted last August that Lorneville property owners were being forced to subsidize private industry out of their own pockets, Rodman Logan, Provincial Secretary and Minister of Labour, said blankly that he didn't see how; after all, the Lorneville people were going to be paid for their homes. And George McNerney, of the New Brunswick Power Commission, one of the major beneficiaries of the artificially depressed land prices, chimed in that it certainly was not speculation on the part of the government: the NBEPC really was going to build a power plant, no kidding.

## WHO PICKS UP THE GARBAGE?

**T**HE MOST IMPORTANT PART of the whole question is probably the issue of pollution of an already-damaged environment — and all that can be said is that the government, as usual, has been issuing bland assurances at a very efficient rate. As to investigation into the possible consequences of the deepwater terminal or the refinery or the thermal plant or the asphalt plant — well, the Development Corporation's been doing just about what you'd expect. If you'd like a notion of what could be done, you can write the Maine Natural Resources Council and ask for a booklet called *Oil and the Maine Coast*, which was prepared during the (successful, by the way) campaign to stop the superport refinery development at Machiasport. It is a very scary document.

Since so many of the elements of this industrial complex are yet to be determined, it's hard to do much more at this point than to ask whether the government, or Continental Oil (Conoco), the prospective user of the superport and possible constructor of the refinery, or the NBEPC have considered some of the questions that present themselves immediately. Questions like these, some of which have been asked by the Lorneville Ratepayers' Association and some by the New Brunswick Conservation Council:

\*If, as the New Brunswick Development Corporation projects, some 700 tankers will use the port every year, isn't a major oil spill a certainty? Especially since Irving Canaport is so near and since no plans for co-operation in navigation are envisioned? Why has no one investigated the comments of two veteran sea captains to the effect that Lorneville may well be a mariner's nightmare? B.G. Cobham, a senior harbour pilot, said in 1968 that a natural situation similar to the Lorneville proposal existed in Battle Harbour, Labrador, and that apparently safe harbour was shunned by all mariners (Saint John *Evening Times-Globe*, June 24, 1968).

\*When there is an oil spill (and the question is when, not if) who will be responsible for it? Conoco has said they were "ready to stand behind any oil spills or misfortunes if they are responsible for it". But it's hard to believe they'll be much more responsible than Irving Oil, who merely deny that there are any spills from Irving Canaport — even while mile-long slicks are sighted and they are holding ships out to sea while repairing their pipelines. Aren't we going to be faced, over and over, with the sort of situation that occurred with the Irving spill in December, where two governments and a company bickered over responsibility until the slick broke up and could be explained away as "seaweed"?

\*And if we were sure someone would take the respons-

ibility, isn't it clear that, as the Maine Natural Resources Council has pointed out, the technology for cleaning up such spills is "primitive" and that in fact any sizable oil spill in the Bay of Fundy — with its vicious tides and cold water — would represent a major disaster, not only for Saint John but for the whole bay and its fisheries and tourist industries?

\*Is the Development Corporation or the government aware (we're sure Conoco is) that the mono-mooring type of port in use at Irving Canaport and planned for Lorneville has been prohibited for use in any U. S. port by the U. S. Army Corps of Engineers because it's unsafe?

\*Does the government really believe George McNerney's statement that pollution from the planned thermal plant at Coleson's Cove in Lorneville will be reduced because the sulphur content of the oil will be 30% lower than that used at East Saint John? (The Lorneville Ratepayers Association has done some mathematics — unchallenged by the government — to suggest that since the plant will be much bigger, the amount of pollutant — mainly sulphur dioxide — will be vastly greater than from the East Saint John plant. They also point out that that plant will release, when complete, 500 tons of sulphur dioxide per day — an amount which would, according to the clean air regulations of the U. S. government, render over 800 cubic miles of air hazardous to human health. With a bit of southwest wind (a common occurrence), they point out, this would include the Saint John Water Supply and extend over Island View Heights, Milford, Millidgeville, Rothesay, and up on the Kennebecasis.

\*Do we in fact need a thermal plant at all? In announcing the plant last August, McNerney pointed out that the major market for power is in New England. This pretty well solves the problem for New England: they get the power, we get the pollution. How much power does New Brunswick need for itself? Do we really want to spread 500 tons of sulphur dioxide over the Kennebecasis in order to air condition another swimming pool in Boston?

**T**HESE ARE SOME OF THE FIRST QUESTIONS that have to be answered about the Lorneville project. There may be satisfactory answers to them and to other questions that conservationists might ask — but so far, not many answers seem to be emanating from a government that clearly regards its citizens about the way the average grade school teacher regards brain-damaged children — a group to be manipulated rather than taken seriously.



# DEVCO MAKES A DEAL

**L**ET'S ASSUME THAT THERE WERE no environmental catastrophe implied in the Lorneville development and that we had guarantees that Conoco was going to be a "good corporate citizen". It's interesting to look at how New Brunswick and Saint John are doing in purely economic terms.

Some intriguing points are made by the Saint John chapter of the New Brunswick Conservation Council in their brief opposing the rezoning of Lorneville for heavy industry, which was presented to the Saint John Common Council in January.

For instance, the Conservation Council has wondered why, if Lorneville is such a desirable location (and there seems no reason to doubt that it is at least as desirable as any place on the east coast of North America, which is what James Addison of the Development Corporation has called it), New Brunswick has not been able to negotiate nearly as good a deal as Maine turned down for its aborted superport at Machiasport. Occidental Oil, their prospective tenant, offered — among other things — 20 cents per barrel of oil to be paid into a non-profit New England Natural Resources Foundation. By calculations based on the Development Corporation's figures, an equivalent deal would generate over 14 million dollars a year for conservation purposes out of Saint John Deep at Lorneville.

But Maine planned, it seems, on getting even more return than the conservation tariff. Governor Curtis said in the hearings over the matter, "There is a tremendous amount of profit involved in these facilities and we could certainly be remiss just to allow them to be developed for the jobs alone, because there are a great many benefits that could be accrued in payments in lieu of taxes and so on."

Or take, the Conservation Council suggested, the St. Croix refinery in the Virgin Islands, which has contracted with the U.S. Department of the Interior to (1) make royalty payments of 50 cents per barrel to the Virgin Islands Conservation fund (at Lorneville, that would come to over 36 million dollars a year); (2) employ residents of the Virgin Islands at the rate of 75 % for the first year of operation and 80, 85, and 90 per cent for succeeding years and guarantee employment of 400 people within a year and 500 within three years; (3) prevent environmental pollution in accordance with applicable laws; and (4) pay normal tariffs on petroleum products brought to the United States (estimated at about 6 million dollars annually — and this is a much smaller refinery than the projected Conoco Lorneville refinery).

No such arrangements have been made or projected with Conoco by the New Brunswick Development Corporation. What will New Brunswick get in payment for the risks we are running? The Development Corporation has made it clear that we are to expect a return of no more than about two million dollars a year from the port, and that's from all sources — business, corporate, personal, and property taxes.

**W**HAT WILL CONOCO MAKE? One can only guess — but experience at Irving Canaport indicates that you save about a dollar a barrel by shipping in supertankers as opposed to regular, 50,000-ton class tankers; at that rate Conoco will *save* a hundred and seven million dollars a year over and above the margin of profit they're presumably making shipping the stuff in regular tankers now.

From ancillary industries (none of which, except the thermal power plant, are yet guaranteed, by the way — and

if you drive out to the rotting piles of machinery and deserted buildings at Westmorland Chemical Park outside of Moncton you can see one multi-industrial complex which was triumphantly projected by the New Brunswick Development Corporation) the corporation predicts tax revenues of another million dollars, which would be mainly from the refinery Conoco's thinking about building and from an asphalt plant the Corporation might be able to lure somebody into putting up.

But how likely is that million? K. C. Irving's 50-million dollar refinery is presently assessed for tax purposes at four million dollars — does anyone believe that the new one, three times as expensive to build as Irving's, would be assessed five times as high? That's what it would have to be to produce even \$600,000 (at the prevailing rates of taxation, about a dollar and a half for business taxes.) And the asphalt plant would have to be assessed at \$10 million to produce the rest of that hypothetical million — not a likely prospect.

(An interesting implication of these calculations is that they were presented to the Common Council of Saint John, in the presence of officials of the Development Corporation, and no one disputed them. Either, then, they're substantially correct or the Development Corporation is too contemptuous of the Conservation Council to bother arguing. Either hypothesis seems about equally damaging to the Development Corporation.)

Okay, so New Brunswick isn't doing too well in the deal. How is Saint John faring? They're not going to do much better: estimates of total tax revenues for the city run from three hundred thousand dollars to half a million dollars (these figures were offered at the same meeting and were not questioned, either by the Development Corporation or by the city). From the port, which would probably be assessed at six to eight million dollars (Irving Canaport is six; Mr. Denny of the Development Corporation indicated Lorneville would probably be closer to eight) — at a hundred thousand dollars a year. But Saint John will have to build a pipeline to carry water to the area; interest on the loan from the federal government alone will come to \$250 thousand dollars a year, and the city will have to pay that until the province — eventually — takes over the debt, paying it from users fee for the port, if the fad for supertankers doesn't die off in the meantime). And it will cost the city \$15 thousand a year just to keep up the new roads. Plus other expenses. That half a million (at most, assuming all of the Development Corporation pipe dreams come true) doesn't look like it's going to go far.

And it's interesting to note that a study of the economic implications of a refinery proposed for Tiverton, Rhode Island, conducted by the College of Resource Development of the University of Rhode Island, and to which the Conservation Council also referred in its brief, concluded that there was no certainty that the refinery would result in a decrease of the town's effective tax rate. One of the reasons for that was the reduction in State aid due to the town's increased tax base — a situation clearly parallel to that of Saint John, where the city's financial position is already disastrously affected by the presence of large industries which lower the city's equalization grants from the province (the province bases its figures on the full value of the industry) but don't pay their full share of the taxes because of concessions. The Conservation Council pointed out, in fact, that in another clearly analogous case, that of Port Hawkesbury, Nova Scotia, taxes went *up* after the construction of

a supertanker port and oil refinery.

And does anybody think the beggars at the New Brunswick Development Corporation are going to drive a better bargain than Nova Scotia did for Port Hawkesbury?

**T**HE STORY OF LORNEVILLE is as yet incomplete. While it looks as though the Lorneville Ratepayers' Association has lost its battle — Saint John City Council, its last resort, has decided to allow the rezon-

ing of Lorneville for heavy industry — it's impossible to know whether anyone has won.

One thing, however, is sure. If Lorneville is allowed to proceed without further public reaction, the forces in government which want to ignore the general public will have established a nearly fatal precedent, and the New Brunswick Development Corporation will have cemented its position as an economic and social dictator in New Brunswick.

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## MYSTERIOUS EAST PREDICTIONS

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Cut these out and stick them in your 1977 calendar.

We predict that by 1977:

Lorneville, N.B. will be a devastated area on the order of Trail, B.C.

The Lorneville port will be idle or in desperate trouble because supertankers are being phased out in favour of other fuels and other forms of transporting oil.

The Lorneville petrol-based industries will all be in financial trouble and will be under extensive subsidization by the government.

Unemployment in Saint John will be approximately the same rate it's at now.

There will have been a dozen minor and two major oil spills in Saint John Harbour, wiping out large areas of fisheries and finishing off Saint John Harbour Salmon.

Air and water pollution caused by petrochemical industries at Lorneville will be producing periodic toxic levels of contamination. The government will have set deadlines for clean-up, but the companies involved will not be able to meet the deadlines because of their difficult financial conditions.

The New Brunswick Government will announce

triumphantly the establishment of a new deepwater port and petrochemical complex at L'Etang, New Brunswick.

Continental Oil Company will set another record for profits during the fiscal year 1976-77. It will be discovered that they are phasing out all deepwater ports because supertankers have been proven uneconomical.

"The directors of Continental Oil were down here two or three weeks ago, and the display put on by our worthy mayor in Saint John was just out of it altogether, you know — if one of the directors said, "Jump," he wouldn't say, "how high" — he'd say, "Is that high enough?" "

—Norm Ferguson,  
Lorneville Ratepayers' Association.

