The return of Louisbourg
The barbaric days are in the past. Today's treatment is more scientific, more humane. But are we winning?

Seventy years ago this month, Toronto General Hospital took one of the first steps toward the ideal of Canadian health care. It opened its doors to the mentally ill. Until then — May 16, 1930 — mental patients with mental problems were feared, shunned, and even persecuted; many were shut away in asylums resembling dungeons with attendants who were little more than turnkeys. "A number of the inmates," writes Dr. John Clayton of the CMHA in a 1973 history, "were in a state of chronic and acute mental illness." They were wide in the minds of some, narrow in the minds of others. For some, the boarding was restricted to those "outside of society and protected". At the same time, mental-health problems are usually defined in quite different terms, in terms much broader than those of illness.

In fact, some specialists go so far as to suggest that the concept of normality is irrelevant, perhaps impossible, in the study of mental health. "It is one thing to establish 98.6 degrees Fahrenheit as a normal body temperature," says Dr. John Clayton of the CMHA in a 1973 history, "It is quite another to establish between 50 and 500 million of individual integrated behaviors; biases are automatically introduced and objective judgments seem particularly corruptible by personal values.

Still, millions of people suffer from problems that do not seem to follow the way of recurring bouts of anxiety to outright personality disorder. In 1973, 253,187 people went to mental-health clinics in Canada, 50 percent for the first time. "Well over half the work of the general practitioners," says Dr. J.N. Rushforth of Ottawa, a physician who practises psychotherapy, "is based largely on the emotions. The definition of mental illness, apart from psychotherapy, is difficult, but when people are miserable, they know it and so do I."

A measure of this misery is the amount of prescription drugs Canadians take to relieve anxiety. According to one drug-industry spokesman, about 10 percent of the Canadian population is on minor tranquilizers by prescription during 1975. Some are prescribed to alleviate physical problems or physical prob- lems, for example. But the vast majority — some estimations go as high as 90 percent — are taken by people who go to the doctor for something to ease their "nerves". Sometimes the drugs are misused, but many physicians feel that, care- fully prescribed and properly taken, they are helpful, not harmful. "The word 'tranquilizer' is a dirty word that's been used to put people off," says Rushforth, "and not undeservedly. In my time, much of the progress made in the field has been through drug therapy." Others agree. "I've been known to take a Valium pill myself," says psychiatrist John H. Cumming, a professor at the health-science centre of University of British Columbia in Vancouver. "The point is, if I were taking it every day to quell anxiety, then I think I'd want to get at the cause of the anxiety or learn to live with it."

What many people taking tranquilizers find is something apparently scarcer: the time of a physician who is a sympathetic listener. Indeed it need not be a physician. It could be a clergyman, teacher, or friend. "The most impor- tant quality anyone can bring to psychotherapy is loyalty," says Rushforth. "I've seen admirable work done by people who are not trained in psychotherapy."

Psychiatry itself faces new skepti- cism today, partly because of the proliferation of therapies that strike some laymen as conflicting: primal therapy, marathon therapy, behavior therapy, megavitamin therapy, and so on. The practitioners may be skilled and serious, but some go so far in experimentation that they seem discred- ited. In Toronto last February, one physician was charged with assault after he beat a patient during a session of primal therapy. "If you understand the situation," says Dr. Joel Eiken of John Hopkins University in Balti- more, Md., "you are not fully in- forme."

"Our credibility is mixed," admits Edward Turner of Toronto's Clarke Institute. "Among some people it's too high. They expect us to cure everyone, even to tell society which boy is apt to shoot in school. On the other side, we're psychiatrists disagreeing at a trial — the Dupre Hutt case is an example — and they feel that, because we can't line up together, we aren't believable. What's the answer? The doctors are all patients of the Supreme Court often split. Why must psychiatrists always have the same approach and the same opinion?" Adds Dr. C.J. Dr. John H. Cumming: "The differences in psychiatry are incomprehensible. Whether we eventually arrive at the intricacies of the human mind, we may discover that is a school has some degree of truth. In the meantime, it doesn't worry me. We're trying to help individual people, and some accept help one way, some another."

Some psychiatrists are concerned that all is not well within their ranks. For one thing, studies show that collectively they are generally lower paid than other specialists. And within psychiatry, those in private practice may be paid considerably more than those in publicly operated hospitals and clinics. According to the Ontario Medical Association, psychiatrists in private practice make about $7,000 more a year. Those in government service, provincial or federal, are more apt to make $30,000 and $35,000. Psychiatrists don't air their complaints loudly, but within the profession there is a view that they are at the low end of the income scale and don't deserve to be.

One item which most psychia- trists agree is the necessity of working with other specialists and the community. A few may be solo- performers, but more and more they recognize psychiatry's limitations and work in concert with general practi- tioners, nurses, social workers, psy- chologists, and occupational thera- pists. "The name of the game is to put the answers to the problems of individuals and take them to the community," says Dr. Jean-Yves Goselin, who teaches psychiatry at the University of Ottawa's faculty of medicine. "We draw on the skill of people who are able to help the patients in their world, in what we call the milieu therapy."

Goselin has put his principles to work at the Ottawa General Hospital where his is the only psychiatrist in the patients unit in the department of psychiatry. On a recent morning, he sat in a spacious room at the hospital.
surrounded by about 20 people for a two-hour discussion about a 17-year-old girl with serious mental problems. A psychiatrist gave the case history, a psychologist reported on interviews, a social worker gave an assessment of the family, and an occupational therapist gave opinions on the girl's attitudes. Gosselin helped draw a consensus from the meeting on treatment for the girl, the chances of success, and help for the family, which had its own problems.

Despite all the effort and education, mental illness of slight or serious degree still carries stigma, if not shame. "At a time when the American people are discrimination-conscious," wrote Saturday Review editor Norman Cousins in February, "the prejudice in this country against sufferers from mental disease is hardly a compliment to a civilized society." Canada is no different. The problem is outlined in a pamphlet of the CMHA, one entitled The Browns and Scotts: two families with problems. Mr. Brown broke a leg, cracked some ribs, went to hospital, recovered, and returned to work. Everything went smoothly. But his neighbor, Mr. Scott, had a "breakdown." He was admitted to a mental hospital, recovered in a few months, but his employer refused to take him back, his neighbors were embarrassed, and his children hurt by the stream of questions about their father being a "schmooall." According to George Rohin of the CMHA, the stigma and shame attached to mental illness are still major obstacles to understanding.

The CMHA, like other voluntary organizations in a tough economy, faces financial strain. Its budget — $2,865,711 in 1974 — is funded by the United Way, governments, corporate donations, and membership fees. Recently, membership fees have slackened, raising new concern in the 25,000-member organization, already stretching dollars so tightly that it employs only two full-time professionals in its national headquarters. Beyond that, it has some trouble attracting leaders from business to its national board. That's changing, but general director George Rohin says that, unlike the Heart Foundation, Red Shield, and the Cancer Society, the CMHA suffers from the stigma of mental illness and thus doesn't hold out the same prestige and glamour as other worthy groups.

Despite the tilt, more and more people need and seek help, if not outright breakdown, then for a variety of minor personal problems brought on by themselves or their situations. This winter, after an eight-month survey of 750 people in 40 communities, the Canadian Catholic Conference of Bishops reported that loneliness is the dominating personal problem of Canada. Monique Robitaille-Martin, who coordinates a mental-health program in Montreal's St. Luc Hospital, agrees. "One of the ironies of the sixties and seventies," she says, "is that the closer we have been forced to live together in large cities, the more we have become." If so, it makes all the more important one of the CMHA's main ambitions: increasing the availability of help and access to it in every community. The association stresses that this doesn't mean simply more psychiatrists and better hospitals. As Douglas Carter, executive director of the B.C. division of the CMHA, says: "A lot of people think the psychiatrist has a box of magic pills. Nobody has." So the CMHA tackles problems in a broader way. "The proliferation of personality problems following the world wars," says former Quebec CMHA president Claude Castonguay, "the economic crisis, and the changes in family structures and social values have led the association to focus its programs on better treatment, better resources, and better financing."

Some of the mentally ill reject conventional methods in favor of self-help programs. One of the foremost of these is in Vancouver where 70 people, all former mental patients, got together in January, 1971, to form the Mental Patients Association. Most, according to treasurer Gerry Walker, had been in and out of hospital several times.

Today the group operates a drop-in centre and five group homes, all financed with government help. The drop-in centre averages about 30 visitors a day and each home has 10 residents. "It's an alternative to established treatment," says Walker. "There are some people who haven't found it very successful. But sometimes you can relate best to a mentally ill person when you've been there yourself." About 300 people have been part of the group since it began. "It's hard to measure success," Walker says. "We don't keep records. But there have been some dramatic illustrations of one-to-one help provided by some members to very troubled people. I've seen them stabilize as they talk it out with a member of our association." Such groups tend to be on the fringe and, while psychiatrists may be mildly skeptical, most of them generally feel...
In 1960, the continuous water bath was common in mental hospitals, as were other obsolete forms of treatment. The patients were strapped into the tubs.

With today's changed attitudes toward mental illness, many institutions have a modern, more relaxed atmosphere, where patients can utilize many of their skills.

The groups have value as communities of understanding and help somewhat akin to Alcoholics Anonymous.

Better mental hygiene in a community may mean a halfway house, a program for disturbed children, a sheltered workshop, or simply more clergymen, teachers, and other citizens sensitive to the needs of people and able to help. "The time is coming when the basic therapeutic insights must become part of the human environment in which we live," the family, the school, the office, every institution and association of people must become, or at least attempt to be, a therapeutic community," says Dr. G. B. Mann.

In Ottawa, the local branch of the CMHA has set up three group homes, with four or five residents apiece, living on their own, visited once a week by a supervisor. "It's a form of after-care," says Elizabeth Morin, executive director of the branch. "If you've been in a mental hospital, a lot of things can happen that make your return to the community difficult - lack of confidence for one. When patients come out, the questions on their minds are often: Where can I live? Where can I work? Where can I get some education? The group homes give them an opportunity to answer these free from some of the pressures."

There are hundreds of other new programs across the country: organizations for the relatives of the mentally ill, associations for former patients, training sessions for lay people, and groups for the young, the middle-aged, and the elderly. In Montreal, since last October, there's even Dial-a-Chat, a telephone system through which three and four people who dial the number can carry on a group conversation. It was started by two men, Robert Moir, a communications student, and Ron Blumer, a filmmaker, who want to promote "more city togetherness."

In some provinces, research has been stepped up into stress on the job. In British Columbia, a provincial grant helped the Mental Health Association sponsor workshops and seminars aimed at understanding worker problems in industry. "On-the-job tensions carried to the home environment," says Douglas Carter of Vancouver's CMHA, "can increase strains in domestic life. In turn, the magnified problems at home can amplify stresses at work." In Toronto, the CMHA along with the Family Service Association of Metropolitan Toronto are conducting research at Warner-Lambert Canada Ltd., whose employees at three plants are participating.

Generally however, these innovative projects are concentrated in larger communities, leaving the remotest parts of Canada with few services. Until last year, for example, there was no psychiatrist in the Northwest Territories. The CMHA's newest chapter was started in Yellowknife in 1972 and the N.W.T.'s first psychiatrist started practice there last year.

"It's in the remote areas that the association is most necessary," says Carter. "It's important in the city as well, but if you cook it away, there are other organizations that might take up the slack. But in the north of this province, say, beyond Prince George, there's little service." For each month-end community in British Columbia, Carter is pressuring for the assigning of one local person who will act as a mental-health representative, informed and able to talk to people what services are available and how to get them.

Given the vast complexities they face, people working in the field of mental health maintain a sturdy optimism. Many believe that medical science is on the brink of major discoveries, particularly in the cases of severe illnesses such as schizophrenia and manic depression. Increasingly, psychiatrists believe that such diseases have a genetic origin, one that will be treated only by chemical means.

"We're very close to major breakthroughs," says Dr. F. Turner of the Clarke Institute. "It wouldn't surprise me if in the next 10 years we'll know the causes of the most serious forms of mental illness. Chances are they will be treated chemically."

Still, the achievement of full mental health will probably never come through purely physiological medicine. Patients suffering psychiatric disorders may be helped enormously by drugs, but the subtleties of their attitudes and behavior remain in good part buried in the mysteries of personality and human relationships. To understand these and render them healthy will occupy not just psychiatry, but all of society for years to come. For its secrets have confounded history and made humble the most brilliant minds. "I do not forget," wrote the great psychoanalyst Carl Jung, "that my voice is but one voice, my experience a mere drop in the sea, my mind a tiny mirror that reflects a small corner of the world."
The scene was Prince of Wales College, Charlottetown, P.E.I. The time: June, 1984. At the annual meeting of the Royal Society of Canada, the nation's top scholars were pondering the subject, "Confederation: Then and Now." Key papers were given by an English-Canadian historian, Peter B. Waite of Dalhousie University, Halifax, and by a French-Canadian constitutional expert, Jean-Charles Bonenfant of Laval University, Quebec City. It was the right topic at the right moment. Confederation itself had become a burning question in Canada's affairs. For Quebec was launched upon its quiet revolution, English-speaking Canada had begun to ask the anguished question: "What does the province of Quebec really want?"

If the Royal Society could not supply a plain answer, it could nevertheless bring the question into focus and, with a detachment that is denied to politicians and special-interest groups, interpret our national state and examine the events that had brought it about. Its Charlottetown conference, which fell on the 100th anniversary of a more famous Charlottetown conference, was typical of the Royal Society at its best, bringing scholars from two Canadian cultures together on a subject of preeminent concern to both.

Professors Waite and Bonenfant spoke as individuals. For nothing is more individual than a paper presented to a meeting of the Royal Society. The author speaks for himself, not for his university, nor for his part of the country. But Waite and Bonenfant were certainly representative of their respective cultures, by virtue of their backgrounds, education, and experience, and each was especially qualified to give his own perspective to scholars of the other cultures.

Every year in June, the Royal Society meets in some university town. It may be in the relative quiet of Charlottetown or Sherbrooke, Que., or it may be, as in 1975, in the exuberant atmosphere of bustling Edmonton. This June it meets in Quebec City. On whatever campus they meet, the Fellows, as they are called, gather in
the conventional dress of their generation to hear and discuss reports by explorers who have returned from the frontiers of human knowledge and understanding.

To the casual observer, they are only one of a number of scholarly panels meeting on campus that week. All the specialized associations — the physicists, the historians, the psychoanalysts — arrange to be there at the same time as the Royal Society. Each of the leading figures in their respective fields also belongs to the Society. But there is a difference. It struck me the first time I attended, as an observer, the Conference of Learned Societies (as the whole conclave is called) meeting on the University campus in 1953.

The Royal Society meeting lacked the spontaneity, the spark, and the appearance of involvement that characterized meetings of the other associations. Statements were tepidly recited. No one lit the fires of debate. Usually the most agitated reaction to a paper was the whispering of the elegantly dressed women. There was less "news" here than there was in the narrower, less distinguished associations.

That's a drawback of the Society. Its members have less work to do because their careers behind them, so they're not striving. And they're not impatient for results, because their accomplishments are a constant danger of falling into the static role of an academic hall of fame, a place where they are no longer good at what they do. As the Toronto McClellan political scientist J.R. Mallo- ry, a member and former officer of the Society, put it, "The Royal Society is completely capable, in deliberations about energy, international religion, the subject of itself, of separating itself from problems of time and vested interests." Or, as University of Toronto, Dr. S.D. Clark, a University of Toronto sociologist remarked in a winter address to the Vancouver fellows: "The particular strength enjoyed by the Society comes from the fact that it can maintain standards of excellence in any thing it does without being subject to political or populist pressures. "The Society doesn't have to include in its activities people who want to participate, but don't meet its standards. It has a mandate to work only on what it chooses."

The Society can maintain standards of excellence, says its president, without being subject to political or populist pressures.

Unless a Fellow is giving a paper himself or taking part in a symposium, he may attend any of the sessions. For all of us, it's an unprivileged opportunity to step outside our own special areas and touch a broader world of intellectual activity," says Rev. Richard Arbs of Montreal, an eminent Jesuit church historian. "Many Fellows go off to meetings of sections other than their own and this is where much of the real value of the Royal Society lies as a place of scholarly exchange. We have a geology from British Columbia listening to a paper on school reform in Quebec, a literature, town meeting in New Leningrad attending a symposium on mercury in marine environments, and so on. In Section I, I think we heard many more from our English-speaking colleagues than we did in the past."

Not all members of the Society are university professors, but intellectual achievement recognized by the Fellow's peers is the essential condition of membership. Pierre Elliott Trudeau was recognized on the basis of his record as an author and teacher at the University of Montreal. (He was a Fellow three years before he had earned membership in the Royal Society, the first being W.L. MacKenzie King, and the other three of the original naturalists are medical scientists: the late W. Leonard Penfield and Hans Selye, Jean Boggio, director of the human pathology department of McGill University, and the late Hilda Neatby, author of So Little for the Mind, a classic in the history of medical science.)

The Royal Society started out in an atmosphere of confidence and determination in 1828, founded largely through the efforts of the Governor General of the day, the Marquis of Lorne, in the hope of giving Canada's two major Canadian universities a start up on the clouds of disreform. Some ridiculed the idea of a society of scholars modeled on the British Royal Society. But that country barely out of colonial status and still in intimate contact with the wilderness, they predicted a short life for the Society, even though Queen Victoria was persuaded from the start to support the project with the prefix "royal." Scroffed the Ottawa Journal: "Scarcely have we followed the forest Beyond the Rocks, than the only answer to market flowers among the stumps."

The seeds of disreform soon parted, never to reappear. Quietly, unobtrusively, the Royal Society began to demonstrate that learning could add value among the stamps of the Caledonian Reporter, and that scholarly laudation and academies of sophisticated Europe. The Marquis of Lorne was very proud of the new institution which he had founded. By 1882, the society had already spawned a significant number of authors, educators and scientists. The Royal Society is not a "club." Looking at the very first list of members of the Royal Society in 1828, there is much to say: "The Master of Arts Osler, one of the most eminent physicians in the world at that time; Sir Samuel Black, founder of English English is the only way to become the dominant language (of the world). But a more palpable fact, which is that volume, but in quality and interest, does the French department today, is that English is now the language of industry and commerce; and in most of the countries, according to a grace and style of diction peculiarly Gallic, and without parallel in the corresponding English section. One feels at once that the French members not only have more intellectual vivacity, but that their scholarship is so high in the French ambition."

And so for years, numerous Royal Society papers have dealt with some aspect of the state of English-French relations, and it reflects the feeling that the two cultures need to become more aware of each other's way of life, to establish a friendly contact and become more capable of beneficial interaction.

J.R. Mallorey, the political scientist, feels that the very structure of the Royal Society, based as it is on cultural differences and değering changes, and that it's the nature of the role that makes it hard for it to "play any sort of integrating role among scholars." Yet, in an address to the Society last year, President Claude Fortier urged the learned representatives of Canada to "work in the spirit of the very challenge: "Let us emulate Confederation. Let each section preserve its identity, let the differences that all come together and advance the spirit of biculturalism, so as to turn our differences to advantage."

Can the idea of a two-cultural country, Peter Wait, history professor, has asked in an address, "really be explained and justified to those who think one culture is enough or even the idea of xenophobia to anything strange?" The Royal Society embodies the idea that the two cultures, by their very nature, do not alone guarantee effectiveness, there has to be life in the cultures that are represented. And so there has been, in fact, the vitality of the French cultural tradition in the Royal Society at the very outset that some observers actually thought the French stressed the weight of the numbers notinvaluable. In 1881, a weekly Toronto newspaper, the Royal Society's French-Canadian section was clearly outdistancing the English. Knowledge of this fact will give a bad quarter of an hour to those who are fond of the French in England as a grace and style of diction peculiarly Gallic, and without parallel in the corresponding English section... One feels at once that the French members not only have more intellectual vivacity, but that their scholarship is so high in the French ambition...

From the start, the Royal Society was a showcase for the literary elite of French Canada providing, a wider world of intellectual activity," says Rev. Richard Arbs of Montreal, an eminent Jesuit church historian. "Many Fellows go off to meetings of sections other than their own and this is where much of the real value of the Royal Society lies as a place of scholarly exchange. We have a geology from British Columbia listening to a paper on school reform in Quebec, a literature, town meeting in New Leningrad attending a symposium on mercury in marine environments, and so on. In Section I, I think we heard many more from our English-speaking colleagues than we did in the past."

Canada's best authors has been a striking characteristic of Royal Society membership. Gabrielle Roy is a Fellow today, for example. So are Gaston Galéas, Roger Lemelin, and Jean Béquet. Yet, a century ago, there were grave doubts that French-Canadian literature had any future, expressed by no less a figure than the poet Octave Créazac. "A century later," said Gérard Tougas, professor of French literature at the University of British Columbia, in a paper to the Royal Society in 1967, "the fifth appearance of the odd verse novel has become, if not precisely a torrent, then at least an uninterrupted and even developing phenomenon, peculiar to the cultural life of French Canada. That there will be a future [for French-Canadian literature] has been clear for quite some time."

Few would deny that the Royal Society has helped to bring French-Canadian literary traditions into contact with other traditions, particularly English-North- American writing. From the start, the Royal Society was a showcase for the literary elite of French Canada providing, a broader world of intellectual activity," says Rev. Richard Arbs of Montreal, an eminent Jesuit church historian. "Many Fellows go off to meetings of sections other than their own and this is where much of the real value of the Royal Society lies as a place of scholarly exchange. We have a geology from British Columbia listening to a paper on school reform in Quebec, a literature, town meeting in New Leningrad attending a symposium on mercury in marine environments, and so on. In Section I, I think we heard many more from our English-speaking colleagues than we did in the past."

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A fortress rising

Once a centre of trade. Now a jewel among our national parks. Louisbourg's greatness is in the past. And certainly in the future.

by Dan Proudfoot/photos by Peter Gross

Something about the land, wind, snow, and fog that occupy it in alternate seasons suggests no one ever will master the place. The land will always have more effect on the people occupying it than they on it. To a degree unapproached anywhere else on Cape Breton Island, perhaps to a degree beyond any other part of temperate Canada.

And this impression applies now as surely as it did 235 years ago. Then, in the 1740s, Louisbourg was France's key centre of trade and military strength in the New World. And now, rising again from a more recent history as mere sheep pasture, it has a new status as one of the greatest of Canada's national historic parks. Yet Fortress Louisbourg still is shaping peoples lives in ways quite beyond their control.

The investment is immense, with more than $20 million the price of reconstructing and furnishing 50 buildings by 1980.

There are now 45. Louisbourg of 1980 will be the physical match of exactly one-fifth of the Louisbourg of 1744. That was the period just before an unruly band of New England volunteers proved the fortress's reputation of invincibility to be as faulty as the location itself.

In 1744 though, it seemed a remarkable place. The harbor was the fourth-busiest in the New World (behind Boston, New York, and Philadelphia), and traders, merchants, and fishermen were enjoying a kind of prosperity and
social mobility that would have been quite impossible at home in France. The soldiers were unhappy and the fortress was ill-conceived, but these were weaknesses the French court chose to ignore, preferring to see Louviers as a necessary colonial liability.

So it failed as the Gibraltar of the West, its life-span was only 40 years, from the first construction in 1720 to the demolition by the English in 1766. By 1768 it was given no hope at all for the future. The English surveyor-general, Samuel Holland, studied the scene and issued a condemnation: "It is situated on one of the worst spots on the island for soil and climate, for which reason, if once the other towns are encouraged to be settled, the inhabitants of this will flock to those places ... Indeed, its present situation is truly miserable; without trade, or justice, or immunity, or in short any good thing." Holland had no reason to suppose that one day the history of Louviers would be a jewel in a new country’s heritage. It might have been beyond his imagination to visualize the walls rising two centuries later partly as the result of the decline in Cape Breton coal mining. He could not have foreseen a government report recommending the retaining of miners as craftsmen.

The reconstruction, of course, is unique in the world. Elsewhere, original buildings have been restored or entire towns built on new sites, but nowhere is there a reconstruction to compare with Louviers, built from the ground up, sometimes on original foundations. There are other distinctions. The collection of 18th-century artifacts and furnishings is unique in North America. New research techniques have been developed, and the Louviers approach is respected by experts throughout this continent and Europe. The use of local people in costumes of the time, acting as citizens of the period makes certain that the 150,000 visitors who come each summer don’t leave with the impression they’ve seen just another fort with authentic canons and changings of the guard.

Surveyor-General Holland was right about one thing: few would settle at Louviers without some external reason. One who did, Gwodynam Lunn, an artist, notes that the town’s greatest resource is solitude.

Most tourists come and go in a single afternoon or morning. And rare is the writer who doesn’t describe the place in prose made heavy by the fog, the scene cast in mast, the fortress walls rising ghost-like across the harbor, the cold ocean waves beating a tattoo on the beaches. It is seldom a warm place.

For those who come to work and decide to stay, things change. "We used to have trouble holding staff," says John Fortier, the park superintendent. "There was a staff-turnover period of about 18 months. Someone would arrive, undergo nine months of training, work nine months on a report, and then leave with the report half-done. Now we tend to hire people more carefully, and we tell them what to expect — that the pace is solitary in winter, that the weather can be difficult."

When the people settle in and sample some of the archives — there are 750,000 pages of documentation, 650 maps and plans — the past begins to take hold and the Louviers spirit grows. Among the summer staff of 275, the impression is common that everyone lives with one foot in the present, the other firmly entrenched in the past. "We would never have fallen," Bob Morgan, the director of research, will say, "if only we had gotten the naval support."

Everyone seems bound together in a time span of 255 years. From Ned King, who left Cape Breton coal mines behind him, to Kit Ravenshear, the armaments expert from England; from Florence MacIntyre, who once designed dresses in Sydney, N.S., and now runs the Louviers costume department, to Jean Palardy, the dealer who searches for antiques and replicas in France, the influence of the fortress and the past are constant.

Approaching the fortress is something done in stages. First there’s the approach to the town of Louviers (population: 1,500), a half-hour drive from Sydney. In the town, on a day when the fish plant is making meal, people mind where they stand in the wind, just as two centuries ago, the smell of drying cod bothered aristocratic visitors from France.

Another two miles past the town, easing down the point and toward the Atlantic, is the visitors’ parking lot. From here, buses transport tourists across the causeway to the fortress, a five-minute journey back two centuries. Off to that right from the parking lot however is another mile’s drive to the park-administration centre. No matter which approach is used, the effect is the same. The fortress is aloof.

It’s Sunday, a busy day for visitors. Two boys in costume (buffy white shirts and breeches), Hugo Ravenshear, eight years old, and Walter Speelman, nine, rush into the barracks information room, arguing and feeling the need for an impartial referee.

"Is my face dirty?" cries Hugo, who has oil smeared on his cheek. "Is it?"

Walter, with pleasure: "Yeah, and you’d better clean it up."

Hugo: "Well, it would have been dirty back then."

Walter: "Not on a Sunday. They would have been cleaned up on a Sunday."

Hugo has the last word: "Not me, I wouldn’t have."

And they rush out again, immediately becoming the centre of attraction among the tourists. The idea, for all the employees and their children who dress up as animators for Fortress Louisbourg, is to appear exactly as people did in 1744. For example, the soldiers on guard duty look scruffy. They look scruffy because the troupe de la marine were scruffy, underfed, and mistreated to the extent that they actually mutinied at Christmas, 1744.

Tourists have complained about the appearance, poor posture, and lack of enthusiasm demonstrated by the young man who plays the soldiers. So the Louisbourg administration now issues a handout warning visitors to be prepared: "The young men who portray members of the compagnies franches work hard at..."
establishing convincing roles, even to reflecting the boredom and lack of personal pride so characteristic of garrison life in 18th-century Louisbourg.

Yvon Sampson, 20, a French-language major at College St. Anne in Church Point, N.S., is one of the soldiers. "The great thing about this job," he says, "is that you have access to all of the research material. It really lets you get into what you're doing. For example, I found out that a relative of mine was here in the 1700s and was tried for selling an unstable house. His daughter, well, she got into trouble too. She was living with someone and got called up before a priest and had to get married properly. I know this and it's fun to know. Makes my playing this soldier - Beaucejour is the name I have - a lot of fun."

Raymond Burns, 19, from the Cape Breton village of Cheticamp, is another of the 18 soldiers on duty, but different from Sampson in a significant way. He's one of 10 who aren't students doing it for the summer, but are working because this is a real job. "They've made me a corporal, so it's unusual for me to be on guard duty," he says. "I like it though. You get into it; you read everything they give you about the history of the place, and then you act it out.

"The soldiers drank a lot, you know. There's one true story about a few soldiers working for the governor — this is back in the 1740s — and going off and getting drunk, and one of them fell in the well and drowned. Well sometimes when enough of us are on guard duty, one will pretend to be drunk and the rest of us will throw him in jail. The drunk one gets to yell and complain at the tourists all day when they peek in through the bars."

Most of the 45 buildings in town have nothing to do with the military, for the fortress of Louisbourg in 1744 was best known for its commerce. There are inns, shops, bakeries, and residences.

"If people get the idea this is just a fortress, we're misleading them," says park superintendent John Fortier. "Actually, the place was a boomtown as well. We should have a harbor full of ships. In fact, we have plans for several 20-foot boats to bob around, a 36-gun frigate that actually fought here and did well, and another couple of types of boats. This was a busy, busy place."

The most complex buildings in 1744 Louisbourg were the king's bastion barracks that included rooms for the soldiers, a chapel, and fine quarters for the governor..."
the governor) and the engineer’s house that, ironically, was even the envy of the governor. Strange peculiarities in the buildings past tell much of the socialills of the time and of weaknesses that eventually turned the boomtown into an unexpectedly easy target for invasions. The inconsistencies were simply too severe. Governor Jean-Baptiste-Louis Duquesnel enjoyed beautifully furnished quarters, and they are as impressive today as they were in 1744. The beautiful antiques and replicas discovered in France in recent years by Jean Pelardy stop most visitors in their tracks. But even a casual stroll through the bastion Information telephones installed for tourists provide the detail rich coordinated fabrics warming his bedroom; bedspread, canopy, rug, and drapes all in a rich sien, “the color of fire, embroidered with white festa ribbon”. In his cabinet are two games tables, with 18th-century bone dominoes in interrupted play on the baize top of the early Louis XV table. But, as always at Louisbourg, 1744, the feeling of wealth and well-being is flawed. One corner of the governor’s kitchen once slid into the ditch. This is a dramatic illustration of the weaknesses in French construction techniques, which failed in the Cape Breton climate. The lime mortar set so slowly that it froze before it was solid. The fortress walls, made of the same mortar, were as weak as the kitchen and, in the siege of 1745, they crumbled from the reverberations of Louisbourg’s own cannon. Conditions for the soldiers were such that they were ready to mutiny. Their quarters adjoining the governor’s were infested with vermin. The straw on which they slept was changed but once a year. They were poorly paid, they were fed bread made with bad flour, and they went weeks at a time without vegetables. They were drunken and lazy and not ready to fight anyone except their own officers.

Chief engineer Etienne Verrier, meanwhile, had his own ambitions, unrelated to France’s dream of controlling the St. Lawrence River: Verrier wanted style and comfort, and bent the rules to build a house befitting his position. He sent word to the authorities in France that his new dwelling would cost 60,000 livres; yet ultimately the fine stone building cost four-and-a-half times as much. Even the governor was able to note, somewhat ruefully, that Verrier’s quarters had none of the drafts of his own. And Verrier found other more significant ways to waste manpower and money. He built magnificent, undefensible gates, one of which served only as an entrance to a cemetery. His concern should have been with the errors of his predecessors, who built the fortress with the inherent weakness of higher ground outside its walls that allowed invaders to fire into the town unimpeded. But Verrier preferred to believe no invader would be able to land on the marshy shores near the fortress to get to the key hills. He continued with his gates while sections of the fortress’s landward front were falling apart.

Meantime, as the administration faltered, as fishermen prospered and entrepreneurs expanded, a movement in New England that would stop it all was smoldering. Businessmen of the northern British colonies had long regarded Louisbourg as a haven of papists and privateers. Now, late in 1744, came the spark, when France declared war on Britain. A force of 4,000 New Englanders gathered, with forces and ammunition and inadequate plans, and left by ship for Louisbourg. They were completely inexperienced volunteers, poorly prepared and lacking leadership. “Their weapons were suitable for defending a wooden fortress against an Indian attack, and that’s about it,” armament expert Kit Ravenshear says today. “The cannons were little things you’d trundle about with, but not suitable for a land siege.”

What made victory possible for the New England forces was the farcical condition of the fortress and its defend- ers. The army of fortified volunteers landed two miles downtown from Louisbourg. Struggling through the same marshes the French had been so sure would discourage any invaders, they approached the fortress from high land, exposing its weaknesses. They were helped immeasurably by a recommenda- tion of Etienne Verrier, the engineer, to abandon but not destroy the royal battery, a defensive outpost a half-mile from the fortress.

The heaviest cannons in the fortress were abandoned by the French in the royal battery. The New Englanders simply turned them to point at the fortress so that the mighty French cannons became a key weapon in the six-week siege.

The French surrendered and the New Englanders took over, to their great joy. It was a questionable bargain; for nearly 1,000 New Englanders died while ocupying the fortress through the severe winter that followed. And it was all for nothing. A little more than three years later, in 1748, Britain returned the fortress to the French according to the Treaty of Aix-la-Chapelle, and settlement began building in the colonies that later became the United States. Some historians suggest the origins of the American Revolution lay as much in Louisbourg as they did in Boston.

The second siege, in 1758, seemed inevitable, given the continuing rivalry between the French and the English for control of what was to become Canada. But when the second siege came, the French were scarcely in a better position. Despite a decade of scrambling to be sure the fortress would be ready, they failed to rectify its basic weaknesses. This time a large British force under Admiral Edward Boscawen faced a smaller French force under Governor Chevalier Augustin de Drucour. And once the naval preliminaries were completed, the fortress suffered extreme damage in only three weeks of bombard- ment. Again, defeat. Heavy damage and injuries suffered by the civilians forced the surrender.

Louisbourg’s fall gave the British the Gulf of the St. Lawrence; the rest of New France followed. What had been France’s dream was gone. Destiny, for the moment, was in the hands of Brigadier-General James Wolfe, who was later to be given charge in the attack on Quebec itself.

Louisbourg died quickly, quietly, while the British went on to the Plains of Abraham. Under the terms of the surren- der, the population of 4,500 men, women, and children had to be evacuated and, with that accomplished, all that remained was the British garrison, left to destroy the fortress once and for all. And that is how it ended.

By autumn, 1760, the fortifications were flattened. By 1768 the British declared the place useless. Then came nothing, for almost two centuries until, finally, it was left to us, a new nation with a sense of pride, to make the place new again. And it rises, growing and living. The change, it seems, is continuous, the heritage, cold and hard, remains the same, unbinding. C. Imperial Oil Review 1976 Number 3
Public speaking

Imperial talks to Canadians. It also listens and explains

by Jack Batten/illustrations by Bob Berger

Let's begin with a short story, a window on a working day around Imperial Oil.

One afternoon in 1975, a man from marketing at Imperial put in a call to Gordon Hinch. My daughter, said the marketing man to Hinch (who is a film producer in Imperial's public-affairs department), just came back from a canoe trip in northern Ontario, a great trip that was recorded on film. Maybe Hinch would look at the movie. Hinch looked. "The film," he says, "was charming and it was warm." He bought it. He edited the movie, cut it from 27 minutes to 18, and remixed it. And under the title, "Wilderness Nomads," Hinch made it available through Imperial's film-distribution services to Canadian schools, community groups, and camping clubs. "The film deserved to be seen," he says. "But it wasn't commercially viable. It had little market value unless someone like us bought it."

The story is about communications. Imperial tries to communicate with many people: its shareholders, its customers, the press, the public in general, and a small group within the general public that is more involved in public issues.

Some messages are specific, such as how much profit Imperial earns. Some messages are more general; indeed, in the dictionary meaning, they aren't messages at all. They depict Imperial as a company that is a socially aware, contributing Canadian entity. This is the kind of message that's implicit in the distribution of films like "Wilderness Nomads." As well as this, the company tries to answer questions through TV commercials, print ads, management speeches, and written and verbal sessions with reporters from newspapers and from radio and TV stations.

Much of Imperial's communication is done by its managers, those who head the operating departments or the regional divisions. During March, for example, various senior people from the company delivered speeches on subjects ranging from Canada's petroleum at the crossroads to the social responsibility of business. They spoke to university audiences, farm groups, service clubs, and chambers of commerce. In addition, of course, they answered scores of requests for information on energy.

For all organizations, these are not easy times to communicate effectively. Not only are the issues complicated, but the competition for the readers' eyes and the listeners' ears is more intense than ever. Beyond that, some businesses see a special problem...
with the media through which they must operate in order to reach the public. Too many media people, say such critics, are hostile to business or uninformed or both. "General-assignment reporters," says Louis Banks, former managing editor of the U.S. magazine, Fortune, "plunge into issues that mean life or death for management, employees, customers — even a community — without the slightest sense of business perspective."

That tough stance is not taken around Imperial. In fact, just more than a dozen of the company's public-affairs people come from journalism. Peter Bartha, an economist and an assistant manager of public affairs, was once an editorial writer for The Toronto Star. Indeed, the company appears to have achieved an unlikely compatibility between creative people and business men. "I find Imperial's management process, with its clearly defined objectives, to be creatively exhilarating and useful," says television executive Richard Nielsen, former producer of CBC's Weekend, now engaged in a film project for Imperial.

Ron Willoughby, a graduate in psychology and assistant manager of public affairs, who works directly with the communicators at Imperial, says frankly: "We have no such animal as an off-the-record piece of information. Since energy is such an important subject to Canadians and Imperial is Canada's largest energy company, it receives many requests for information. Last year, 7,000 came in. In its relationship with the press, Imperial believes in an exchange of ideas. It tries its best to answer the reporters' questions. But it also likes to hear the journalists' opinions. For often, they are a reflection of public attitudes.

Imperial wants Canada to know how it functions and how it feels about its role in the country. It spends between one and two percent of its net profit to tell its story. And, in comparison with most other businesses, it involves a large number of employees in communications.

In an earlier generation, people involved in corporate communications — usually referred to as "PR" — often brought a more casual approach. They were effective as goodwill ambassadors. Today, at least at Imperial, that style has been amended. The company employs specialists of almost every discipline from sociology to theology. They are, as Ron Willoughby puts it, students of industry and society, and they may be preparing position papers on corporate ethics or writing articles for Imperial Oil Review.

"In everything we do," says Bob Landry, an electrical engineer who is manager of the public-affairs department, "we use the same kind of discipline as other business managers do, the same setting of objectives, and the same examination of alternatives to reach the objectives. At present, public affairs is an evolving art in corporate life."

At the beginning of any given project, the men and women assigned to it first define their intentions. They determine the "objectives." Landry speaks of, then devise ways to achieve them. The work is a detailed process of question-asking. What people do they wish to reach? What emphasis do they want the message to have? What alternatives exist to convey the message? What combination of speeches and briefings? There are, to be sure, certain guidelines. For example, tone: no communication will be "didactic, argumentative, condescending, or reactionary"; all communications will be "accurate, candid, informative, realistic, and reasonable."

"It's a question of understanding what the public attitudes are," Landry explains, "identifying the gaps or the misconceptions, then improving understanding in those areas. There are plenty of misconceptions to deal with. For example, many people believe the company makes 30- or 40- or 50-percent profit on the revenue it takes in rather than the six it actually earns. There should be more awareness of the balance-of-trade or energy-security problems that increasing reliance on OPEC oil means. Many Canadians don't appreciate that billions of dollars are needed to develop the country's energy resources or the need for healthy profits to pay part of the cost."

The bedrock assumption that underlies the need to communicate these messages can be put simply: Imperial wants people to know what it is and what it believes. "We believe," Landry says, "the more the public understands about Canada's energy situation and the role our industry and Imperial play in it, the more it is possible for decisions to be made that will help the industry get on with the job. Imperial believes that job is to the benefit of all Canadians."

It all began one day in 1959 when Gerry Moses dropped into the offices of Crowley Films in Ottawa while doing some Imperial Oil business. Moses filled many roles during his 30-year career with Imperial. art director
for the Review, film cameraman and producer, and consultant on paintings and photography. On that day in 1949, he was visiting Crawley in his position as a filmmaker working on Imperial’s movie about the Leulu oil discovery of 1947. And that day, he had his first look at a film, The Loon’s Necklace.

By now, in 1956, several million Canadians have seen The Loon’s Necklace, a landmark in the history of Canadian film, a sensitive and lovely tale that records in images the way the loon acquired its characteristic neck markings. But when Gerry Mosey saw the movie, it was completed, but there seemed little interest in its purchase. The people at Crawley worked on it when they could spare time away from their bread-and-butter film jobs. It was clear to Moses that The Loon’s Necklace would never reach an audience unless someone came up with the funds to enable Crawley to finish it and put it into distribution. Back at the office, he persuaded Imperial to assist Crawley and that decision marked the beginning of Imperial’s career from movies about oil to films that have nothing to do with it.

Imperial’s movies are, almost by definition, different: Canadian films that throw new light on old topics; movies that wouldn’t reach a screen except for Imperial’s interest.

Imperial doesn’t confine its arts program to film. In addition, the company has brought painting, drawing, and sculpture to Canadians who may not live near metropolitan galleries. Imperial purchased the C.W. Jeffers collection of historical drawings in 1951 and put it into circulation in a series of portfolios—some 250,000 of them—that included reproductions and explanatory text. In 1965, the company began building a collection of Canadian art, reflecting the work of both established and promising painters and sculptors, the collection, split into four exhibits in 1974 (landscape, head and figure, contemplation, and sculpture), goes on regular tours to galleries in small centres where people in outlying communities get to view the best Canadian art. Imperial has kept active constantly in the arts, buying work for the Review in the 1950s by such painters as Michael Snow, Harold Town, and Louis de Niverville, commissioning the first Eskimo prints in 1969, choosing in 1957 to enhance the new Toronto office building with murals by R. York Wilson, Sidney Watson, and Oscar Cahen.

“The arts,” says Gerry Mosey, the trailblazer, “offer a way to come into contact with the public and, when that happens, everybody gains—the public, the artists, and Imperial. It’s human communication through arts, art person to person, individual to company.”

The yellow forms, stacked a foot high on Art O’Connor’s desk, represented the results of some hard digging by a research organization. O’Connor, who is head of the corporate-advertising unit at Imperial, wanted to know the public’s response to a line in a magazine ad that read, “Imperial Oil earns about one cent on each gallon of petroleum products it makes and sells.” How did that strike the man reading the magazine in his favorite chair?

“Sure it’s painstaking,” O’Connor says of the survey, “but it’s very helpful. The public wants hard information, not fatuous generalities. A guy looking at an ad is in a dilemma; he needs information about the energy business so that he can make decisions based on the true situation. It makes no sense to be anything less than straightforward in an ad, and these surveys, particularly because they give us the verbatim response of the people interviewed, tell us how to word ads to achieve the best understanding.”

Advertising, as O’Connor perceives it, is an art as close to precision as hard work can bring it. The precision begins with O’Connor pinpointing Imperial’s potential audience into two manageable groups: the general public and an “upward” public, which is made up of people who are likely to write letters to their MPs or even to run for Parliament. In essence, the larger audience is reached through television commercials, the smaller audience through print ads. Same messages, different techniques.

Petroleum supply and demand offers a challenge in communicating effectively to both groups. So, in a series of three commercials, energy use is related to such casually accepted activities as preparing a fish dinner, riding an airliner, and running off a sheet of newspaper. The message is clear: living in the 1970s demands an increasing and secure supply of energy, and at Imperial Oil, “We’re working to find and develop new petroleum supplies for Canada.”

How do you project the same message to people who prefer reading?

“In that case,” says O’Connor, “we do talk balance of payments. A print ad was prepared linking supply and demand to the balance of payments, in the belief that an aware and active audience responds to that kind of approach.”

Does it all work? The care and the planning, the working to objective, the analysis, and the supporting of the arts—do they do the job they’re intended to accomplish? Does Imperial, in the final accounting, communicate?

“It hurts my socialist soul to say so,” says one Globe and Mail reporter who specializes in business reporting, “but I’ve certainly never caught anyone at Imperial trying to log one past me. They’re faster off the mark than anyone else in the private sector, faster to get you the information or the interview or the meeting and, as far as I can make out, they’re candid and complete in everything they tell me. I recognize that they’re advancing their own Bee line interests, but that’s the name of the game. I get their honest viewpoint. I get other people’s honest viewpoints, and then I write my story.”

“We don’t say that the facts we present to the media and the public are the only facts,” says Ron Willoughby, “we say they’re the facts as we recognize them. We don’t expect the public or the media to agree flatly with us. But we do expect balance and accuracy in their judgments. That’s why we work so hard to get our facts straight and to communicate them in the same way.”

What both men’s statements hint at is the art of communications in Canadian corporate life is striving and growing. Partly from pride, partly from conviction, and partly from practicality, Imperial sets out to talk to the public in a voice that’s objective and not quarrelsome. And the company is learning as it speaks.

“I don’t claim that we’ve found all the answers,” Bob landy says. “There are people we’d like to talk to more effectively. Students, for example. Young people in secondary schools and colleges go to classes, get a fine education, have fun, and enjoy a pretty reasonable standard of living. They also hear a great many voices, putting forward a lot of beliefs. We hope that, in the mix of all those voices, our voice is heard. If it’s clear and credible, it may help to foster some understanding of business and Imperial. It may help students, as they try to shape their own beliefs, to understand that business activity provides a lot of the things that are good in Canada.”
When is a royalty not a royalty? That's the legal riddle exercising some of Canada's best constitutional brains these days as they seek a solution to the federal-provincial struggle over revenue sharing in the country's resource industries. At issue is the question of whether mineral royalties, traditionally a source of provincial revenues, have increased to the point where they have in effect become taxes, thus encroaching on federal income tax. No such constitutional issues were around to cloud the issue when royalties made their first appearance in Canada nearly three centuries ago. In fact, next year will mark the 300th anniversary of the levying by the crown of the first royalty on the extraction of minerals from Canadian soil. The crown in this case was King Louis XIV of France. In 1653 Nicolas Denys, who first set foot in New France in 1602 and was destined to become one of the leading figures in Acadia during the first half of the 17th century, purchased the rights to the coal and islands of the Gulf of St Lawrence from the Compagnie de la Nouvelle-France for 15,000 livres. This area stretched from Cape Canso on the eastern shore of Nova Scotia to Cap des Rosiers on the Gaspé and included Cape Breton Island. Although Denys was interested chiefly in organizing a fishing and trading company for his territory, of which he was appointed governor, his agreement included the right to mine gold, silver, copper, and other minerals. This proved fortuitous when, in 1672, coal was discovered in Cape Breton. Five years later, the intendant of New France issued a proclamation levying a royalty of 20 reais per ton on coal production in Cape Breton, thus establishing a pattern for the taxing of Canada's resource industries that has prevailed for three centuries. It also provided an early example of the extension of the crown's traditional ownership of the "royal" metals of gold and silver (hence the term "royalty") to include other minerals. As it turned out, the royalty on Cape Breton coal was somewhat premature. No coal was mined for nearly a half-century following its discovery until, in 1720, it was used as fuel during the building of the French fortress at Louisbourg. The British crown, during its early period of colonization, was slower than the French to capitalize on the revenue potential of resource royalties. The charter granted in 1670 to the Hudson's Bay Company by King Charles II included the mineral rights and so did the land grant to the Canadian Pacific Railway. Anxious to promote immigration, the crown, during the first half of the 19th century, granted home-searchers who were moving west the mineral rights along with the surface rights to their lands. However, it soon became clear that Canada's underground resources were destined to become increasingly valuable commodities, the significance of North America's first oil well, which was sunk in southern Ontario in 1857, was not lost on the politicians. The crown was having a change of heart on the wisdom of granting land ownership with unrestricted mineral rights and, by the time of Confederation in 1867, had ruled that minerals should be reserved for the benefit of the "citizens of the country as a whole." This philosophy received legal embodiment in the British North America Act, which decreed that "All Lands, Mines, Minerals and Royalties... shall belong to the several provinces of Ontario, Quebec, Nova Scotia and New Brunswick." No longer could any individual receive freehold rights from the crown, although the Hudson's Bay Company continued to include mineral rights in the disposition of its land until 1906 and the CPR did not reserve the mineral rights of land it sold until 1912.

When Prince Edward Island joined Confederation in 1873, it acquired control over its mineral rights under the terms of union. Similar provisions were adopted when the provinces of Manitoba, Saskatchewan, and Alberta were established. In the case of the Prairies, these arrangements were formalized by agreements reached between each of them and the federal government in 1930. Similarly, Newfoundland received control over its mineral rights when it joined Canada in 1949. It is unlikely that anyone could have foreseen, in 1967, the profound effect that the simple act of codifying mineral rights to the provinces was to have on the development of the emerging Canada. The Fathers of Confederation had more pressing matters on their minds. While the potential economic importance of the country's underground resources had already been glimpsed, no one could guess at the extent of this treasure that lay buried. Ontario's vast mineral wealth had scarcely been tapped, and discovery of significant commercial quantities of oil and gas in western Canada awaited another century.

As it turned out, the possession of mineral and royalty rights was to provide a number of provinces with their major economic base and the source of much of their political power. And ultimately it was the interpretation of these rights by the western provinces that was to lead to what one observer described last year as "one of the most intense federal-provincial conflicts in the history of Confederation." Today's unresolved conflict centres largely on the petroleum industry, which, as a consequence, finds itself facing uncertainty at a time when the country stands most in need of new supplies of oil and gas.

To understand the nature of the federal-provincial dispute, it is necessary to dig more deeply into the theory of royalties. While Canadian courts have heard many disputes over what constitutes a royalty, the concept is basically an easy one to grasp. A royalty is essentially a share of the product or profits reserved by the owner for permitting another to use or develop his property. For many years, oil royalties in Canada stood at 12.5 percent, which in practical terms meant that, if you were fortunate enough to own the mineral rights under an oil well, you received 12.5 barrels of oil (or the cash equivalent) of every hundred barrels that your oil-company partner pumped out of the ground. It is a piece of simple arithmetic that has produced many a millionaire.

In recent years, however, the oil-producing provinces have come to regard petroleum royalties not merely as a payment for the right to produce and sell oil, but as a means of collecting "economic rent". The theory of economic rent is a complex one and was first postulated by the English economist, David Ricardo, in "The Principles of Political Economy and Taxation," published in 1817. In its simplest terms, economic rent can be described as the surplus value of any fixed resource after deducting the costs, including reasonable profits, of producing that resource. Two University of Calgary economists, Warren Blackman and Alan MacFadyen, provided an example from the oil industry in 1975. "If oil companies find it profitable to explore and develop productive capacity at a particular price, and the price of oil should rise unexpectedly, it follows that economic rent is being earned and could be paid to the public authority as a royalty."

Although a number of economists including Blackman and MacFadyen have argued that, for the oil industry, royalties based on the theory of economic rent make little sense, the proposition clearly possessed strong political appeal for the petroleum-producing provinces. How strong that appeal was became apparent as events began to unfold in the 1970s.
Alberta, the province that stood the most to gain from oil royalties, took the lead. Alberta produces four-fifths of Canada's oil, and four-fifths of all its mineral rights are held by the crown. In January, 1973, the average royalty rate on Alberta oil which, over the previous 10 years, had remained at 15.5 percent, was raised to about 25 percent, a move that had been foreshadowed in the 1971 election campaign. (Those leases protected by a maximum-royalty clause were initially taxed to increase effective royalty rates; subsequently all leases were subjected to the new rate, regardless of whether they contained maximum-royalty clauses.) It proved to be merely the first salvo in a bitter and protracted federal-provincial battle.

On March 27, 1974, Canada's first ministers, recognizing the reality of OPEC, agreed to raise the price of Canadian crude from $3.80 to $6.50 per barrel, to take effect April 1. The following day Premier Peter Lougheed rose in the Alberta legislature to announce a supplementary royalty to average 65 percent on the price increase of $2.70. The premier estimated that the incremental increase in royalties and taxes would, in a single year, net the Alberta treasury more than $800 million. "A perspective," he added, "these extra funds are equivalent to the total provincial budget of only six years ago." The other oil- and gas-producing provinces of Saskatchewan and British Columbia imposed similar but not identical increases.

This dramatic boost in provincial royalties, at a time when they were deductible for federal income-tax purposes, was seen by the federal government as a direct threat to its own tax revenues, since higher royalties resulted in lower taxable corporate profits. The federal view was summed up by Finance Minister John Turner: "It is evident," he said, "that a royalty is no longer a royalty in the traditional meaning of the word. There have emerged various provincial charges which are thinly disguised income taxes." The federal response was not long in coming and when it came it was very much to the point.

The May 1974 federal budget disallowed royalties and all other payments to provincial governments as a deduction in calculating the income subject to tax. Although the Liberal government was defeated on this budget, the royalty non-deductibility provision was retained (retroactive to May 8) in the budget it introduced on its reelection later that year: "The impact of such a harsh and punitive provision," noted Lougheed, "is effectively to tax a petroleum company for something the company does not receive—that is the portion of production from a well that goes to the Alberta government in the form of royalty."

To all of this provincial federal-power struggle ("like hyenas fighting over a kill") was how Business Week saw it) the oil industry was a helpless but far-from-disinterested spectator. Between 1947 and 1974 the industry's investment in conventional crude oil in the western provinces exceeded its revenues by $800 million. Now, when it looked forward to a long-awaited payoff, its expectations of a fair return on past investments were thwarted by the combined provincial-federal royalty and tax increases.

This, in turn, influenced the industry's ability to seek and develop new sources of domestic petroleum in two ways. First was the effect that the increased government take had on the industry's internal cash flow. Second was the telling effect that the moves had on the confidence of the industry itself and of potential investors that new investments would be fairly rewarded.

There were, some felt, grounds for industry pessimism. The industry had looked to the increase in the price of Canadian crude oil as a means of generating extra capital. In fact, it initially received not more, but less.

In September 1973, when the price of an average barrel of Alberta crude stood at $3.80, the producer's share of production income, after payment of operating costs, royalties, and income taxes, amounted to $1.49. The result of the retroactive November, 1974, budget, coupled with changes in provincial royalties, was that the producer's share of a $6.50 barrel of Alberta crude dropped to $1.06.

The plight of the oil industry had clearly reached a stage where it was too serious to be ignored. So in December, 1974, the Alberta government moved to improve the situation in which the industry found itself as a result of combined federal and provincial tax and royalty claims. Effective Jan. 1, 1975, it allowed the deductibility of royalties in calculating Alberta income tax and announced forthcoming royalty changes. In addition, the province established new drilling incentives for exploration wells. Saskatchewan and British Columbia moved to make their own concessions.

These provincial moves were welcomed by the industry. As important as they were, they represented but a small move in a positive direction. Their effect upon industry returns, for example, has been minor and has done little to inspire industry and investor confidence. When the price of an average barrel of Alberta crude moved to $8 last July, the producer's share increased to $1.57—eight cents more than it was getting on $3.85-per-barrel oil in 1973. This year, as a result of a modified income-tax scheme, the producer's share rose to $1.73 on an $8 barrel of Alberta crude—better, some industry analysts say, but far from adequate for the tasks ahead. Although a system of investment credits reduces the cost of new investment, such incentives tend to promote activity rather than to reward success.

From all the uncertainties that surround the development of new sources of petroleum, one unassailable fact emerges: it is going to cost a lot of money. While a new well in southern Alberta used to cost a few hundred thousand dollars, one well in the Arctic today can cost as much as $25 million. The investment cost to produce one barrel of oil per day from the Syncrude plant in the Athabasca oil sands has been estimated at nearly $20,000—more than three times as much as North Sea oil. For example, in the $15 billion cost of Middle East oil. Based on Imperial's present view of opportunities, the total industry investment for new petroleum supplies in Canada by 1985 will be at least $50 billion (in 1976 dollars). Of this, about $15 billion will be required to produce oil and gas from current domestic reserves in western Canada.

Two essential sources of such funds are money generated by the industry itself and additional investment from outside the industry. A system that discourages the former is unlikely to attract the latter. Thus, the frequent changes that have been imposed in recent years on the industry's royalty and taxation structure have not only affected the industry's cash. They have also served to weaken investor confidence in an industry that traditionally has been able to offer investors a high degree of financial stability.

Investors must be assured of a return in line with the hazards involved before they commit their funds to such high-risk enterprises as oil exploration. And investment in exploration also means that investors must, of necessity, be prepared to wait a long time before seeking a return on their capital. "It is the fatigue that makes all the difference," wrote Blackman and MacFadden in their study of provincial oil royalties. "Exploration expenditure means locking up funds for a considerable time period and this no corporation, individual, or government is prepared to do without some recompense. The situation would be analogous to a bank savings account that paid no interest. Therefore, long-term stability is of exceptional importance to the oil industry, and it is something that has been conspicuously lacking in recent years. Indeed, the industry has been compared to a football game in which the referees keep moving the goalposts back during play. Of course, it is easier to identify problems than offer solutions. The question of federal-provincial sharing of resource revenues involves complex constitutional issues. More than one constitutional expert has suggested that, by the degree to which they have increased royalties, some provinces may have exceeded constitutional restraints on their taxing powers.

William A. McDonald, a partner in the Toronto law firm of McMillan Binch, told a conference on the 1976 outlook for business that some provinces may have set royalty and tax rates so high that they've hurt an industry that is international and interprovincial. Also, he claimed, "in some of the recent provincial taxation and other legislation, there is a clear attempt to alter in many ways the structure, location, and other conduct of an international and interprovincial industry with which one would not interfere." The revenue bill, said MacDo- nald, was in Ottawa's court.

Until now, Ottawa has displayed little enthusiasm for a constitutional showdown with the provinces over the issue of resource revenue-sharing, and most political observers agree that a legal confrontation in this area would be undesirable. And the provinces demonstrate little inclination for compromise. "Alberta's objective for its citizens," Premier Lougheed has said unapologetically, "is higher prices for the oil owned by the people of the provinces."

To many observers of business and politics, it seems a pity that the petroleum dispute remains to mar what, in general, seems to be a slowly improving rapport between the oil industry and governments. They hope some means will be found to solve the current impasse. For all are agreed that neither Canada nor the oil companies can afford a slowdown in exploitation at this point in the nation's energy history.
Every four, somewhere in Canada, a patient leaves a mental hospital for life back in the community. For all of them, as our article on page two makes clear, the return to life outside the institution poses problems with family, friends, and work. They may be cured of their illness but, during their long hospitalization, they may have acquired new difficulties — lack of confidence or loss of skills. Some suffer chronic illness and adjust to ordinary life, mainly because of families that welcome them home. But others adjust their ways into the normal routines of life.

But there are thousands, for whom the transition is more painful than life inside the institution. They die discharged from hospitals into a world in which they have no families. Sometimes they have no families. Or else the families may not want them.

In other instances, the families may have good intentions, but are unable to cope with a member who is recovering from mental illness. Sometimes former patients may not want to burden aging parents.

So thousands have nowhere to go. For even the stabile person, that can bring on anxiety and discourage. But for someone trying to adjust to ordinary life after years in a mental institution, it can be crushing. What happened? According to people who work in mental health, great improvements end up in single rooms or shared boarder houses. Often it's only a few inches from their homes before they return to the mental hospital they left.

The story in this is that at a time when, as a result of new and effective drug therapies, we are making great strides in reducing the population of mental hospitals. People who, years ago, might have been hospitalized for life, now receive treatment making it possible for them to live in the community. So instead of populations of 1,500, many mental hospitals are down to 200 or 400. "During the last 10 years," says one mental health worker, "the number of psychiatric beds has declined by 60 percent. But the rate of return by patients has increased greatly, up over 150 percent." In 1860, 20,000 Canadians were hospitalized in mental hospitals. By 1870, that number had risen to 50,000. And it's climbing.

What does this mean? Clearly it means that, while we've made progress in treating people effectively and returning them to life outside, their full rehabilitation is being severely hampered. Most need a place to live as soon as they are discharged. It needn't be a permanent residence as much as a home for a few months or a year during which time they can get used to community life, learn to handle their budgets, and perhaps take job training or get some education. There are such places for former patients in some parts of Canada. They are called halfway houses or group homes. They are effective, but we have only a handful. Yet the need is great. About 100,000 Canadians leave mental hospitals every year. Perhaps 75 percent recall a halfway house or could be helped by one.

Usually these homes have from four to 12 residents. They are supervised by an informal staff of professionals or skilled volunteers, thus encouraging people to be independent and to establish a family spirit. In most cases, the volunteers pay a small amount — it's $80 per month in one home in Ottawa — and the rest is covered by money from private foundations or public funds. The length of stay by each resident is a personal decision, for some to adapt to total independence more quickly than others.

In Alberta, where the Canadian Mental Health Association operates three three halfway houses, the average residency is between three and six months. According to Walter Costain, the CMHA executive director in Edmonton, 80 percent of the people who have gone into group homes during the past decade move on to full and successful independence.

One value of the group home is that the former patient lives with people who know what it's like to have lived in a mental hospital. No one can replace the support and strength that comes from living among those who have experienced the agony of mental breakdown. This is the main emphasis of the group homes operated in Vancouver by the Mental Patients Association. The group is exclusively a self-help organization aiding former patients in adapting to routine life through the support of people with similar experiences.

Some psychiatrists claim that this approach is especially helpful to the poor, who do not relate to conventional psychiatry. "Many members of minority groups," says Ari Klein, associate professor of psychiatry at Cornell Medical School, New York, "particularly the poor, believe that they will receive little help or sympathy from an established psychiatrist, and they may avoid seeking such help or do it resistance." According to Cathy Walker of British Columbia's Mental Patients Association, such patients feel this way not only toward treatment but also toward rehabilitation. They are convinced they can make progress best with the help of their peers in group homes.

While the motive for establishing the homes may be social and humanistic, there is also a dramatic financial advantage. They save money. In Toronto, one professional in the field reports that the cost for one person in a group home is $3 per day. But to keep the same person in hospital costs between $80 and $100 per day. "Leaving mental institutions aside," she says, "group homes make sense in a time of worry over health costs."

Once, many communities resented such places and even prevented them. People feared that the residents might be a danger or a nuisance. Others worried that the house wouldn't be maintained properly, that neighborhood would deteriorate, and that property values would decline. But when halfway houses have been carefully located, these concerns have proved to be groundless.

The group home by itself is not the only door to rehabilitation. Former patients need other supports as well — a confidence that they are well, a friendship that is secure, and a personal exit on which to rely. But all of this can be undone by the confusion and anxiety of having no place to live in the critical first months of discharge from a hospital.

Most communities, even medium-sized towns, can find the resources to set up a halfway home. The Canadian Mental Health Association is ready to provide its advice and professional support for such places. It is obviously in the interest of our communities and our country that we develop more of them. In the years to come, as medicine discovers new methods of treatment, more and more patients will be discharged from mental hospitals. But if we merely move them from back wards to back alleys, we don't improve their chances. We diminish them.

Kathleen Bergdoll