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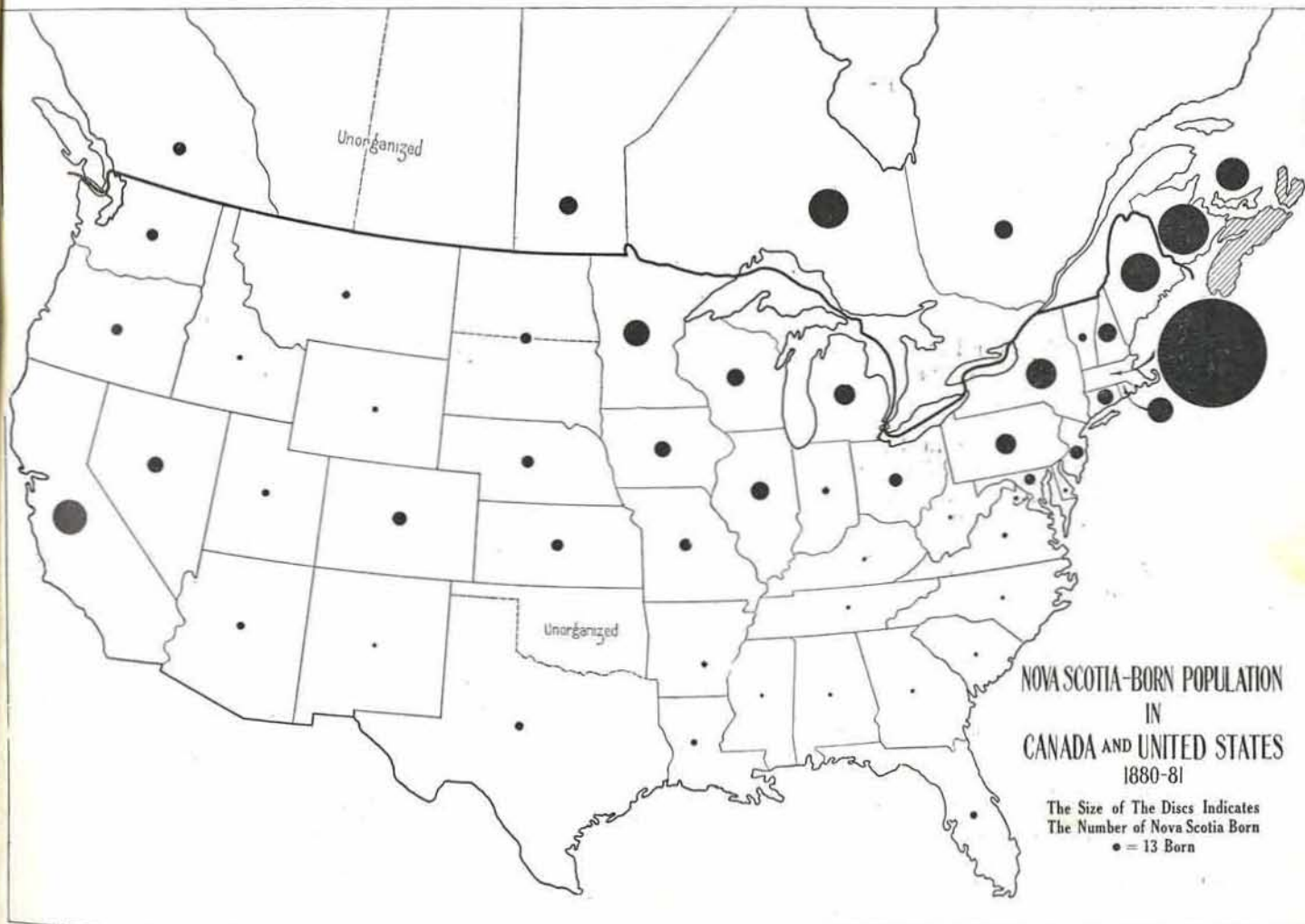
PUBLIC AFFAIRS

A Maritime Quarterly for Discussion of Public Affairs

AUGUST, 1938

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See the article "The Mobile Nova Scotian"—By M. C. MacLean

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The Background of Government in the Maritimes

By J. B. BREBNER

DURING the period of almost two centuries before New Brunswick and Prince Edward Island were formally founded, the region known as Acadie or Nova Scotia supported North American communities which had to struggle with the everlasting problem of setting up institutions suitable to Europeans in a new environment. Both French and English sovereigns, even Cromwell, tried and failed to establish there the feudal system which had been Europe's own form of frontier government during the centuries after the old Roman administration broke down. Early in the seventeenth century a part of the parade ground at Edinburgh Castle was proclaimed to be Nova Scotia so that King James's collaborators might stoop down and grasp a piece of soil as they took *seisin* of feudal baronetcies laid out on bad maps of a peninsula they would never visit. After the Cromwellian conquest, one of the incidents of Nova Scotia's feudal tenure from the Protector was the payment of twenty moose-skins, a consideration which emerged in the great Anglo-French boundary negotiations after the War of Austrian Succession transformed into twenty mouse-skins!

Even after Great Britain and New England finally conquered the region in 1710 Nova Scotia was afflicted by the same blight of inappropriate governmental regulations imposed by Europe. For fifty years the majority of the population was French-speaking; for forty years the English-speaking element was little larger than the puny garrison at Annapolis Royal. Yet even after Halifax and Lunenburg were founded (1749-53), the governing groups in Nova Scotia were

accustomed to seek guidance in the laws and procedures of Virginia. Why Virginia? Because early in the eighteenth century and increasingly thereafter the colonial policy-makers in London feared the republicanism and independent spirit which they detected in New England, and were anxious that Nova Scotia, following Virginian precedents, should redeem the errant neighbouring colonies by demonstrating the immense superiority of more docile "royal government."

Events proved the absurdity of these hopes as affecting either Nova Scotia or New England. The unfortunate Acadians formed the society that needed government and they were simple North American frontiersmen, so inured to frontier ways that after they fell victims to Anglo-French rivalry in North America their remnants found it so impossible to accommodate themselves to life in France that they made their ways back to the North American frontier in British Nova Scotia or Spanish Louisiana.

Yet while they had lived under British rule between 1710 and the sad years (1755-1767) when they were systematically rooted out, they showed that French Americans turned naturally to the same kind of political arrangements as British Americans. They chose representatives like New England selectmen from their communities to speak and act for them both at home and in relations with their British rulers, and in each community the one man (other than the priest) who served continuously was not greatly distinguishable from a British American township clerk. It was tragic that their position between the millstones in the great North American war victimized them before British Nova Scotians could detect how easily Acadian institutions could be reconciled with their own

EDITOR'S NOTE: J. B. Brebner, Ph.D., is Professor of History at Columbia University and author of various books on the history of the Maritimes.

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The long struggle by the English-speaking men of the Maritimes to govern themselves in their own chosen ways began about 1750 in Halifax and continued for almost a hundred years. The first impetus came from the suspect New Englanders who swarmed into Halifax after its founding and who re-colonized what are now Nova Scotia and New Brunswick after their troops had expelled the Acadians from their long-held lands. Their first objective was to force the British and Nova Scotian administrations to carry out their legal obligation to set up representative government. Thanks to vigorous and expensive lobbying in London and to the scrupulous respect for law which was personified by such judges as Lord Mansfield, this boon was actually conceded in the midst of the decisive combat between France and England in North America, and what is now the Dominion of Canada received its first local parliament in 1758.

The next objective was the fulfilment of Governor Lawrence's promise that the New England townships should have the same institutions of self-government as those to which the immigrants had been accustomed at home. This campaign was lost in ways which are even yet rather obscure. Somehow a succession of Governors and authoritarian Councillors managed to thwart the men who were laying the abiding foundations of the Maritime Provinces in the struggling new agricultural townships and fishing ports.

Yet this defeat in law and constitution seems to have been little more than a formal one, for no matter how much Halifax presumed to regulate life in the out-settlements, actuality fell far short of the mark. The roads across the peninsula were mere rough bridle-paths and visits of inspection by sea to the St. John River or the Fundy settlements were discouraged by the vagaries of wind and fog. Except to a limited degree at Windsor, the new Nova Scotians, like the old, regulated their own domestic affairs. All over the Province, when the Revolution came, they even followed the Acadian precedent during North American wars

of demanding that they be regarded as neutrals, in spite of Halifax's effort to whip up among them an active loyalty to the British cause.

When the Loyalists began their migration to new homes in 1782 the Maritime region entered upon difficult days. They came chiefly from the Middle Colonies rather than from New England; they had a high proportion of military, naval and civil officials who seemed to the pre-Loyalists not very unlike the old Halifax group which had opposed them for twenty-five years; and it was altogether too much to expect that the exiled Loyalists would not sneer at, or harshly condemn, the luke-warm behaviour in the Revolution of the earlier settlers. It is not hard to imagine what ensued and yet we lack a faithful account. Fortunately, able scholars are now at work in New Brunswick and Nova Scotia from whom we may soon have the story of how pre-Loyalists and Loyalists hammered out their compromises.

The situation might be summarized in a quotation from the Governor of New Brunswick as late as 1802, which Dr. W. M. Whitelaw, a distinguished historian of the Maritimes, recently discovered during his work at the Public Archives of Canada. Thomas Carleton, objecting to the Assembly's demand to appoint its own clerk, made the revealing comment:

The only pretence for such an innovation here is, that the Clerk is said to be appointed by the House in Nova Scotia. If so, it is one of those usages of the late New England Provinces, of which, from the first erection of New Brunswick, it was thought, by the Assembly as well as the Council, of importance to avoid the imitation.

The merging of the pre-Loyalist democratic elements and the authoritarian Loyalist ones was a pretty grim business, accompanied as it was by the discouraging discovery that a good many of the Loyalists did not have the stamina to succeed in the Maritimes. The War of 1812 seems to have helped, for during it the Maritimes and New England worked out a common understanding which was not unlike a separate peace, and by the

'twenties Maritimers had achieved something like homogeneity within their three separate provinces. This success was marked by what Professor D. C. Harvey has discovered to have been a genuine and broad intellectual awakening. Moreover, prosperity was now paying dividends on the long labors of the pioneers. The stage was set for a new advance towards self-government.

The story of the peaceful attainment of responsible parliamentary government during the 'thirties and 'forties is too familiar to bear repetition here. What is less familiar is the tragedy that marked the pause between this achievement and participation by Maritime men in the guidance of the Canadian Dominion. This was Joseph Howe's perplexing decline in morale after the string of victories which culminated in his Southamptton speech of 1851 and the loan guarantee which it won from Great Britain. In the 'fifties Howe felt that he had gone as far as a man could go in the Maritimes and he yearned for a broader stage as a Colonial Governor. In trying to compel the British government to give him such scope for his talents he rashly embarked on recruiting

in the United States for the British armies in the Crimea, an unwarranted exploit which brought about the dismissal by the United States of the British Minister at Washington.

Howe's subsequent contradictory, enigmatic behaviour and the loss of his magic touch in Nova Scotian politics seem unquestionably to have been related to the check to his ambitions which followed and to the humiliations which he suffered while pursuing the dispensers of imperial patronage in England and Scotland. Only at the very end of his life did he find the way out of his embitterment in Cabinet office at Ottawa and its reward, the Lieutenant Governorship of Nova Scotia.

Other Maritimers were either luckier, or wiser, or perhaps merely born later than Joseph Howe. From the beginning of the Dominion to today the Provinces by the Atlantic have been willing and proud to send to Ottawa their great men who have won their spurs at home, and the rest of Canada has had to admit that the Maritimes have contributed more leaders to the nation than the mere arithmetic of population would predict.

New Brunswick Case Before Rowell Commission

By F. X. JENNINGS

ALTHOUGH it was the last of the nine provinces to be given an opportunity to present its case before the Rowell Commission on Dominion-provincial relations, New Brunswick managed to bring a number of new matters of considerable interest, if not of importance, to the attention of the commissioners. Otherwise, however, the song was the

same as was sung in other provinces, although perhaps pitched in a minor key and with the soft pedal moderately applied.

Outstanding among the new notes struck were those elaborating on the compact theory of confederation, and urging the re-establishment at Ottawa of a department of state for the provinces.

Almost half of the submission was taken up with the argument in favor of

Editor's Note: Mr. Jennings is Editor in Chief of the *Telegraph Journal* and the *Evening Times Globe*, Saint John, N. B.

the compact theory. This, in brief, was to the effect that the basis of confederation was a solemn agreement entered into between the original partners—Ontario, Quebec, New Brunswick and Nova Scotia—and that this agreement, or treaty, or compact, now known as the London resolutions, was given the force of law by an Imperial statute, the British North America Act, 1867. On the ground that the confederation agreement was a contractual obligation the New Brunswick government maintained that the province was entitled to compensation because the terms of confederation had not been fulfilled, and that, as a consequence, the economic position of New Brunswick had declined while other provinces, especially Ontario and Quebec, had forged ahead. The amount of compensation deemed fair was not specified.

With regard to the proposal for a revival of a federal department of state for the provinces, which had been in existence for a few years after confederation, it was urged that it would afford a means of closer co-operation between the federal and provincial authorities, providing a channel for the interchange of ideas which might prevent further difficulties between federal and provincial jurisdictions. The corresponding department in the provinces would be that of federal affairs, which has been a part of the New Brunswick government set-up for the last two years.

A minor field in which new ground was broken was New Brunswick's claim for \$15,000,000 on the Dominion treasury as this province's share of the undistributed "Halifax award" of 1877.

That award, made as a result of an 1871 treaty between Washington and Great Britain regarding fishing rights in Canadian coastal waters, amounted to \$5,000,000 of which \$1,000,000 was turned over to Newfoundland and the rest to the Dominion government. It was claimed that New Brunswick's original share of the award was about \$1,000,000, which at five percent compounded would now reach a total of \$15,000,000. The basis of the New Brunswick claim is that as the waters, on account of which com-

pensation was paid by the United States, consisted solely of territorial waters of the Maritime Provinces, Newfoundland, and to a minor extent, Quebec, the award belonged to those provinces and Newfoundland, and not to the federal government.

The stand of New Brunswick with respect to amendments to the British North America Act, hitherto the subject of considerable erroneous interpretation, was clarified in the brief to the commission, which declared:

"It must not be understood that the Province of New Brunswick is opposed to changes in the constitution where such changes may be absolutely necessary, but...great care should be exercised before a provincial government in 1938 should take the responsibility on relinquishing control for all time of powers which were guaranteed at confederation," and urged that "it is most desirable that the existing difficulties be overcome so far as reasonably possible within the limits of the present constitutional provisions."

Thus there is definite indication that New Brunswick is not disposed to yield up to the central government at Ottawa any of the powers conferred upon the provinces by the British North America Act—it expresses full agreement with the statement reported to have been made recently by Hon. C. A. Dunning, federal finance minister, that "the solution of our problems can be found within the principles of the British North America Act laid down seventy years ago."

With regard to federal provision of social services, the province felt that the most efficient and economical system would be to have these services administered provincially with grants-in-aid from the Dominion, but it stressed the principle that such grants-in-aid should be paid in each case as directly as may be practicable to, or for the benefit of, the individuals or the particular service to be assisted. In this regard, the brief referred to the example of the administration of old age pensions, observing: "The contributions reach the people directly. There is no possibility of the money being used for other purposes. In grants of lump sums to the provinces there is

always the danger that, even though the money is earmarked, it may be used, by reason of financial exigency, for unauthorized purposes."

With respect to the general lump-sum payments, or so-called subsidies, now being paid to the provinces, New Brunswick agreed with the contention put forward in other presentations that the financial assistance to the provinces by the Dominion should be on the basis of actual fiscal need, rather than on a per capita or some other basis, and that the need of each province should be assessed separately. So far as New Brunswick was concerned, it was estimated that at least \$600,000 a year was needed to provide a system of education comparable with that in Ontario, and that the provision of adequate health service would require \$300,000 a year more than is now available. As there was an element of national responsibility in both these fields, as well as in the provision of highways for the proper development of trade and commerce in peacetime and for national protection in the event of war, it was felt that Dominion assistance in regard to all three should be forthcoming.

Other appeals for federal assistance were made on behalf of the coal mining industry, for agricultural education and for the development of markets for potatoes and other farm products. The declaration was made that New Brunswick is entitled to compensation from the Dominion treasury for the loss sustained through preferred treatment being given other provinces in respect to debt allowances and the apportionment of new territory, practically all provinces having benefited from the expansion of their

boundaries with the exception of the Maritimes.

While it was charged that the Dominion had invaded the taxation field of the provinces, and should either yield up the income and sales tax or compensate the province for their loss, New Brunswick favored the idea of handing over to the federal authority the collection of succession duties, provided there was an adequate guarantee that the revenues obtained were apportioned among the provinces on a per capita or some other fair basis. This suggestion already has met with support in other provinces outside of Quebec and Ontario, which naturally would lose through a national per capita distribution.

Based upon its support of the "compact theory", the province made the following submission:

"That a recommendation be made that the Dominion forthwith provide a schedule of freight rates based upon what was designed at confederation and not upon exclusively commercial considerations; that the jurisdiction over rates on the Intercolonial Railway be removed from the control of the Railway Commission; that there should be a subsidiary management of the Government Railways in New Brunswick established at Moncton, authorized and instructed to carry out the terms of the Confederation Agreement; that improvements be made in the facilities at the ports of the Maritime Provinces, shipping connections established and ocean freights arranged in order that the trade between the Great West and the seaboard may be fully developed and that the Province of New Brunswick should receive some compensation for its loss by reason of the non-fulfilment of the obligations of the Dominion."

The Mobile Nova Scotian*

By M. C. MacLEAN

THE mobility of the Scotsman is a commonplace to most people—so much so indeed that the writer of this article made an effort to study the phenomenon so far as Canada was concerned. By every test that could be applied to the census material, it was found that the reputation of the Scot in this respect is fully justified both as regards the people directly from Scotland and those of Scottish descent. An index of segregation was devised and constructed to measure the relative tendencies of different races to “bloc” or hang together. The opposite tendency is, of course, ubiquity and, therefore, the lower the index, the higher the measure of ubiquity. These indices, therefore, in the order given, measure segregation in localities, which corresponds with ubiquity. A broken list of the order in which the races stand is as follows:

1. Scottish	100.0
4. Irish	105.2
8. Dutch	188.7
12. Czech and Slovak	292.1
16. Ukrainian	540.0
20. Hebrew	895.7

The English and French showed slightly lower indices than the Irish; the Welsh, Scandinavian and German than the Dutch; Miscellaneous Austrian, Belgian and Russian than the Czech and Slovak, and the Polish, Roumanian and Hungarian than the Ukrainian. The Finnish, Italian, Indian and Hebrew showed higher indices than the Ukrainian.

Next, their segregation by occupation was studied and the order of these indices was:

1. Scottish	8. Eastern European
4. Irish	12. Chinese

Editor's Note: M. C. MacLean, a native of Cape Breton, is one of Canada's most distinguished statisticians. He has given special attention to problems of population statistics.

* See the chart on the cover of this issue.

The significance of these two sets of figures is, of course, that Scots are apt to be found in more localities and to turn their hands to a wider assortment of occupations than the representatives of any other race in Canada.

It should be interesting to know how far “New Scotland”, as distinguished from Canada as a whole, has tended to this characteristic of her parent. It may be said at once (and facts are mustered below in support of the statement) that although less than half of Nova Scotia's present population is Scottish, she is, in respect of this propensity of her people, rightly called New Scotland.

In 1931, Nova Scotian born were found in all but 9 of the 221 counties and census divisions of Canada, the 9 exceptions being in Quebec. They were found in all of the cities and towns of Canada with more than 10,000 population, a lone male Nova Scotian in a population of 10,320 being found in Sorel, Quebec. There were in all, 52,291 living in other provinces of Canada in 1931. The matter of chief interest is whether these 50,000-odd were forming Nova Scotian communities in a few places, as most of the immigrants of European origin do, or spreading everywhere. For the purpose of answering this, an examination was made of the 4,641 sub-districts outside Nova Scotia (municipalities, polling divisions, etc.) There were 5,152 of these, if Nova Scotian polling divisions are included. The number of these sub-districts in each province which had Nova Scotian-born residents may be seen in Statement 1 below. The same sort of data for 1881 is shown in Statement 2, but the comparison is very rough as “sub-district” did not mean quite the same thing in 1881 as in 1931. Indeed, it did not mean the same thing in each province in 1931.

Statement 1.—Number of sub-districts of Canada with representatives of Nova Scotian born, 1931.

Province	Sub-districts		
	Total Number	With Nova Scotian born	Percentage with Nova Scotian born
Prince Edward Island.....	78	75	96.2
New Brunswick.....	197	176	89.3
Quebec.....	1,540	324	21.0
Ontario.....	1,043	598	57.3
Manitoba.....	200	158	79.0
Saskatchewan.....	841	577	68.6
Alberta.....	558	443	79.4
British Columbia.....	143	134	93.7
Yukon.....	11	10	90.9
Northwest Territories.....	30	13	43.3
Total Outside Nova Scotia.....	4,641	2,508	54.0
Nova Scotia.....	511	511	
Canada.....	5,152	3,019	

Statement 2.—Number of sub-districts of Canada with representatives of Nova Scotian born, 1881.

Province	Sub-districts		
	Total Number	With Nova Scotian born	Percentage with Nova Scotian born
Prince Edward Island.....	70	70	100.0
New Brunswick.....	158	152	96.2
Quebec.....	810	139	17.2
Ontario.....	718	480	66.9
Manitoba.....	32	24	75.0
British Columbia.....	26	22	84.6
Saskatchewan	18	5	27.8
Alberta			
Northwest Territories			
Yukon			
Total Outside Nova Scotia.....	1,832	892	48.7
Nova Scotia.....	297	297	
Canada.....	2,129	1,189	

In 1931, then, there was an average of about 21 Nova Scotians in 2,508 out of 4,641 of the sub-districts of Canada outside Nova Scotia. There was an average of 21,000 total population in these sub-districts. It will be readily seen that it was practically impossible, or at any rate extremely improbable that Nova Scotian communities existed. The Nova Scotian was really buried in the population. The 1881 data show that

they had penetrated to all distant parts of Canada; the 1931 data, that they had spread still more widely as time went on. To find a Nova Scotian in 23 out of the 41 sub-districts of Yukon and the Northwest Territories (in 1931 there were 85 in Yukon and 22 in the Northwest Territories) is simply astounding. Had the 107 Nova Scotians in these places all been found in Dawson City, our surprise would not have been so great. To find

them in 46 out of the 58 sub-districts of Manitoba and British Columbia in 1881 is probably still more astounding. How did they get there?

Unfortunately, we do not know the number of Nova Scotians in the United States at the latest census, but if what we are describing indicates a propensity, it is probable that data from an earlier census will suffice. Furthermore, the fact that it is an early census—as far back as 60 years—gives added significance to their spread in the United States. The U. S. Census of 1880 gave the place of birth of the population of every state and territory and the 50 principal cities. Now, we have just seen (Statement 2) that a year later, Nova Scotian born were found in 892 sub-districts of Canada outside Nova Scotia. In the year 1880, there were 51,160 in the United States, and they were found in every state and territory (see map). Nova Scotians were found in every one of the 50 principal cities of the United States except Nashville, Tennessee. Mention has already been made of one Nova Scotian found in Sorel, Quebec, at the latest census. In 1880 one was found in Dayton, Ohio (total population 38,678) and Reading, Pennsylvania (total population 43,278).

To find a lone person 2,000 miles from home in a wilderness of 40,000 people appeals strongly to the imagination. In wandering over the western prairies thirty years ago, the author found a lone Scottish homesteader in a district comprised entirely of Russians, Austrians and Ukrainians and a lone Nova Scotian homesteader in a district with representatives from several of the countries of Europe as well as England and Ontario. It has been said that the Nova Scotian makes a success only in the professions, in politics and in business, but this man's case, and many others in the writer's experience, stand as evidence that the Nova Scotian is also a successful pioneer. In this particular case he had progressed from a lonely homesteader to a good farmer and a moderately wealthy landowner. The English speaking part of the community had voluntarily combined their six or seven different de-

nominations and sects to make up a church and our shy, reticent Pictonian—a staid Presbyterian—was forced, sorely against his will, to hold all the important offices, including Sunday School Superintendent. As a Methodist, he must not dance; as a Presbyterian, he must avoid something else, and, before he ran the whole gamut of the denominations he represented he had to abjure the world, the flesh and the devil with a vengeance. This was particularly hard on a stalwart, healthy bachelor of forty with plenty of *joie de vivre*, especially as the rest of the congregation could take advantage of the fact that each section of the church looked leniently on some sin that another section condemned. He often wished that he had never heard of the devil and his ways.

The ubiquity of the Nova Scotian in 1880-81, so far as Canada and the United States were concerned, will probably be best visualized by the aid of the accompanying map where the number of Nova Scotians in each State and province is shown by discs drawn to scale. When it is remembered that railroad systems were not so extensive then as they are now, one wonders how Nova Scotians found their way to places like Utah (68 Nova Scotians). Of course, anyone familiar with the history of the Rev. Norman MacLeod will not be surprised to find them in New Orleans, Washington Territory or British Columbia after knowing that they found their way to Australia and New Zealand. It is probably well known that this remarkable gentleman built "The Ark" in Pictou County to transport his congregation to Ohio via New Orleans and the Mississippi; but contrary winds drove them to St. Ann's, on Cape Breton Island, from which in later years they moved, to end up in New Zealand.

There is still another point which must be considered. The wandering Scotsman, with his capacity for mixing and getting along with all sorts of people, permits himself the indulgence of longing for home. If one can go by cases the same is true of the Nova Scotian. This is also shown by a study of the data of the Census of 1931—indirectly, it is true, but anyone

can read between the lines. In 1931, either the father or mother or both parents of 5,319 out of the total 7,222 United States-born in Nova Scotia were Canadian born; furthermore, there were others who by birth represented 16 different countries of Europe, Asia and South America and "At Sea" but who had one or both parents Canadian born—mainly Nova Scotian born. No one can doubt that these are the Nova Scotian emigrants, missionaries, etc., coming back after spending many years abroad, or sending their children back. Dalhousie University, for its size, is probably more representative of different parts of Canada and the United States than any other university in Canada, and it is easy to read between the lines as to what this means. When we add the number who have, since the Census of 1931, come back to Nova Scotia from the United States and other parts of Canada during the depression to say nothing of those who spend part of every summer at their old homes, it becomes evident that the tie between the exiles and their native country is very strong. Indeed, we expect that if our prairie friend is alive today—a hale old man of 70—he is back in Pictou County. He deserves it!

That all parts of Nova Scotia are not equally represented in this spread over Canada and the United States is evident and, judging from the counties showing the greatest exodus, the Scottish and Irish elements are probably much more widely represented. It seems quite fitting, then, to quote the following sentiment of a great part of the returning or visiting exiles in their native language, without apology or translation—

"Beanntaichean arda is aillidh leacainnean
Sluagh ann a comhnuidh is coire cleachdain
nean

'S aotrom mo cheum a leum g'am faicinn
'us fanaidh mi tacan le deoin."

Now, perhaps all this would not be so important if it were not for the moral behind it. There is an idea that the

reason why people leave their country of birth is because the country cannot support them. This is a very dangerous assumption. There are reasons and reasons. We have in Canada blocs of peoples and races from abroad and they have in the United States blocs of Canadian born. When people leave their native country *en masse* and settle in their new homes *en masse* this may be taken as evidence that the country is the attraction and the motive is not primarily the love of travel and the adventurous spirit of the people. When, on the other hand, we find them scattered over and mingling with other people, this may be taken as evidence that it is the latter, not the country. Although the population of Nova Scotia decreased by almost 11,000 between 1921 and 1931, the population other than English, Scottish and Irish increased by more than 5,000. These latter must find it better than other countries. It is the people that are thus moving—at any rate, a good part of the movement is a phenomenon of type of people. Now, mobility is a tremendously important quality, especially in post-war days of shortage of employment. Furthermore, the person that can leave his home and settle among thousands of strangers is *ipso facto* virile and self-reliant and the type of people who, through being found everywhere, must engage in all sorts of occupations is *ipso facto* versatile. Imagine what it would mean to have these people of proven virility, self-reliance and versatility back again—they or their children! Canada has had its fling at nomadism and it may be that the future will see an attempt at staying at home. Who knows? The depression may serve a useful purpose in this connection. It is interesting to see that the number of births in Nova Scotia, which decreased from an average of 12,119 in 1921-25 to 10,688 in 1929, took a turn and increased to 11,617 in 1935. Perhaps this is the turning point.

The Maritimes as "Melting Pot"

By H. L. STEWART

A MARITIMER who has travelled much in other parts of Canada must have observed that, on the whole, the mixing of races is less successful, or at least complete, in central and western provinces than in his own. This is not simply because the races to be combined are much more numerous, and by origin farther apart, as one travels "towards the setting sun." The fifty languages to be heard, if one goes everywhere and keeps one's ear alert, in the city of Winnipeg would of course under any circumstances present a problem in fusion very different from what one can find in Halifax or Saint John. Moreover, it is arguable that the fusion is not the less valuable for being less complete. Perhaps we are losers in the East by a too successful obliteration of specific racial difference. Time has been significant too: we have had much longer to achieve our "melting". The point I want to make is that the blend in the Maritimes has been, for good or for evil, more thorough, and that its greater thoroughness is not wholly explicable by the slighter number of the different elements to be blended, or by the greater time we have had to blend them.

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Is not the explanation, or part of the explanation, to be found in this—that, as compared with other parts of Canada, the Maritime Provinces have brought together their racial constituents more by a cultural and less by an economic bond? No matter what Karl Marx may have taught to the contrary, it has never been believed in Canada's "Far East" that the only desirable, still less that the only possible, group alliance is an alliance

for the conquest of material power. The necessities or advantages of joint economic action have not been regarded by the Maritime mind as the sole, or even as the chief, cause by which those of different racial type can be assimilated in a State. Perhaps that steadier coherence which I have mentioned is due to the fact that this view of the economic bond as precarious and the cultural bond as more durable was the correct view, and that the Maritimes translated it into practice.

A year ago, in an Ontario city, I heard a speaker discuss the probable reasons for what he called the backwardness of these provinces. He related how once, when living in Nova Scotia, he had occasion to want a new handle for his axe, and found that he had to send to Windsor, Ontario, to get one. What sluggishness, he exclaimed, was shown by such an incident! And how typical it was of the deficiency in "push and drive" by which Maritime progress had retarded! I ventured to appeal to Adam Smith's principle of division of labor, pointing out that Nova Scotia in turn has fulfilled a certain specific function of her own, serving other parts of Canada with premiers, university presidents, and the like, while taking in exchange from elsewhere such products as axe handles. It is surely over-exacting to demand equal fertility in all sorts of growth. As Adam Smith taught us, we should concentrate on that particular sort which we are best fitted to bring to perfection.

There is more in this than economic significance. If these peculiar interests of ours have delayed or handicapped us in the industrial race, they have also saved us from some of the consequences in racial strife which have elsewhere been conspicuous.

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Side by side with a distinctly contemptuous surprise that we in the Maritimes have so often let an industrial opportunity slip may be noticed just now—strange to say—an impatience with us because, at last, we have become rather insistent on “getting our share”. How often has it happened, in the case of individuals as of groups or of nations, that one is by turn despised for easy-going acquiescence and denounced for selfish importunity! Perhaps, too, both reproaches may in a measure be justified. Those who have long let their interests go by may have a sudden awakening, and the new self-assertion may be extravagant. That insistence on rights which, for others, had acquired the quietness of routine may be violent in those for whom it is, relatively, so novel. When, over a dozen years ago, we agitated for reduced freight rates, and more Dominion subsidy, and all the other demands indicated in the famous “Duncan Report”, perhaps we were a little intemperate in our eloquence. But we deserved the indulgence shown to those who are trying an unfamiliar method. The finesse as well as the composure of those to whom commercial enterprise has long been the dominant, if not the sole, concern must not be expected in those to whom commerce is only a means rather than an end of life. We know groups as well as individuals who merit the descriptive phrase of Mr. H. G. Wells: “unpretentious acquisitiveness, undisturbed by intellectual or any other interests.”

* * * *

We have been notoriously concerned in the Maritimes about Churches and Universities, showing perhaps a reckless readiness to risk the wastage of overlapping rather than the insincerity of compromise. Visitors from other areas, with that gay *insouciance* which makes a Maritimer look puzzled, say that we take things with desperate seriousness. They observe that we have a dozen institutions, each conferring University degrees, to serve an area with considerably below a million people. When they ask what are these fine points of difference

which forbid an “educational merger” obviously economical and probably a means to more effective teaching, they are fortunate if they escape with a mere change of the subject. To the Maritime mind it is sufficient to close discussion that anyone should think or speak in terms of “merger” on such matters.

In short, to use the latest term of international jargon, it is a contrast of *ideologies* that we see here. The melting-pot into which, in the Maritimes, different racial groups have been passed for a blend is one which brings them together through sympathy in the interests of the spirit. Why, then, it may at once be objected, should there be this preposterous number of small Universities, acting surely as a dividing rather than a reconciling and unifying influence? To this the Maritimer who understands the tradition of the East will reply at once, perhaps with a pitying smile. He will say that herein is a sample of just that recurrent mistake about effective union which Eastern influence has so often had to correct in other parts of Canada. Unity, he will point out, derives its strength from careful allowance for specific difference within the common enterprise. Not, perhaps, if it is a commercial enterprise: it may be that there strength comes from the most ruthless suppression of individuality. But for the racial blend, of which commerce is not the whole—rather indeed a quite subordinate interest—it is the development of specific, autonomous contributions that gives lasting unity to the whole. With a sigh, the Maritimer reflects how often serious damage has been done in Canadian corporate life by those who insist on construing it after the figure of a commercial organization, and prescribing its policies in terms of a mere company for commercial profit.

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It is no accident, then, if I have rightly described this difference of outlook, which has made the Maritimes more harmonious in temper, if less successful in material gain, than certain other areas which might be named. Geographical contrasts

have had a bearing upon it, but not only geographical contrasts: there has been a contrast in the spirit and method of racial cooperation. We supply the eastern gate-way of the Dominion, and could often wish that Halifax or Saint John were less a gate-way and more a stopping-place. We know well how wise, at least in days gone by, for those bent on economic success, was the admonition "Go west, young man, go west". Of late years, at length exasperated as we believe by an injustice which had become intolerable, exploiting our preoccupation with things other than our economic interest, we took up the role of the economic and political agitator. It turned out, from the Duncan Enquiry and other things, that we were not altogether unsuccessful in raising a storm—as an American critic once said of those who begin to swear for the first time, and are peculiarly effective at it, "because they come to the work fresher." But to agitate in this way is not our taste or our habit: we do it only when we must. Only when we feel, with Uriah Heep, that our humility may be pushed to excess, exploited against us "by those who are not humble"!

By common consent it is acknowledged that Maritimers have had a great share in the political and constitutional development of this Dominion. It would be invidious to contrast persons and policies, of at least the recent past, but it will not be questioned that this conception of unity through principles and ideals, beyond a mere contrivance of economic advantage, has been one for which Maritime leaders have both fought and sacrificed with peculiar faithfulness.

It is not too much to say that their special championship of what I have called the cultural and spiritual as against a merely economic bond is a main source of the command they have so often attained, especially at some time of crisis in Canadian life. There is a thrill about such an appeal, even for those whose way of action and practice has long been different: most of all when that different way has been manifestly conducting to disaster.

These are some reflections called forth in part by the various Briefs which the long-suffering Dominion-Provincial Relations Commission has had to assemble, and—one must suppose—to read. They constitute a voluminous record of provincial discontent. They set forth proposals, in the main for purely economic and financial adjustments, by which sanguine folk perhaps hope that a Dominion too obviously falling apart may be unified. Some of them propound a wild plan of intensified federal control, under which the specific differences of provinces would be crushed. Others demand a chaos of sovereign provinces, in whose separate policies no trace of unifying principle can be discerned. Once more it is plain that in the purely economic melting-pot these elements may be dissolved, but will never be fused. To vary the metaphor, borrowing a phrase from Coleridge, they may be frozen together, but not thus will they grow together. Is it too much to hope that the Maritime voice, so often heard to advantage in such a crisis of the past, may be heard again, and that the practice of harmonizing—relatively so successful in the small racial conflicts of the East—may set the example on a Dominion-wide scale?

Health Services in Sparsely Populated Areas

Editorial Note: How to provide adequate health services for some remote sparsely populated areas in Nova Scotia and New Brunswick is a question that has repeatedly been discussed in public during recent years. It seemed, therefore, worthwhile to find out in what way the problem has been dealt with in other areas having similar conditions. At the request of PUBLIC AFFAIRS the Department of Health for Scotland in Edinburgh and the Department of Health for Saskatchewan in Regina, have been good enough to contribute the following two articles:

I.—Medical Services in the Highlands and Islands of Scotland

THE problem of adequate health services in the Highlands and Islands of Scotland has always presented a special problem as topographical and climatic conditions and straitened financial circumstances made it exceedingly difficult for the people to obtain the medical attention which they required. As early as 1911 a departmental committee was set up presided over by Sir John Dewar (afterwards Lord Forteviot), to inquire into medical attendance and allied services in the area and to advise as to the best method of securing a satisfactory medical service. As a result of the report made by the committee, an act was passed by Parliament in 1913 (the Highlands and Islands (Medical Service) Grant Act, 1913), making available an annual grant of £42,000 for the purpose of the improvement of the medical service and for other purposes connected therewith. The grant which meanwhile has been increased by Parliament—for 1937-38 a sum of £69,000 was voted—is now administered by the Department of Health for Scotland in accordance with schemes approved by the Treasury, to serve the purpose of improving medical services, including nursing in the Highlands and Islands and otherwise providing and improving means for the prevention, treatment and alleviation of illness and suffering in that area. As defined by the Act, the Highlands and Islands area includes the counties of Argyll, Caithness, Inverness (but not the burgh of In-

verness), Ross and Cromarty, Sutherland, Orkney and Zetland, and the Highland District of Perth. That area, which is about 400 miles by 150 miles, represents more than half the land surface of Scotland, but its population is rather less than one-fifteenth of that of the whole country.

1. *Medical service.* At the present time about £48,000 a year is being expended on the general practitioner service. The Dewar Committee reported that on account of the sparseness of the population in some districts, irregular distribution in others, the configuration of the country and the climatic conditions, medical attendance was uncertain for the people, exceptionally onerous or even hazardous for the doctor and generally inadequate, and that the *poor economic circumstances of the people precluded adequate remuneration of medical attendants by fees alone.* By means of the grants paid to medical practitioners under the scheme, a greatly improved medical service is now available. Grants are paid to doctors in return for their rendering medical service at uniform fees within the means of the patient irrespective of the distance to be travelled by the doctor to his patient. This modified fee system is applicable to the families and dependants of insured persons, uninsured persons of the crofter and cottar classes, and others in like circumstances to whom payment of a fee sufficient to remunerate the doctor

for his time and travelling would be an undue burden.

The grants to individual practitioners are determined on the amount of work, as measured by travelling, involved in attending beneficiaries under the modified fee arrangements, but, where that method of calculation would not produce an adequate income for the doctors, grants are calculated with regard to the net income of the practices. The latter arrangement applies to between 30 and 40 practices out of a total of over 150 subsidised practices.

It must be understood, however, that the Highlands and Islands Fund does not provide the whole income of doctors working in the Highlands area. It merely supplements the income these doctors derive from their work in providing medical attendance under the national health insurance scheme for insured persons and for the sick poor under arrangements made by county councils or from any private practice in respect of patients not eligible to receive attendance under the system of modified fees. In contrast with what existed before the Fund was set up, it can now be said that there are no districts that cannot obtain a doctor's services on reasonable terms. Another most important point is this: with the guarantee of a reasonable minimum income to the doctor in these areas, a much better class of practitioner is being attracted. Prior to 1914, although there were practitioners of outstanding ability and merit, the tendency was for Highland practices to attract men who had proved unsuccessful elsewhere. Now, they attract young men of ability and energy who may not perhaps have sufficient capital to buy a practice elsewhere but who regard the Highland practice as a starting-off ground in their career. The result is that there has been a marked improvement in the general standard of the medical service available. In an area where practitioners are thrown very much on their own resources, having but little opportunity for consultation with other medical men, the importance of this feature cannot be too strongly stressed. To encourage men to keep

abreast with developments of medical science arrangements have been made to enable a limited number each year to obtain the benefit of a post-graduate course of study.

In quite a number of districts no suitable house was available for the doctor and the conditions have been improved by the giving of grants to enable county councils (formerly parish councils) to build new houses for the local doctors or to convert more or less dilapidated houses into comfortable up-to-date dwellings where no other solution of the problem could be found.

2. *Nursing service.* Side by side with the improvement of the general medical service, there has gone on an improvement in the district nursing service in these districts. The provision of skilled nursing is of the greatest benefit in the Highlands and Islands. The investigation made in 1912 demonstrated the utter inadequacy of the then existing provision. Voluntary effort here and there had succeeded in establishing and maintaining a nurse, but viewed as a whole the nursing service was lamentably deficient both in numbers and quality of nurses. Under the operation of the Fund a great improvement has been effected. At the present time subsidies are given from the Fund to local nursing associations employing altogether over 200 nurses. The subsidies from the Highlands and Islands (Medical Service) Fund towards the maintenance of nurses amount at present to about £19,000 a year. Where necessary, grants are given towards the cost of providing houses and motor cars for the nurses.

These district nurses are employed by local voluntary associations whose income, apart from grants from official sources, is derived from local subscriptions, donations and bequests, and fees for services rendered by the nurses. In each of the counties of Argyll, Orkney, Perth, Inverness, Ross and Cromarty (Mainland) and Sutherland the nursing associations are organised into county federations of associations which arrange, *inter alia*, the terms on which the nurses' services are made available under the

county councils' schemes relating to maternity and child welfare, school medical inspection, and treatment of tuberculosis. In Caithness and Lewis the Public Health Committee of the County Council acts, in the former directly and in the latter through a special sub-committee, in place of a federation of nursing associations.

3. *Hospital and specialist services.* So far as the medical and nursing services are concerned, the objects which were aimed at when the Fund was established have largely been achieved, but the maximum benefit to be obtained from the expenditure will not be forthcoming until it is possible to put into full operation other schemes already approved for the application of the Fund. Little so far has been done towards the establishment of such services as dentistry and ophthalmology. The few dentists and ophthalmologists in the Highlands and Islands area at present are so situated that a large percentage of the people would have to travel long distances to consult them, entailing an absence from home of perhaps one or two days (or in extreme

cases longer) and an expenditure which they would be unable to face.

The development of the Royal Northern Infirmary, Inverness, as an up-to-date hospital with all modern equipment, and staffed by a team of specialists (already appointed or in prospect) ensures that a large part of the Highland mainland is brought into the orbit of modern hospital facilities. In other parts (Zetland, Orkney, Caithness, Sutherland and Lewis) resident surgeons, whose appointments are assisted from the Fund, secure for the people the advantages of skilled surgery within reasonable distance of their homes.

While it is not possible to overcome entirely the risks of delay due to weather and other physical conditions, it has been the aim of the administrators of the Highlands and Islands (Medical Service) Fund to secure a medical and nursing service in these areas approaching so far as practicable that which is available to the people of the Lowlands. It cannot yet be said that that ideal has been achieved, although considerable progress has certainly been made towards it.

II.—Saskatchewan's Municipal Physician System

By H. O. DAVISON

ADEQUATE provision for medical services for the residents of the rural communities of Saskatchewan had been a major problem for many years. The province covers an extensive area and is essentially an agricultural one with sixty-three per cent of its 931,000 people living on farms. Many of these rural areas, although in great need of medical services, did not assure satisfactory incomes to qualified physicians. On the other hand the cost to the residents of calling in a private practitioner was too

high. Especially was this true in the case of those living far remote from where the physician was located. The municipal physician system was designed to meet both of these conditions.

Its development was simple and logical. Local affairs are administered either by an urban or rural municipality, the latter being an organized rural unit of self-government at least eighteen miles square and containing an average of 2,100 people. To assist rural municipalities in securing a resident physician, the Provincial Legislature passed legislation in 1916 empowering them to guarantee a doctor's income up to an annual amount of \$1,500, or to pay

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an annual grant of a similar amount as an inducement for him to practice his profession in the municipality.

Three years later, in 1919, an alternate plan was introduced by which a rural municipality was allowed to employ a physician outright for its people. The maximum salary was set at \$5,000 per annum which was increased in 1930 by an additional sum of \$500 for each township in excess of nine. By 1932 the scheme was applicable to a portion as well as to a whole municipality and two or more contiguous ones were permitted to co-operate for the purpose. In 1935 the system was extended to towns and villages with a maximum salary of \$2.00 per head of population, and in 1937 both urban and rural municipalities were given power to meet their surgical needs on a basis similar to that required for the employment of a municipal physician with the solitary exception that the matter of expense was left to the discretion of local councils.

No restrictions are placed on the number of municipal physicians employed so long as their total salaries do not exceed the maximum indicated by legislation. The municipality pays them from money raised through taxation on land in the same manner as it secures funds to pay for other municipal services. Thus it is evident that the municipal physician system tends to equalize the cost of medical care to a considerable extent.

In establishing a municipal doctor scheme a bylaw on the question is submitted to the electors of the municipality, assent being obtained upon a favourable vote of three-fifths of those casting their ballots. If it sees fit, the council is thereupon authorized to arrange for the necessary service. If doctors are already located in the districts the electors express their preference when voting on the bylaw, the council adding the name or names of any outside practitioners it desires. This affords a measure of protection to physicians in private practice where a municipal plan is contemplated, and at the same time gives the council an indication as to the service most acceptable to the people.

The municipality and the physician or surgeon engaged enter into a written agreement specifying particulars of the service to be rendered and outlining the terms and conditions under which it is available.

At present the system is operating in seventy-two rural municipalities, and in parts of three others as well as in forty-three towns and villages, with the result that 17.5% of Saskatchewan's population is found in communities where medical care is furnished at the expense of the municipality. The scheme is not applicable to cities and if the combined population of these centres is deducted the figure rises to approximately 21%. In addition to ordinary medical attention major surgical services are available in thirty urban or rural municipalities.

Twenty-six rural and four urban centres have agreements with more than one doctor. About sixty per cent of all the schemes provide the service to all residents while the remainder restrict it to resident ratepayers, renters, hired help and in a number of cases school teachers. It is customary to include non-resident ratepayers for office calls.

Under the terms of his agreement the physician furnishes general medical services, obstetrical care and performs minor surgery. He acts as medical health officer for the municipality, organizes and conducts immunization clinics in connection with communicable diseases, inspects school premises and examines school children, providing corrective treatment where necessary. He equips a suitable office, supplies his own automobile and pays its running expenses and also, twenty-eight rural and six urban contracts require him to furnish patients with ordinary drugs and dressings on his first visit for temporary relief.

Salaries in rural municipalities vary from \$2,400 to \$5,500 per annum, depending upon a number of factors. Some contracts permit a charge of from \$1.00 to \$3.00 for the initial home call during an illness or injury, while in others the physician may collect from the patient a fee for certain services, such as for attendance on a maternity case or for

the removal of tonsils or adenoids. A combination of both may be used. Office calls are always free but when the physician is called needlessly to a home and there is no stipulated initial fee, he is usually allowed to collect \$2.00 and his mileage charges which he retains for his personal use. In one or two schemes this fee is payable to and collectable by the municipality.

Municipal physicians may engage in private practice, attending patients not eligible for free service and charging their regular fees, provided this does not interfere with their responsibility to municipalities and to those they have contracted to care for.

The cost of maintaining a municipal system to a taxpayer of a rural municipality amounts to an average yearly tax of \$3.40 on each 160 acres of assessable land he owns. The average per capita cost in a rural scheme is \$2.12 and in an urban \$1.72.

The Health Services Board, which is a branch of the Provincial Department of Public Health, supervises and controls all agreements and bylaws as well as the general activities of the municipal physicians and surgeons engaged throughout the province. Through its efforts the various schemes are being coordinated, more uniformity in agreements is being secured and unsound features eliminated for the purpose of guaranteeing an efficient medical service under a municipal plan, one in which the people deriving the benefit will have the fullest confidence.

However, the final success or failure of the system in a community depends largely upon the physician selected. Not only must he possess the necessary professional qualifications but he must be a man of sound judgment, a good tactician, willing to serve, be genuinely interested in the health of the people and look upon the work as a desirable permanency.

He will find it possible to improve the amount and quality of preventive service in the district which in the end will

reduce his work, and his position as health officer will increase his authority in the isolation of cases of communicable disease. Undoubtedly a larger percentage of maternity patients will seek prenatal care and a greater number will consult him at his office for advice during the early stages of disease.

Usually, the physician will be better able to plan his activities so that he can care for more patients than a private practitioner in the same time and he is freer to judge when urgent and serious cases are deserving of greater attention, regardless of the economic status of the patient.

He loses a certain amount of his independence as a practitioner and may at times feel that he is being imposed upon, although patients for the most part do not abuse their privilege of calling the doctor to their homes for trifling ailments.

However, the municipal physician system has provided incomes and working conditions to doctors which assure their presence in communities that otherwise might not receive medical services and insofar as the recipients of the service are concerned many municipalities where the system has been in operation satisfactorily for any length of time, regard it as an integral public service to be shared and supported by the entire community.

Auxiliary services are often invaluable to a physician, especially so in rural areas. Saskatchewan has provided means whereby they can be readily secured. Rural municipalities and urban centres are able to combine to form hospital districts for the construction and maintenance of union hospitals. These institutions are built from funds usually raised by debenture issues, which are repaid through taxation. Further, actual hospitalization may be furnished at the expense of the municipality. Nursing services may also be provided at public expense, thus rounding out a medical service well able to cope with the requirements of most communities.

A Century of Educational Organization 1838-1938

By B. A. FLETCHER

EXACTLY one hundred years ago a Committee of the General Assembly of Nova Scotia presented to the Lieutenant Governor a report on Education. The list of signatories was headed by the name of Joseph Howe. The report recommended the organisation of a system of free schools to cover the Province based upon general and equal assessment.

This report was not the first indication that the best minds in the province desired a radical change in educational policy. On April 12th, 1824, commissioners had been appointed in each District to solicit and to forward to the Lieutenant Governor as much information as possible concerning the general educational condition of the province. Their reports represented the first comprehensive survey of education in the province ever made. They showed a widespread dissatisfaction with existing conditions and in some cases indicated possible remedies.

The following extracts from two of these reports taken from the "Bulletin of the Public Archives of Nova Scotia, Volume I, No. I, show the character of his desire for reform.

"Digby, 24th May, 1824"

.... "We further beg leave respectfully to add that, It has been suggested as a sure method of preserving and gradually diffusing useful knowledge through this District, to aim first at the establishment of one good English school that should afford tuition freely, to a limited number of the decent poor, and, at a moderate price, to all other children. It is said that, such a school might hold up one correct example, and "become (at the least) the nursery for a better class of minor teachers

of our own growth, if it did not prove the mother of a sufficiency of similar schools where circumstances invited—The kind of school proposed, to consist of three classes—In the first class, to be taught reading and neat handwriting,—In the second, common arithmetic,—In the third, compound arithmetic with as much of geometry as is applicable to ordinary mensurations.

It might be unjust to force—And it would otherwise be impracticable to unite the generality of this District in a scheme of this kind, because, to all but a few, the advantages would appear discouragingly remote and contingent—There are a very few liberal minded persons—in various parts of our Townships, who would probably aid any spirited neighbourhood that should undertake such a project."

Another extract, this time from Lunenburg, reads:

"Lunenburg, 12th May, 1824"

"....To us however it is obvious, that the rising generation are beginning to feel a strong desire for an alteration, and to feel also, that while they are ignorant of the English language, they must of necessity be shut out from many important privileges, which naturally belong to them as subjects of His Majesty. We shall only add our conviction, that a remedy for these things will principally be found in the general diffusion of English Education and instruction."

The report of the Committee that followed the receipt of these and similar documents stated;—

"Such, then, have the Committee, upon the examination of these documents, in which also their individual information concurs, found to be the actual state of the English Schools; And such as they have stated are the Circumstances which require the adoption of another and better system, and determine the qualities it ought to possess, and the conditions under which it should go into operation—

It ought to be general through the Province; in order that none, even in the remotest and poorest Settlement, may be without some provision for the instruction of youth—It should be compulsory, in every place; because too many are found insensible of the just value of Education, and will use no exertion for having their children taught, nor can comprehend how knowledge operates upon and elevates the character and condition of the poorer classes—It should not be gratuitous, for that which costs nothing is generally valued at Nothing—It cannot be supported from the Provincial Treasury, because the expense, at the most moderate computation, would surpass the disposable income of the Colony—It ought to be maintained by the people themselves; because they and they alone are the Parties upon whom rests the obligation to provide Education for their Offspring, equally with that of their support—Its funds should be raised by a general and equal assessment on the whole population according to each man's ability because thus, and only thus can a sufficient amount be raised to defray the Expense of so extensive yet so indispensable an Establishment,—while the charge to each individual is brought within his means and reduced far below what those who now support Schools are obliged to contribute. Lastly the plan should secure the respectability, and Talents, and consequent usefulness of the Teachers, by the adequateness and permanency of their salary."

Eleven years later another Committee of the Assembly reported in similar terms urging the adoption of free schools based on general assessment. The report describes the New England system of free schools and mentions the similar Scottish parochial system, bringing forward both as examples which justify by their success the principles advocated.

After an interval of two more years a final report was presented in 1838 that was the basis of the legislation that followed many years later. This report again brings forward the experience of New England and Scotland, with the addition this time of Prussia. The report states,

"The Committee to whom was referred the general subject of education, and various petitions respecting schools, beg leave to report—that, on entering upon the discharge of the duties assigned to them, the first question that presented itself to their minds, was the propriety of introducing the principle

of compulsory assessment, to extend, by one uniform system, over the whole Province, and providing for the instruction of the Children of the whole population."

After describing the Prussian system, the Committee makes some observations, that, in the light of the present conflict between the ideologies of democracy and dictatorship, are worth repeating.

"Viewing, as the Committee did, the results of such a system the "Prussian" with astonishment and delight—and anxious as they were to attempt a humble imitation of its scope and efficiency, they feel it a duty to acknowledge that, to the strong Executive arm—to the despotic power of the Sovereign—whose word is law—whose influence is felt to pervade every part of this moral police—must in a great measure be ascribed the success of that bold measure, which in less than twenty years has left scarcely an uneducated person among the millions which Prussia contains. In such a country as this, however, where despotic rule is unknown, we must be content to set the good we have against the benefit which might sometimes be derived from a wise exercise of arbitrary power. A free people will not consent to be benefitted without the concurrence of a vast majority of their numbers, and a people whose revenues are raised by duties upon imports, must have their feelings deeply interested, and be firmly convinced of the necessity of direct taxation—even for an object of the highest importance—or else they will resist and defeat a measure however wisely and accurately framed."

The spirit of these wise words might also be applied to the bold measures of educational reform that are now under discussion in every province of Canada and that are to be discussed here.

Although this report was not implemented by legislation until 1864, its proposals were the basis of Nova Scotian educational organization for the century that followed, and which, once put into effect, have continued without appreciable change until today.

The essential unit in the system is the small School District, collecting and disbursing the major part of school finance; appointing and dismissing teachers; controlling in large measure all educational policy. A similar system, modified in Ontario by the Township

unit and in Quebec by the Municipal unit, has also operated for nearly a century in all the provinces of Canada.

This system was particularly well adapted to the conditions of life in Canada in the nineteenth century. The boundaries of schools districts had to be defined by "the legs of little children." Communities were widely scattered so that communications were difficult at all times and impossible in winter. A simple education of literacy was the only burden to be placed on the small section. There was a fair measure of equality of wealth between sections. The result of placing the responsibility for education upon the sections themselves meant that a standard of education was maintained that would not have been possible by any more centralised system.

In the last decade, there has grown up, in every province of Canada, an increasing volume of opinion that recognises the inadequacy of a system, formulated in 1838, to meet the needs of 1938. The century that has elapsed since 1838 has been a century of greater change than any other century in the history of mankind.

After a century of quiet progress within the limits necessarily prescribed by the 1838 system, Nova Scotia, this year, has appointed a Commission to make another educational survey and to report to the Assembly. This year, in New Brunswick, the Department of Education is examining the report of a similar survey made in 1937. In Saskatchewan, the imposition of a new central Education Tax, has begun to modify the small unit system. In Alberta, a fifth of the province is reorganised into new large units called Divisions. In British Columbia, where experimental large school units have been in operation for several years, it is now realised that the experiments have been successful and that the larger unit idea must be embodied in more permanent form.

It will be interesting and valuable to trace what has happened during the past century to the three countries that were used as models for the Canadian system of educational organisation.

In Germany, prior to 1918, the national government had no jurisdiction over education, which was entirely in the hands in the separate States. The Republican Constitution of 1918, gave the Reich legislative powers and applied national funds to education. In the new system, the important financial and administrative unit was the large State, not the small commune. In nearly all States the salaries of both secondary and elementary teachers were paid by the State. Teachers salaries were everywhere fixed by law. This meant that only a fraction of the revenue of education was raised locally and the largest share of financial and real control was exercised by the large unit of the State. Since the establishment of the Third Reich, the Ministry of Education has pursued a policy of educational unification that has steadily encroached upon the powers of the States, while with the general decay of decentralised self-government, the power of the local communes has almost disappeared.

In the United States of America, modification of the small district system has resulted from two causes; first, almost from the moment of its creation, by state reorganisation from within; secondly, much more recently, as a result of federal aid in education from without. One State, Delaware placed almost all authority in the hands of the central state department of education. In New England, where the district system originated, after half a century, the small school districts were consolidated in a larger Township system. In twelve states the County has become the paramount unit of administration and in five other states partially developed County systems exist. In all states there has been some measure of consolidation of school districts, particularly in regard to the organisation of secondary education. The position of the central state department of education is likely to be still further strengthened as a result of the report of the recent Advisory Committee in Education appointed by the President of the United States. This report recommends the distribution of the sum of \$70,000,000 annually to state authorities and the increase of this sum

by annual amounts until it reaches the figure of \$199,000,000 a year in 1944. This will give to the central departments of education a larger financial share in educational expenditure and this financial control in education is bound, in time, to lead to a more balanced control of administration between the small district and the state department.

In Scotland, between 1918 and 1928, the powers and duties of 1750 small parish school boards were transferred to 36 specially elected County Boards, and a balanced system of administration set up on the English model.

Once again therefore the necessity arises for Canada to examine the systems which other countries have set up for adapting educational organisation to modern needs, and once again the experience of Scotland and the United States of America will merit close examination.

In addition, it is necessary to relate the character of the social and economic change that has taken place since 1838 to the nature of an educational organisation contrived to meet social and economic needs.

The system formulated in 1838, with its aim of placing a school within walking distance of every child was a bold step forward in the history of the equalisation of educational opportunity. It was designed to give the tools of education to a people living in scattered units. Since then education has grown to mean much more than literacy. It is envisaged as a continuous and comprehensive process. It would have been foolish in 1838 to plan for any larger conception of education or any wider unit. Today no serious planning is possible except on the basis of larger units.

The conditions of pioneer existence in 1838 left little leisure time for the pursuit of cultural subjects. What secondary education existed was organised for a minority outside the school section system. The small unit system can never provide anything but a travesty of secondary education, yet this is the burden it shoulders today.

In 1838 the field of occupations was limited almost to farming, fishing, lumber-

ing, mining and trapping. Today, the change from a self-sufficient agriculture to industrial and large-scale production has created the demand for a wide variety of occupational training. Vocational education as an integrated part of secondary education cannot be organised except in terms of the larger unit.

When there were no compulsory attendance laws and when less than six years schooling was fairly common, it was possible for the families living within walking distance of the school-house to support their school. Today, Canada is committed to a program of twelve years of free public education for all of its citizens; to the provision of competent, professionally-trained teachers; to a curriculum that educates not just a limited part of the mind but that develops body, mind, imagination, emotions and will, preparing for civic and economic citizenship; and to the erection of a school plant with modern teaching equipment. This places an impossible burden upon a simple and inefficient financial system.

Since 1838 a great change in school population has taken place. Elementary school enrollment has increased by 50% and secondary school enrollment by more than 500%. At the same time a change has taken place in the distribution of wealth. School districts vary tremendously in their financial ability to support a modern educational program. Real estate, upon which the school districts rely for educational revenue, now represents only a fraction of the real wealth of a country.

Shifts in population and wealth have accentuated this growing inequality between district and district. Some school sections in Nova Scotia are spending today on education \$40 per child per year and others only \$3. Intelligent children are penalised because their parents have to live in a particular locality. A district with a high tax rate may be giving its children a meagre education, in a school building that is a mere shack, with a poorly trained teacher and no proper equipment. A neighbouring section, with a low tax rate, may be providing a modern educational program, with well trained

teachers, high school instruction, modern school buildings and ample instructional materials. Every year such inequalities grow less tolerable to a people committed to the democratic principle of equalised educational opportunity.

An examination of the reforms undertaken in Scotland and the United States of America has been suggested. In addition the time is now ripe for a critical examination and coordination of the experimental work that has been carried out in the provinces of Canada. Although small, it is varied in character and each different method of attack upon identical problems yields experience from which it may be possible to formulate a thoroughgoing scheme of reform.

In Prince Edward Island there is a system of Provincial Grants by which the provincial government bears as high a proportion of educational costs as 69%. In Ontario two townships have experimented with a scheme of school consolida-

tion. In Manitoba, ten municipal units have been organised. In Saskatchewan the consolidation of rural school units has proceeded further than in other provinces and now the government is experimenting with a centralised Education Tax. In Alberta eleven new large Divisions have been organised and eleven more are to be established this year. In British Columbia two areas have been reorganised as experimental large units, with a greater centralisation of administration than in the case of the Alberta Divisions.

From a comparative survey of this work, against the background of American and Scottish experience, it may be possible to draw up a carefully planned scheme of provincial reorganisation that attacks all phases of the problem and develops a well balanced, democratically controlled administrative structure of education, within which progress is possible.

The Task of a Country Teacher

By C. H. SUTHERLAND

MUCH has been written concerning the importance of the rural teacher to our Nova Scotian communities, but his difficulties and problems have received very little publicity. It is the purpose of this article to discuss a few of those problems.

Attendance

The teacher's first task is to promote and sustain an active interest on the part of parents and other residents of the section. Their cooperation is essential in carrying on an effective educational programme. The teacher is entrusted with the educational direction of all children between the ages of five and sixteen, and of those over sixteen who wish to take advantage of the facilities

offered by the section. Clearly the minimum amount of schooling must be insisted upon if illiteracy and other conditions making for bad citizenship are to be removed. The regular attendance of all children of legal school age is essential to the progress of both the individual child and the school as a whole.

It is therefore clear that attendance is a major problem of the rural teacher. As many as twenty per cent of the children in a rural community may be offenders, thus creating a problem which is a constant worry to the teacher and which occupies an undue amount of his time. This situation may be the result of:

- Indifference on the part of the parents.
- Poverty in the home.
- Habitual truancy.
- Mental and physical deficiency.

There are some parents who evade their responsibilities to their children in the matter of education, and who develop an expert ability to evade the Attendance Law. To overcome such an attitude is indeed a difficult task, and it must be remembered that rural communities have no attendance officer such as exists in towns and cities to assume the obligations and cares of obtaining a full and constant attendance. Fortunately the teacher receives full support from the Attendance Branch of the Department of Education in his efforts to overcome irregular and non-attendance caused by the parents. Legal means are regrettable but absolutely necessary in dealing with those who refuse to cooperate, or who promise to send their children to school regularly and constantly break their promises. Unfortunately when such cases are carried to court there is sometimes considerable feeling aroused against the teacher on the part of the few sympathizers of the offenders. The children coming from such homes are usually doubly handicapped: their home training is poor, and they receive little or no encouragement in their school work. In a few cases parents have been known to encourage their children to become troublemakers in the school-room.

The teacher regards with sympathy the home in which non-attendance is due to lack of suitable clothing. Such poverty is by no means uncommon, and the teacher is often called upon for aid. It is sometimes possible to enlist the help of agencies interested in child welfare work, such as the Women's Institutes and the Parent-Teacher Associations, which do excellent work in spite of limited resources and exhausting demands.

Many cases of habitual truancy are fit subjects for a trained psychiatrist, and cannot be dealt with competently by an amateur. In less serious cases, however, the teacher is sometimes able to find the basic cause of maladjustment, and is then in a position to attempt corrective measures.

Few sections are free from mental cases of one sort or another. There is usually

at least one family in which the parents are definitely mentally deficient or nearly so. Often they have large families. When the children from such a home enter school they are likely to receive little benefit, since the teacher has neither the special training nor the time necessary for the instruction of subnormal children. The other children make fun of them, and because of their appearance, social habits (or lack of them) and general maladjustment, their addition to a group creates an unhealthy social environment for the normal children. Since there are few provisions for the care and special education of such unfortunate children, the teacher can do little but bar them from the school, provided the necessary authority can be obtained.

Health is no less a problem. Many of our rural schools are so unsuitable that they are a menace to the health of the children and nullify the advantages of a country environment. The average rural school is overcrowded, with poor ventilation and a primitive heating system. Harmful interior colouring and insufficient lighting affect the pupils' eyesight, while unadjustable seats and desks prevent them from taking advantage of what light there is. Outside the schoolhouse itself, one finds inadequate playground space, little or no play equipment, and outhouses which are both unsightly and unsanitary. The school section is responsible for such conditions and usually seeks to excuse itself on the grounds that it would be too expensive to make alterations. Yet surely it is a misdirected economy that saves a few cents per person by sacrificing a child's health.

There is a system of health inspection but not of treatment in our rural schools. The school nurse, who is usually able to visit each school only once a year, renders useful service by her inspection, detecting major and minor defects which she brings to the attention of both teacher and parents. Her responsibility stops there and the teacher can do little more than try to induce the parents to provide necessary medical care. If the parents continue negligent he must force action. The lack of medical and dental services

in so many of our rural communities is a serious one, particularly to children at an age when prompt attention to minor ailments would prevent serious consequences in later life. Recently a child whose eyesight seemed to be weakening rapidly was sent to a specialist by a few interested persons in the community. The specialist reported that it was two years too late to hope for a cure and that the best he could promise was a possible delay in the course of the disease. The child's parents were poor and had neglected to attend to what they considered an unimportant defect of eyesight. There is a genuine need for an efficient health service in our rural schools—a system which provides not only for inspection, but also for treatment.

A particularly odious duty arises when children from poor homes appear infested with vermin, which soon enlarge their travelling experience by spreading to other children. The teacher is forced to banish the offenders and persuade the parents to make conditions in the home sanitary. Should this occur frequently a regular system of inspection must be instituted, often to the disgust of children from better homes.

Library Needs

The lack of library facilities in our rural districts is a distinct drawback to the work of the teacher. The inculcation of reading habits and the development of an appreciation of literature are essential educational aims whose fulfilment gives the child an invaluable means of self-education. It is the only way to combat the influence of the cheap pulp magazines that are the favourite sources of reading among so many of our rural people. The Department of Education has been consistently encouraging the establishment and maintenance of rural school libraries, and has formed the nucleus of a library in practically every section. To add an abundance of suitable books to that nucleus is not an easy matter. An appeal to the Trustees for books is usually turned down as being a superfluous expenditure. A background of suitable reading material

is needed if the subjects on our school curriculum are to be taught effectively. Since familiarity with books will afford the child an opportunity of enlarging his experience, often so limited in rural districts, the teacher who wishes to avoid an arid educational process must be constantly on the alert to get as many worthwhile books as possible.

The Board of Trustees

It is natural and proper that the parents should have some control over the maintenance of the school. Yet the existing system, which allows the ratepayers of a section to exercise complete control over the financial and educational functions of the school, is far from satisfactory. The local board, consisting of three Trustees and a Secretary, varies greatly in efficiency from section to section but some of the common faults which impede the work of the teacher may be noted as follows:

The Board usually lacks a progressive educational policy.

Its members are rarely acquainted with the school law and often have but a half-hearted interest in their duties.

Its members are frequently unfriendly to each other, quarrel continually, and lack unanimity of action.

Its members are often fearful of rebuke by the ratepayers at the Annual Meeting and hesitate to co-operate with the teacher in effecting needed improvements, particularly if these involve expenditure of money.

The Secretary is often the object of of suspicion because he handles the ratepayers' money.

The system of tax collection is poor and the teacher's salary may remain unpaid for long periods of time.

The Board's interest is all too often centred on a low tax rate for the section rather than an efficient educational system.

No doubt there are rural school boards that have few or none of these faults, but they are rare. Any teacher welcomes working with a board that is earnestly

trying to solve the educational difficulties of the section. But when he finds that some of the officials resort to petty means to satisfy personal whims or greed, he can hardly be blamed for looking askance at the system of control which allows such pettiness. If education is to become an effective means of opposing the evils threatening our democratic system at this critical stage, then our educational set-up must be vastly improved. Money must be spent, and the inequalities resulting from the division of the province into small sectional

units must be removed by rearranging the burden of cost. Such a revision would free the teacher from the tyranny of short-sighted school boards and greatly increase his usefulness.

These are only a few of the major problems which face the average rural teacher, yet enough has been said to show that he has no easy task. He is handicapped on all sides by difficulties which are often unnecessary and which continually interfere with his primary function. He will need ability, tact, and enthusiasm if he is to succeed.

Women's Institutes in Nova Scotia

By HELEN J. MACDOUGALL

THIS year of 1938 sees the Women's Institutes of Nova Scotia celebrating the Twenty-fifth Anniversary of their foundation. It is fitting therefore, at this time, to refresh our memory as to the purpose for which such an organization was started and to note the achievements during that period of time.

In the reading room of McDonald Institute, Guelph, Ontario, hangs the portrait of a beautiful woman. Beneath it, a bronze tablet bears the following inscription: "In memory of Mrs. Adelaide Hoodless, Founder of Women's Institutes in Canada."

When as a young woman, Mrs. Hoodless lost her first baby, she felt that with a little more knowledge and a greater sense of responsibility, this tragedy might have been avoided. Then and there she resolved she would do everything in her power to make it possible for girls and women to obtain the knowledge that would help them in their responsibilities in home-making and motherhood.

As a result of her untiring devotion to this ideal, home economics was introduced into the schools of Ontario, and in February 1897 the first Women's Institute in the world was organized at Stoney Creek, Ontario, with the motto "For Home and Country".

The Women's Institute was organized as a sister society to the Farmers' Institute, with the purpose of giving the same care, study and service to the home and family that the Farmers' Institute gave to the farm, stock and crops.

So in Canada was started this women's movement, now grown into one of the greatest world-wide organizations. It has spread throughout the whole of the Dominion of Canada, to Belgium, Scandinavia, and other Continental countries, to England, Scotland, Ireland, Wales, New Zealand, Australia, South Africa, and India. The same idea was started in the United States, modelled on the Canadian idea, but adapted to local needs. There it flourishes as the Farm Bureau or Home Bureau in every state in the union.

As a sister Society to the Farmers Institute of Ontario, the Women's In-

EDITOR'S NOTE: Miss Helen J. Macdougall is Director of Home Economics of the Department of Agriculture for Nova Scotia. Her fine work has, to a large extent, been responsible for the success of the Women's Institutes in the Province.

stitute came under the auspices of their Provincial Department of Agriculture. A Women's Institute Division was created with a Superintendent in charge and instructors trained in home economics were engaged to give lectures and demonstrations on household subjects.

It was in July 1913 that the Women's Institutes were started in Nova Scotia. To Scotsburn, Pictou County, belongs the honor of being the oldest active Institute in this Province. At the present writing there are 140 branch Women's Institutes in Nova Scotia.

During the period of the World War, although the Women's Institutes had hardly started, they were most active in Red Cross work, Patriotic Societies, Belgian Relief and other welfare work. A complete record of work accomplished is not available as many branches sent through the local Red Cross, and kept no record, but from partial records over a period of three years we find the sum of \$25,000.00 was raised for patriotic purposes. We cannot estimate the knitting, sewing, Christmas boxes, etc. sent out. During one year, one Women's Institute alone raised \$900.00 and forwarded 342 pairs of sox. Twenty-three Institutes donated a McLaughlin Buick ambulance for Red Cross work. Meanwhile the educational objectives of Women's Institute work were carried forward. Short courses and unit demonstrations were held, featuring cookery, canning, food conservation, home-nursing. Community and welfare work were also carried on.

Nova Scotia maintains a Women's Institutes Division under the Department of Agriculture, with headquarters at the College of Agriculture, Truro. At the present time, in addition to a Superintendent directing the work, there are three instructors. Home Economics Extension is carried on by means of short courses, demonstrations, and recently, in order to give greater service the plan of Local Leader Training has been adopted, which is proving very successful.

The Women's Institutes have their own Provincial Executive, which includes conveners of six standing committees. This Executive confers with the Superin-

tendent regarding policy of work, and is actively interested in helping the various branches. The standing committees play a large part in directing study and activity in the branches. They comprise Home Economics, Public Health, Education, Agriculture, Legislation, Canadian Industries.

Since the Women's Institutes were created as educational organizations to study and advance the welfare of the home and family, regular meetings are held each month at which excellent programs on a variety of subjects are presented.

For a great many years, the exchange of household lore and tradition and custom were the sources of information for homemaking. Experience is an excellent teacher for developing the skills which are so much a part of household work, such as cookery, canning, sewing, handicrafts, home nursing. While not decrying the value of experience and tradition, they are not sufficient for present day needs when accurate scientific information is available.

The emphasis in home economics study is changing from that of the skills to Human Relations. Food Selection and Preparation as related to the health of the family; Clothing and Textiles; the Home and its Furnishings; Family Business and Purchasing are all directly concerned with the business of living as are also Child Welfare and the Social Problems of the family. These are subjects which should be constantly studied to meet modern conditions.

Closely allied to the Home is the study of Public Health. Much educational work is done by the Women's Institute, not only among their own members, but others. Public Health meetings have been arranged; clinics have been sponsored, such as baby clinics, pre-school age clinics, dental clinics, T.B. clinics. Home Nursing classes have been conducted. Institutes cooperate closely with the educational authorities and the Department of the Public Health, the Red Cross, and are ready to give their assistance to furthering Public Health education in every way possible.

The committee on Education, formerly called "Home and School" actively promotes the work of the schools. Material assistance has been given. Improved school buildings, and grounds, and equipment, and better sanitation have been some achievements. School lunches have been maintained, school libraries established, play-ground equipment provided. Cooperation between parents, teachers and educational authorities is promoted. In every way possible the Women's Institutes aim to assist the teachers and educational authorities in their duties and much has been accomplished.

It is of note that the Women's Institutes were instrumental in having the school law amended so that the wives of rate payers should have equal voting privileges with their husbands in matters of school administration.

The Agricultural committee encourages the improvement of home and public grounds, assists in Boys' and Girls' Club work and local agricultural activities. Home gardening as a means of promoting the health and well being of the family is a major activity.

The Legislation Committee exists to promote the study of existing laws and to teach respect for law and order. The laws affecting the home and women and children are of special interest, such as school law, public health laws, dower

laws, property laws, and social legislation. A better understanding of existing laws means better home and community life.

Canadian Industries aims to acquaint our women with the resources of our own Province, Dominion and Empire. It aims to encourage the use of local products whenever possible, and to encourage the establishment of local activities.

While Women's Institutes are not money raising organizations, they have always carried on a great deal of charitable and benevolent work. Food, clothing and financial assistance have been given to individuals and welfare institutions, milk, medical supplies and nursing care provided needy cases, glasses supplied to poor children. A number of unfortunate children have been looked after and placed in suitable institutions.

Community activities have received generous help from Women's Institutes. Such activities as providing street lights, building side walks, community halls, memorials, cemetery improvement, and general community improvement have had the assistance of Women's Institutes in many centres.

Family welfare, educational progress, friendly helpfulness and community cooperation are Women's Institute ideals. The motto of the organization and the initials give inspiration and encouragement.

"For Home and Country, W.I.N.S."

Forest Conservation in Nova Scotia

By G. W. I. CREIGHTON

FOREST conservation, to most persons, means fire protection or reforestation or both. While fire protection, unfortunately, remains the most pressing of our forest conservation measures, there are a number of other problems which are becoming increasingly important.

In all countries richly endowed with timber resources, little or no thought has

ever been given to future timber supplies until present supplies have become scarce. Until comparatively recent years the common lumbering practice in Nova Scotia was to remove only the trees of large size, leaving standing a great number of the smaller trees which, in a comparatively few added years, produced a new crop. As long as lumbering proceeded in this manner there was little danger of supplies becoming exhausted, although

EDITOR'S NOTE: Mr. Creighton is Provincial Forester in the Nova Scotia Department of Lands and Forests

there was a gradual deterioration of quality, since the trees of more valuable form and species were cut, leaving the less valuable trees in possession of the ground.

During the last twenty years lumbering methods have changed, and it is now common custom to cut clean, removing practically the last vestige of tree growth and leaving behind a heavy accumulation of logging slash.

The cutting of smaller sized trees means that a very long period must elapse before a new timber crop may be harvested, and the residual logging slash retards natural seeding and presents one of our greatest fire hazards.

To any one at all familiar with lumbering in Nova Scotia, it must appear evident that some improvement in logging methods is necessary if the lumber industry is to continue.

Forest conservation does not mean discontinuance of lumbering operations, but demands that timber be permitted to reach maturity and then be cut in such a manner that a new crop may be produced in the shortest possible time.

When market conditions permit, a certain amount of small material should be removed in thinning and cleaning operations during the period of timber growth. While such operations may not always pay for themselves, the increased growth rate in the main stand will repay amply for the extra work involved.

To produce the best results a definite plan of woodland management should be developed, which need not be followed rigidly but which may be modified from time to time to suit changing conditions. The main object of any forest management plan should be to place the forest land on a sustained yield basis, so that a regular cut of lumber may be produced, cutting each year an amount which does not exceed the annual growth.

Many persons unfamiliar with Nova Scotian conditions advocate large scale forest planting to fill the gaps caused by fire and unregulated cutting. While planting on certain restricted areas is desirable, there are other measures more needed at the present time.

Planting under the most favourable conditions is expensive, and on many severely burned areas where planting appears necessary the excessive heat has sterilized the soil, destroying all vegetable matter together with the minute animal and fungous life which is just as necessary for tree growth as for agricultural crops. On such areas planting would prove useless. In time, however, nature will repair the ravages of fire, the ground being gradually occupied by certain of the less exacting plants and shrubs. These, in turn, are followed by the birches and poplars, which return fertility to the soil, making it again possible for the more exacting and valuable tree species to thrive.

On cut over areas it would be necessary to remove logging slash before planting operations could proceed. If this slash were removed, however, regeneration would take place naturally and planting would be unnecessary. When it is remembered that logging slash presents one of our greatest fire hazards, and also is a breeding ground for many injurious insects and wood destroying fungi, it should be evident that its removal is one of our most pressing needs.

In some sections of Canada slash disposal has been tried, and is now compulsory. It has been found that broadcast burning of slash in dry periods is dangerous, and that piling and attempting to burn at a later date is impractical. The only satisfactory means of destroying logging slash is to burn in the winter months during actual logging operations. A fire is started and brush and tops piled on the fire as felling operations proceed.

On pulpwood operations it has been found that brush burning costs from twenty-five to fifty cents per cord, but that absence of brush after burning frequently reduces handling and hauling costs an equal amount.

While not so spectacular nor so apparent as fire, forest insects and fungous diseases, working separately and together, probably cause even greater losses. The majority of our forest pests are present in small numbers all the time, but are kept in check by feeding conditions or by

their natural enemies. Most insects show a decided preference for one tree species or for a narrow group of trees. Mixed stands, therefore, are less liable to insect attack than pure stands of one tree species where feeding conditions are favourable for their rapid increase and spread. Where pure stands spring up after fire or cutting operations, insect damage may be expected sooner or later, and one of the aims of forest management, therefore, should be to maintain a healthy mixture.

Many of our most injurious insects have been introduced from foreign countries. Frequently these foreign insects find climatic and feeding conditions favourable and also find that their natural enemies are absent. Insects in this class are the Larch Sawfly and the Spruce Sawfly, both being natives of Europe and both having caused extensive damage in Eastern Canada.

The most practical means of controlling such insects is to find and liberate their natural enemies. These enemies usually are other insects which feed on a particular insect or a narrow group of insects.

During the past two years approximately one million insect parasites have been liberated in Nova Scotia in an attempt to check the outbreak of the Spruce Sawfly, which gradually has been working into the Province from New Brunswick and Quebec.

While fire, insect and tree disease control will remain in the forefront of forest protective measures, it is probable that, as woodland management improves, they will recede gradually and change their order of importance.

Today, in many fields of endeavour, there appears a distinct tendency to attempt to reclaim what is practically worthless and to let anything of value look after itself. This tendency has been evident in forest protection. While

reclamation work frequently becomes necessary to prevent increasing losses, more attention should be paid to our productive land which is capable of reacting readily to wise management and which will produce larger returns for a small outlay.

When intelligently used, the axe remains the most efficient tool for improving our forests, and, while forest planting will continue on a small scale in certain areas, it probably will not play a very prominent part in the production of our timber crops.

At the present time, very little thought is given in Nova Scotia to recreational or municipal forests. This is a very fertile field which presents many opportunities, and there are extensive areas in the Province which lend themselves admirably to this scheme.

In many European countries, town and municipal forests yield large revenues, offer work to many persons and afford recreational areas for the urban population.

Everyone in Nova Scotia is familiar with the waste areas surrounding nearly all our towns and with the large areas in nearly every county on which no taxes are paid and which have no apparent owners. If these areas were taken over by the towns and municipalities, many persons now on direct relief might be employed on improvement work. Paths could be laid out, underbrush could be removed and for park purposes a reasonable amount of planting could be carried on. In this way money spent on relief would yield a return, the recipients of relief would be gainfully employed, the general appearance of the Province would be improved and future supplies of lumber would be increased, which in turn would give added wealth and employment.

The County Histories of Nova Scotia

By MARION GILROY

IN 1864, just thirty-five years after Haliburton's history of Nova Scotia appeared, and just a year before Murdoch's more imposing work was published, the cause of local history received its first tangible encouragement in Nova Scotia. In that year, Dr. T. B. Akins, the first Record Commissioner in the province, established an historical prize at King's College to be awarded annually for "the best history of some one or more counties in this province".

Dr. Akins had been intimately connected with the pioneer historians. Before he was twenty he had assisted Haliburton in gathering facts upon which "An historical and statistical account of Nova Scotia" is based. Beamish Murdoch was his first cousin, and when he was old enough Akins entered Murdoch's law office. It may have been that the prize awarded T. B. Akins by the Mechanics Institute in 1839 for his "History of the settlement of Halifax" gave him the idea for the establishment of his prize for county histories. In this way he hoped to emphasize the importance of collecting and preserving the local records of the various counties in the province and "the local traditions relating to the commencement and progress of the settlements as well". "I believe," he said, "there are many young men in Nova Scotia whose taste would lead them to enter on such a subject, and if stimulated by the offer of a small prize for their labor to devote some leisure to collecting material for local history and biography, thus forming a valuable groundwork for the more general historian of a future day."

His faith was justified. Before his death in 1891 fourteen counties had been the subjects of "Akins historical

essays".¹ Hants, Colchester and Annapolis had each been the subject of essays twice. Perhaps it was the small prize of thirty dollars, perhaps the chance of gaining some recognition for what had often been a life-long interest, or perhaps both, which brought to light these disciples of Clio in all parts of the province. Six of the prize-winning essays (Colchester, Yarmouth, Pictou, Annapolis, Halifax (part only), Cape Breton) were printed after being revised and enlarged; two were reprinted in part (Shelburne and Guysborough); and two essays which were submitted but did not win the prize were expanded into full county histories and published (Lunenburg and Digby). In spite of the combined efforts of those writing for the Akins prize and a growing number of others interested in local history, there are still several counties (Cumberland, Hants, Guysborough, Halifax, Shelburne, Cape Breton, Richmond, and Victoria) which are without so-called "county" histories.

The devotion of these early amateur historians to their task was often remarkable, considering how scattered and inaccessible local records often were. The story is told of one of them: "To enable the author to compile this history,² he travelled hundreds of miles on foot; twice he walked from Digby to Halifax, getting occasional lifts along the road, and accepted whatever hospitality was offered on the way. Handicapped always by poor eyesight, which at last failed him completely, with an entire lack of means, his courage undaunted by difficulties, he spent over a quarter of a century gathering the material and producing the work, upon which he had

1. F. W. Vroom in "The Akins historical prize essays, King's College", Nova Scotia Historical Society, *Collections* vol. 21, p. 35 gives a particular account of the essays, which are in the library of King's College, Halifax.

2. Isaiah W. Wilson.

set his heart." In another case, it was a Nova Scotian living in Boston, in body if not in spirit, who wrote one of the best county histories and left the manuscript of another.³

Among the county histories which have been printed, many are quite inadequate. Some are little more than genealogical sketches of certain families who settled in the county; many are full of inaccuracies. Because of these deficiencies a selective list of publications has been compiled, with brief remarks from prefaces or introductions to reveal the scope of the work when the title does not supply the information. It is hoped that the list may be useful to anyone wishing to find local historical information from printed sources. With one exception genealogies have not been included, although they sometimes throw light on local history and conditions. Some titles are given under Cape Breton Island, for writers have generally broadened the scope of their efforts to include the whole island rather than one county.

ANNAPOLIS COUNTY

- Calnek, William Arthur. History of the County of Annapolis including old Port Royal and Acadia, with memoirs of its representatives in the provincial parliament, and biographical and genealogical sketches of its early English settlers and their families. Edited and completed by A. W. Savary. Toronto, Wm. Briggs [etc., etc.] 1897. 660 p.
- Greenwood, Walter R. History of Freeport, Nova Scotia, 1784-1934. Freeport, N. S., 1934. 46 p.
- MacVicar, W.M. A short history of Annapolis Royal, the Port Royal of the French, from its settlement in 1604 to the withdrawal of the British troops in 1854. Toronto, Copp Clark Co., 1897. 127 p.
- Morse, William Inglis. Gravestones of Acadie and other essays on local history, genealogy, and parish records of Annapolis County, Nova Scotia. London, A. Smith & Co., 1929. 110 p.
- Morse, William Inglis. Local history of Paradise, Annapolis County, Nova Scotia (1684-1936). Boston, Nathan Sawyer & Son, 1937. 65 p.

Morse, William Inglis. Supplement to Local history of Paradise, Annapolis County, Nova Scotia (1684-1938). Boston, Nathan Sawyer & Son, 1938. 79 p.

Savary, Alfred William. Supplement to the History of the County of Annapolis [by W. A. Calnek], correcting and supplying omissions in the original volume. Toronto, William Briggs, 1913. 142 p.

ANTIGONISH

- Rankin, D. J. A history of the County of Antigonish, Nova Scotia. Toronto, Macmillan, 1929. 390 p.
Largely "genealogical data".
- Whidden, D. G. The history of the town of Antigonish. [Antigonish, N. S., The Casket, 1934]. 209 p.

CAPE BRETON COUNTY

- MacKinnon, J. G. Old Sydney; sketches of the town and its people in days gone by. Sydney, C. B., Don. MacKinnon, 1918. 143 p.
"This little book is not issued as a history of Sydney. It contains some bits of history, but the greater part consists of tradition..."
- McLennan, J. S. Louisbourg from its foundation to its fall, 1713-1758. London, Macmillan, 1918. 454 p.
This complete and admirable study based on careful research is so wide in scope that it does not properly belong in any list of "local" histories. Yet the list would be incomplete without it.

CAPE BRETON ISLAND

- Bourinot, John G. Cape Breton and its memorials of the French régime. Royal Society of Canada, *Transactions*, 1st series, 1891, section 2, p. 173-343.
"In the present work it is the object of the writer...to record briefly the main facts in its history from the days of its discovery by European voyagers in the remote past down to the present time..."
- Brown, Richard. A history of the Island of Cape Breton, with some account of the discovery and settlement of Canada, Nova Scotia, and Newfoundland. London, Sampson Low, Son, and Marston, 1869. 464 p.
- Gow, John M. Cape Breton illustrated: Historic, picturesque and descriptive. Illustrated by James A. Stubbart. Toronto, William Briggs [etc., etc.], 1893. 423 p.
- Vernon, Charles W. Cape Breton, Canada, at the beginning of the twentieth century.

3. Arthur Wentworth Hamilton Eaton. The manuscript of his unpublished History of Colchester County is in the Public Archives of Nova Scotia.

A treatise of natural resources and development. Toronto, Nation Pub. Co., 1903. 337 p.

"The object of this book, therefore, is to set forth briefly the history of the island, to tell the story of its industrial development, and to describe its present condition, its resources and prospects..."

COLCHESTER

Eaton, Arthur Wentworth Hamilton. The settling of Colchester, Nova Scotia, by New England Puritans and Ulster Scot-men. Royal Society of Canada, *Transactions*, 1912, section 2, p. 221-265.

Memorial of the one hundred and twenty-second, and of the one hundred and twenty-first, advertised as the one hundred and twenty-third anniversary of the settlement of Truro, by the British, being the first celebration of the town's natal day, September 13th, 1882. Truro, N. S., Doane Bros., 1894. 95 p.

Miller, Thomas. Historical and genealogical record of the first settlers of Colchester County down to the present time... Halifax, N. S., A. & W. Mackinlay, 1873. 400 p.

Patterson, Frank H. A history of Tatamagouche, Nova Scotia. Halifax, N. S., Royal Print & Litho, 1917. 143 p.

Stewiacke: The centenary celebration of Dec. 31st, 1900. The centennial celebration of Oct. 6th, 1880. Truro, N. S., News Pub. Co., 1902. 166 p.

Addresses.

CUMBERLAND COUNTY

Bird, Will R. A century at Chignecto. Toronto, Ryerson [1928]. 245 p.

Black, Cyrus. Historical record of the posterity of William Black, who settled in this county in the year seventeen hundred and seventy-five, also a sketch of 23 English families and some early settlers from New England, who settled at the head of the Bay of Fundy about the same time. Amherst, N. S., Amherst Gazette, 1885. 209 p.

Milner, W. C. Records of Chignecto. N. S. Historical Society, *Collections*, vol. 15, 86 p.

Scott, Bertha. Springhill, a hilltop in Cumberland. Springhill, N. S., 1926. 119 p.

Trueman, Howard. The Chignecto Isthmus and its first settlers. Toronto, William Briggs, 1902. 268 p.

Webster, John Clarence. The forts of Chignecto; a study of the eighteenth century conflict between France and Great Britain in Acadia. Shediac, N. B., Priv. Print., 1930. 142 p.

DIGBY COUNTY

Hill, Allan Massie. Some chapters in the history of Digby County, and its early settlers. Halifax, N. S., McAlpine Pub. Co., 1901. 115 p.

Wilson, Isaiah W. A geography and history of the County of Digby, Nova Scotia. Halifax, N. S., Holloway Bros., 1900. 471 p.

GUYSBOROUGH COUNTY

Hart, Harriet Cunningham (Mrs. James E. Hart). History of Canso, Guysborough County, N. S. N. S. Historical Society, *Collections*, vol. 21, p. 1-34.

Historic Canso. Issued under the auspices of the Town Council of Canso and the Canso Board of Trade. [Canso, N. S., 1928]. 63 p. (with advts). [An address by A. C. Jost and] an article by John A. Morrison.

HALIFAX COUNTY

Akins, Thomas Beamish. History of Halifax City. N. S. Historical Society, *Collections*, vol. 8, 320 p.

Eaton, Arthur Wentworth Hamilton. Chapters in the history of Halifax, Nova Scotia. A series of articles in *Americana*, April, 1915-1918 (?).

Lawson, Mary Jane Katzmann (Mrs. William Lawson). History of the townships of Dartmouth, Preston and Lawrencetown; Halifax County, N. S. (Akins historical prize essay). Edited by Harry Piers. Halifax, N. S., Morton & Co., 1893. 260 p.

Mullane, George. Footprints around and about Bedford Basin; a district brimful of romantic associations. Some interesting facts about its early history. Reprinted from, [Acadian Recorder]. 49 p.

Regan, John W. Sketches and traditions of the North West Arm... 2d ed. Halifax, N. S., McAlpine Pub. Co., 1909. 181 p.

HANTS COUNTY

Eaton, Arthur Wentworth Hamilton. Rhode Island settlers on the French lands in Nova Scotia in 1760 and 1761. A series of articles in *Americana*, January-March, 1915.

Hind, Henry Youle. Sketch of the old Parish Burying Ground of Windsor, Nova Scotia, with an appeal for its protection, ornamentation, and preservation. Windsor, N. S., Jas. J. Anslow, 1889. 99 p.

INVERNESS COUNTY

MacDougall, J. L. History of Inverness County, Nova Scotia. 1922. 690 p. Largely biographical and genealogical sketches,

KINGS COUNTY

Eaton, Arthur Wentworth Hamilton. The history of Kings County, Nova Scotia, heart of the Acadian land, giving a sketch of the French and their expulsion; and a history of the New England planters who came in their stead, with many genealogies, 1604-1910. Salem, Mass., The Salem Press Co., 1910. 898 p.

LUNENBURG COUNTY

DesBrisay, Mather Byles. History of the County of Lunenburg. 2d ed. Toronto, W. Briggs [etc. etc.] 1895. 585 p.

PICTOU COUNTY

MacPhie, J. P. Pictonians at home and abroad; sketches of professional men and women of Pictou County—Its history and institutions. Boston, Mass., Pinkham Press [1915], 232 p.

Patterson, George. A history of the County of Pictou, Nova Scotia. Montreal, Dawson Bros. [etc. etc.], 1877. 471 p.

QUEENS COUNTY

More, James F. The history of Queens County, N. S. Halifax, N. S., Nova Scotia Printing Co., 1873. 250 p.

RICHMOND COUNTY

See list under heading Cape Breton Island.

SHELBURNE COUNTY

Crowell, Edwin. A history of Barrington Township and vicinity, Shelburne County, Nova Scotia, 1604-1870; with a bibliographical and genealogical appendix. Yarmouth, N. S. [1923]. 603 p.

Smith, T. Watson. The Loyalists at Shelburne. N. S. Historical Society, *Collections*, vol. 6, p. [53]-89.

VICTORIA COUNTY

MacKenzie, N. R. The Gael fares forth. The romantic story of Waipu and sister settlements. Auckland [etc.] Whitcombe & Tombs Ltd., 1935. [269] p.

Story of the migration of the Scottish settlement from St. Ann's to Australia and New Zealand under Rev. Norman McLeod.

See also list under heading Cape Breton Island.

YARMOUTH COUNTY

Brown, George S. Yarmouth, Nova Scotia: A sequel to Campbell's history. Boston, Rand Avery Company, 1888. 524 p.

"The author concluded that it was his duty in some measure to repair the errors of omission and commission...[in Campbell's history]".

Campbell, John Roy. A history of Yarmouth, Nova Scotia. St. John, N. B., J. & A. McMillan, 1876. 200 p.

Lawson, J. Murray, compiled: Yarmouth past and present; a book of reminiscences. Yarmouth, N. S. [Yarmouth Herald] 1902. 647 p. "...the principal resources for information are the Yarmouth newspapers published since 1831."

Poole, Edmund Duval, compiled: Annals of Yarmouth and Barrington (Nova Scotia) in the Revolutionary War. Compiled from original manuscripts, etc., contained in the office of the Secretary of the Commonwealth, State House, Boston, Mass. Yarmouth, N. S., J. M. Lawson, 1899. 133 p. "Reprinted from the Yarmouth Herald."

Industrial Relations and Social Security

The Administration of the English Poor Law

By T. S. SIMEY

THE legislation controlling the relief of the poor in England has remained substantially unaltered since 1834; an examination of the Act of 1930, the existing poor law code, will only show differences in detail rather than in principle from the Acts which preceded it. Nevertheless the last 25 years have seen more fundamental changes in poor law administration than in perhaps any other local government service. The changes have been in what may be termed the philosophy rather than the law of poor relief, and they have been introduced by administrative rather than legislative action. The present situation therefore cannot be understood properly unless it is examined from the historical point of view.

The goal for which the poor law administrator of the nineteenth century strove was the stamping out of poverty by forcing the ordinary citizen to depend on his own exertions and his own initiative rather than on assistance from the community at large. To some, that ideal might appear mere bare-faced cynicism, to others, the best kind of practical wisdom. But the early poor law reformers were unfortunate in their methods, for the "workhouse test"—the "principle of less eligibility"—can only be put into practice with success if the industrial organisation of the country can carry on its back the burden of providing all working-class families with a decent standard of living. And that was a manifestly impossible task for it to perform.

The first statement of the modern method for the treatment of destitution was contained in the reports of the Royal Commission on the Poor Laws of 1905-

1909. Logically, no doubt, the idea of *preventing* destitution rather than *relieving* it can be found much further back; the poor law administrators of the nineteenth century found themselves forced by the pressure of events to advocate the building up of an elaborate preventive mechanism in the field of public health. The "environmental" public health services were, of course, provided by the special authorities whose creation the Poor Law Commissions advocated so eloquently in the 1830's. The "personal" services (such as hospital treatment), on the other hand, were provided by the Boards of Guardians themselves, the extent of the provision rapidly extending from the 1870's onwards. The system of State education, again, has its beginnings to a large extent in early attempts to educate pauper children so as to fit them to earn their livings outside the workhouses. Administrators with humane sympathies were always reluctant to apply the "principle of less eligibility" to the aged, the mentally defective, the sick and the unemployed.

The Minority Commissioners, therefore, had a very secure foundation on which to build when they recommended the development of preventive services outside the poor law, and the acceleration of the process of "breaking-up" that had become apparent during the preceding thirty years. In their view, the cure of the sick should be entrusted to the health committee of the local authority, that of the children to the education committee, and that of the mentally defective and the aged to other appropriate committees. The Majority Commissioners, on the other hand, recommended a concentration of functions in the hands of a public assistance committee to be appointed by the county and county borough

EDITOR'S NOTE: T. S. Simey, M.A. is a lecturer in Public Administration at the University of Liverpool. He is the author of the book "Principles of Social Administration" which was published a few months ago, and very favourably received.

councils. Coupled with this, they desired to see a State-subsidised system of insurance for the assistance of the unemployed. Progress in the intervening period between the publication of the reports and the present day has been along lines constructed out of a blend of the recommendations contained in each.

The development of what are now termed the "social services" entered on a phase of rapid growth round about 1905. In the first place, the public health services received added vigour from the passing of the Education (Administrative Provisions) Act, 1907 which authorised education authorities to make arrangements for the medical inspection of the children under their care, and to provide a few simple forms of treatment. In the same year was passed the Education (Provision of Meals) Act, which allowed education authorities to feed the children who were incapable of benefitting from the instruction provided for them. This line of growth was followed up by a succession of Acts relating to public health, of which the most noteworthy are the National Insurance Act, 1911, which created the the National Health Insurance scheme, the Maternity and Child Welfare Act, 1918, and the Public Health (Tuberculosis) Act, 1921.

This was but one stage in the break-up of the old poor law. Removing as it did one of the main causes of destitution, it relieved the poor law authorities of a great part of the burden they were carrying before the war. Another portion of this burden was dealt with by the passing of a succession of Acts of Parliament designed to assist specific classes of persons who usually were a perpetual drain on Union funds. In 1908 pensions were granted to all persons of seventy years of age and upwards who were left on the borderline of poverty. This scheme was linked with National Health Insurance in 1925, when State pensions were introduced for all insured persons at sixty-five, irrespective of means, as well as for orphans and widows. In 1913 the Mental Deficiency Act laid the foundations of yet another social service,

and in 1921 local authorities were given powers to deal with the blind.

Perhaps the most striking application of the new principles came in the field of unemployment. In 1905 the Unemployed Workmen Act called in the local authorities to assist in the problem of providing work. In 1909 the Employment Exchanges Act sanctioned the establishment of a network of labour exchanges, the object being twofold—to make it unnecessary for a person to tramp from place to place in his search for work, and to prepare the way for a State system of unemployment insurance. This further innovation came in 1911; at the outset in only seven industries subject to abnormal fluctuations in employment, but extended after the war to cover virtually the whole working-class population (with the principal exceptions of agricultural and domestic workers).

This trend of development found its culmination in the Local Government Act, 1929, which abolished the Boards of Guardians, and handed the administration of the Poor Laws over to Public Assistance Committees appointed by the County and County Borough Councils. These authorities were encouraged to provide assistance whenever possible under the various special Acts which have been described, rather than under the Poor Law. General "declarations" may now be made that assistance will be given to the sick under the Public Health Acts, to the blind under the Blind Persons Act, and the like, whilst individual "appropriations" of poor law institutions for public purposes are also permitted.

The situation in which we find ourselves placed at the moment is obscure. The "break-up" of the poor law advocated by the Minority Commissioners is taking place, but nevertheless the poor-law still remains undissolved. The Act of Parliament passed in 1930 to consolidate poor law legislation is called the *Poor Law Act*, though *public assistance* authorities are empowered by it to relieve *poor persons* and not "paupers". The intention is patent in the Act to take the

"moral stigma" out of what remains of the Poor Law, and that has very largely been achieved. But a Poor Law remains nevertheless.

The reason for its continued existence is not far to seek. In the first place, some authority must exist with a general responsibility for relieving any primary needs which do not come within the scope of the education, public health, or other functional authorities. It is probable that the wit of man will never be able to split the whole range of human necessities up between a neatly arranged series of pigeon-holes; new needs will continue to arise from time to time, which have been and continue to be, dealt with under the almost infinitely flexible head of "destitution." And a great deal remains to be done in the way of extending functional services before the public assistance authorities can be put out of business.

The problem of breaking up the poor law has, again, been made infinitely more difficult by the flood of destitution which submerged even the best-conceived plans after the War. This disaster, which was the result of industrial dislocation and unemployment was far too large in scale to be dealt with by the Insurance Scheme alone. Consequently, poor law authorities have for some 18 years had to deal with hundreds of thousands of unemployed persons and their dependents, and the cost of relieving them has run into millions of pounds. Attempt after attempt has been made to create a functional unemployment-relief service, and success has only been partial. The Ministry of Labour caters for most of the short-term unemployed; the Unemployment Assistance Board looks after some of the remaining short-term unemployed and most of the long-term unemployed. The remainder "out of scope" of the Unemployment Assistance Act 1934, are left with the public assistance committees. Why is this so?

It is no easy task to answer this problem, since it is so highly technical. But there are two associated factors with which we have to deal. The first is the failure on the part of the poor law

authorities during the period 1920-1934 to develop constructive methods of dealing with the unemployed by way of training or other schemes directed to the restoration of employability and maintenance of moral. They had successfully overcome a similar problem in the field of "personal" health services during the preceding 50 years, with the result that a well-defined function had come into existence which could be handed over without difficulty. But how far can it be said that the relieving of persons destitute by reason of unemployment is a separate function of government? Until its scope is accurately defined it cannot be separated from the relief of destitution in general.

It is quite possible, of course, that the practical (but not the theoretical) dilemma will be resolved by the transfer of the poor law from local to central control. The basic justification for the creation of the Unemployment Assistance Board was the impossibility alleged by the Government of reconciling national policies and national financial responsibility with local control. Whether or not these allegations were justified is not now the point, but it is certain that there is little prospect that the relief of the unemployed "within scope" will be handed back to the public assistance committees, if only for the reason that they would strenuously resist such a step. It is quite possible, then, that the future will see the creation of a national Public Assistance Board.*

Then, again, we are becoming gradually more aware that the operation of another factor is opening up a new line of development for the public assistance authorities. Every step in the direction of "breaking-up" the poor law makes it more difficult to deal with the relief of destitution as a single object, and to tackle the unique problems that are associated with each separate individual. It remains to be seen whether sufficiently ingenious machinery can be devised to co-ordinate the social service with each other, and to administer them with efficiency and economy. It can be argued with much force that there is such a problem as basic destitution, that the fact of grinding

poverty, however it arises, is in a multitude of cases single and indivisible, and that, if it is to be attacked successfully, a single authority must bear the ultimate responsibility for the adequacy of the treatment meted out by the organs of the State to the individuals concerned. In other words, the public assistance department has a possible future before it as an agency for co-ordinating and supplementing the specialised social services.

Relief and Apprenticeship Training in Nova Scotia in 1937

The fourth annual report of the Deputy Minister of Labour for Nova Scotia contains some interesting statements about the extent to which unemployment aid was granted in the province. Conditions have improved considerably. The amount paid for relief shows a reduction of 28.5% and the number on relief a reduction of 33%, the lowest amount since the first year of relief payments, 1930-31. Perhaps a better picture of true conditions may be gained from the fact that in the month of November, 1936, seventeen municipalities paid \$56,655.81, while in the month of November, 1937, this was reduced to seven municipalities paying \$22,842.89.

Continued close attention to employment in mining districts has resulted through co-operation with the operators and unions in the placing in employment during the year of 1,143 men, so that the time is fast approaching when relief payments will altogether disappear in these sections. The necessity and desirability of maintaining local responsibility for care of necessitous persons in normal times has been demonstrated by the absence of disruption or distress in municipalities where relief was terminated during the year.

The Report also states that definite progress has been made in apprenticeship training. The mine apprenticeship project at Chester Basin has been operated successfully and many young men already have been placed in employment. Household training classes have

been established in Sydney and in Halifax and surveys conducted in New Glasgow and Amherst.

New Brunswick Forest Operations Act

Order 11 of the New Brunswick Forest Operations Commission which come into effect April 1st continues until August 15th, 1938, the scale of wages for the logging industry set out in Order 9 of April 19th, 1937. Under that Order, no employee on piece-work may receive less than \$34 a month with board, and the average amount paid is not to be less than \$40 a month with board. Wages of foremen, bookkeepers, clerks, cooks, tractor operators and truck drivers are not to be included in the average.—From *The Labour Gazette*.

New Brunswick Workmen's Compensation Act

By order in council of April 14th, regulations under this statute were amended to make certain industrial diseases compensatable: acute bursitis of the elbow (miner's beat elbow), carbon monoxide poisoning, conjunctivitis and retinitis due to oxy- and acetylene welding and cutting. Radio broadcasting stations were added to the establishments which are excluded from the collective liability system of workmen's compensation unless more than two persons are employed.—From *The Labour Gazette*.

A New Public Health Policy in the United States

On President Roosevelt's initiative a national health conference was recently held in Washington which observers think means a turning point in the health policy of the United States. The conference, at which all the groups interested in the problem were represented, had been called to discuss a comprehensive national program of public health worked out by an interdepartmental committee of government experts. Such a program,

as was stated in a letter of President Roosevelt read at the conference, was needed on account of the fact that millions of citizens lack the individual means to pay for adequate medical care. In a study prepared by the interdepartmental committee which formed the basis of the discussions for the conference, it was explained that deficiencies in the present health services of the United States fall into the following four categories:

1. Preventive health services for the nation as a whole are grossly insufficient.
2. Hospital and other institutional facilities are inadequate in communities, especially in rural areas, and financial support for hospital care and for professional services in hospitals is both insufficient and precarious, especially for services to people who cannot pay the costs of the care they need.
3. One-third of the population, including persons with or without income, is receiving inadequate or no medical service.
4. An even larger fraction of the population suffers from economic burdens created by illness.

The committee submitted a program of recommendations to meet the deficiencies it outlined, but emphasized that it would not be practicable to put into effect immediately the maximum recommendations. The committee was of the opinion that it would take at least ten years to develop health facilities along the lines it projected.

One recommendation, dealing with expansion of general public health services in states and in local communities, called for an increase in Federal participation in order to equalize the health program throughout the country.

The expansion of activities would be aimed at infectious diseases, maternal and child health services. The committee recommended that one-half of the cost of the expanded program should be met by the Federal government.

Because of the increasingly important part which hospitals are playing in national health, the committee said there was need to increase these facilities, which at best in certain sections of the country are "ill-adapted to the varying needs of people living under different social, economic and geographical circumstances."

The committee was impressed with the evidence that "one-third of the population which is in the lower income levels is receiving inadequate medical services." "This applies to persons without income and supported by general relief and to those being supported through old-age assistance, aid for dependent children, or work relief, and also to families with small incomes."

As a solution to this problem the committee recommended that the Federal government, through grants-in-aid to the states, implement the provisions of public medical care to two broad groups of population:

1. To those for whom local, state or Federal government, jointly or singly, have already accepted a certain responsibility by granting them some form of relief;
2. To those who, though able to obtain food, shelter and clothing from their own resources, are unable to procure necessary medical care.

To finance the program two sources of funds could be drawn upon, according to the committee: (A) General taxation or special tax assessments, and (B) specific insurance contributions from the potential beneficiaries of an insurance system. The committee recommends consideration of both methods, recognizing that they may be used separately or in combination.

For insurance against loss of wages during sickness, temporary disability insurance was suggested along the lines of unemployment compensation; also, development of permanent disability insurance through the system of old-age insurance.

Current Public Affairs

The Journal Public Affairs

WITH this issue which appears earlier than usual on account of the impending Convention of the Union of Nova Scotia Municipalities, the journal PUBLIC AFFAIRS starts the second year of publication. It was begun in August, 1937, the copies of the first issue being distributed free of charge. To-day the journal has 1,250 paid subscriptions, most of them in the Maritime Provinces. 800 additional copies go to municipal officers who, it is hoped, will become subscribers in the course of time as the journal is the official organ of publication of the Unions of Nova Scotia and New Brunswick Municipalities.

While in the first issue all the articles had to be solicited, now a steadily increasing number of manuscripts is being sent to the editor, a good many of which could be published. Such contributions from our readers are heartily welcomed, especially for the column "What Municipalities Are Doing".

In the next few issues a series of articles will be published on municipal government in Great Britain and various parts of the British Empire.

Courses for Government Officers in Halifax

When work in Public Administration was taken up at Dalhousie University in 1936, it was done with the intention to give not only under-graduates and graduates an education that would fit them for government work, but also to take care of civil servants and other employees already in the public service. Various universities in England and the United States have already put forth successful efforts in that field—in the United States this sort of activity is called "in service" training—but Dalhousie was probably the first university in Canada to tackle

the problem in a systematic way. The task was undertaken after consultation and in close co-operation with the government departments concerned. This was essential as the course was meant to meet the requirements of present day government, and models taken from other parts of the world, valuable as they might be in themselves, could not be followed without carefully adapting them to the conditions prevailing in Nova Scotia. Just as essential as the co-operation of government departments were the suggestions received from the body of officers who were to take part in the course. In order to establish a close contact with them, a committee was formed on which all the departments whose staff had been invited to participate were represented by a member. This committee has held repeated meetings. Its members have discussed the curriculum and have given valuable suggestions for its extension. They have also worked out the rules for control of attendance and the issuing of certificates. Through the medium of this committee, the teaching staff was in permanent touch with the student body and informed about the reaction of their teaching on them. This was all the more important as in the first year the whole task was naturally of an experimental nature.

The experiment has proved very successful indeed. Not less than 208 students registered for the course. This number included 121 men and 87 women. They were all from Halifax as communications would have made it too difficult for people from outside to attend. The participation of the various departments may be seen from the following table:

<i>Dominion</i>	
Fishes.....	6
Immigration.....	7
National Revenue (Customs and Excise and Income Tax Division).....	35

Post Office.....	6
Transport.....	1
Works and Mines.....	9
<i>Provincial</i>	
Agriculture.....	4
Health.....	10
Highways (Drafting and Accounting Offices and Motor Vehicle Branch)...	48
Lands and Forests.....	5
Labour.....	4
Mines.....	4
Old Age Pensions and Child Welfare....	10
Power Commission.....	10
Provincial Secretary's Office.....	8
Provincial Treasurer's Office.....	19
Workmen's Compensation Board.....	9
<i>City of Halifax</i>	13

At the end of the course a certificate of attendance was issued to those who had attended regularly and complied with certain rules laid down by the committee. 169 certificates were issued in that way. In the majority of cases where certificates could not be given, it was due to the fact that the students concerned had to be absent from the lectures on account of journeys undertaken for their departments.

The teaching body was drawn partly from the staff of Dalhousie University, partly from professional experts and partly from the ranks of the Civil Service. This combination proved to be a very happy one. While subjects in the field of Political Science and Economics as taught at a university were in the foreground, there were also quite a number of courses dealing with actual problems of government service and given by men who had enjoyed practical experience in that field.

The following is a list of the classes offered in the course.

- The Canadian Constitution.
- Problems of Public Finance.
- Actual Labour Problems.
- Contemporary History.
- Interpreting Contracts.
- How to Read a Statute.
- Drafting Reports.
- Accounting and Auditing.
- Problems of Modern Engineering.

There was also held a class on Actual Problems of Public Administration in

which lectures were given by heads of government departments and one municipal officer. Those lecturing were C. H. Bland, Chairman of the Civil Service Commission, Ottawa; A. H. Barnstead, Deputy Provincial Secretary, Halifax; F. W. Walsh, Director of Marketing for the Province of Nova Scotia, Halifax; Dr. A. F. Cameron, Deputy Minister of Mines, Halifax and C. P. Bethune, City Solicitor, Halifax.

The results obtained in the course have been so satisfactory from the point of view of both the students and the teaching staff, that the inter-departmental committee, whose activities have been described above, expressed the wish that it should be held again next year. It will, however, not be a repetition of the former course: the duration of the various classes will be extended, new subjects will be added, others which have proved to be less interesting eliminated, mistakes that have been made avoided. As in the previous year the co-operation of the Dominion and Provincial governments will be sought and it is most gratifying to mention in this connection that a number of leading government officers from Ottawa have declared their readiness to give a lecture. Among them are J. A. Wilson, Aviation Branch, Department of Transportation, David Sim, Commissioner of Excise and probably Fraser Elliott, Chief of Income Tax. Miss Charlotte Whitton, of Ottawa, Executive Director of the Canadian Welfare Council will speak to the course on Social Administration. These speakers from Ottawa will be supplemented by a group of government officers from Halifax who will discuss problems of provincial and municipal government.

Establishment of a School for Firemen

For some time past the matter of a Maritime Fire School for the purpose of instruction in fire prevention and protection, and also of fire fighting, for firemen has been referred to by various members of the Maritime Fire Chiefs

Association at the annual meetings with no definite action.

In June the matter was discussed once more between the Fire Marshal of Nova Scotia and officers of the Institute of Public Affairs, which takes an interest in the Fire School as part of its activities in the field of municipal government. The Fire Marshal undertook to bring the matter up at the Annual Meeting of the Maritime Fire Chiefs at Sydney, on 12th and 13th July. Special speakers attended, and demonstrations in ladder raising, handling of hose, and of a fire pumper by trained men were put on.

Professor W. P. Copp, Head of the Engineering Department of Dalhousie University was present, representing the Institute of Public Affairs. He addressed the meeting, giving much valuable information and promising co-operation of the Institute in the establishment of such a school.

Municipal Tax Arrears

The Citizens' Research Institute of Canada whose valuable reports on Canadian Taxation have repeatedly been referred to in PUBLIC AFFAIRS, has just published a pamphlet on Municipal Tax Collections. It points out that the upwards trend which made itself evident in the last few years, has continued in the tax collections of 1937. A group of 246 urban or sub-urban municipalities in Canada—with a combined population of 5,103,000 and a current tax levy of \$198,236,000 for municipal and school purposes—which has been examined by the Institute for a couple of years, showed in 1937 tax arrears of \$78,247,000 or 39.5% of the current levy; in 1936 the corresponding figures were 42.7%; in 1935, 48.8%; in 1934, 50.7%; in 1933, 51% and in 1930, 31%.

For the six Maritime cities contained in the Institute's survey tax arrears were as follows:

	% Current Levy Uncollected at end of Fiscal Year		Per Capita Total Tax Arrears	
	1937 %	1936 %	1937 \$	1936 \$
Moncton.....	25.5	27.9	10.52	11.06
Saint John.....	31.5	32.6	14.92	19.96
Glance Bay.....	27.2	29.1	9.74	10.45
Halifax (April 30th).....	24.9	25.6	15.09	15.19
Sydney.....	22.6	28.5	6.03	8.56
Charlottetown (Jan. 15-35-36).....	25.3	23.5	9.53	8.15

Following the address by Professor Copp, the matter was referred to the Resolutions Committee, and later the following resolution was presented, and passed unanimously:

"Your committee believes that this Association should endorse the idea of a training school for firemen in the Maritime Provinces as referred to by Mr. Bugbee in his able address, and that a committee of three be appointed by this Association, with one member on that committee from each province to act in conjunction with the Institute of Public Affairs at Halifax, and with the Fire Marshal of each province."

The Institute emphasizes the fact that the readiness with which tax demands are met, is one of the most sensitive and reliable indicators of the credit rating of a municipality. Municipalities, therefore, which find the trend of tax collection contrary to the general results, should make a careful examination of their tax collection machinery.

Provincial Marketing Legislation

After the Natural Products Marketing Act which had formed the basis for marketing regulations of the Dominion Government had been declared uncon-

stitutional by the Supreme Court of Canada and the Judicial Committee of the Privy Council, three provinces—namely, British Columbia, Ontario and New Brunswick—have enacted and have put in force Acts to enable agricultural producers to set up marketing schemes by which they may collectively control the marketing of their produce and bring an adverse minority of producers within the operations of the scheme. In Alberta a bill has been prepared but has not yet passed the legislature. The British Columbia Act applies to defined natural products as does that of New Brunswick; the Ontario Act applies to farm products only. The powers given marketing boards are practically identical in all of the legislative measures and follow in the main the powers provided in the ill-fated Natural Products Marketing Act.

Manitoba this year came into line with a number of other provinces in setting up under special legislation a milk control board. The board, as elsewhere, is given wide powers with respect to "the business of producing, supplying, processing or selling milk" including the fixing of prices for both producers and consumers and the issuing of licenses to persons or firms engaged in the milk business.

In British Columbia the operation of compulsory marketing schemes is not proceeding smoothly. The provincial legislation has been before the courts; the Provincial Court of Appeal has declared it constitutional and an appeal is being made to the Privy Council, which must by now be thoroughly sick of appeals from Canada on marketing legislation.¹ Meanwhile, the Milk Marketing Board has thrown up its hands on account of the active opposition, part of it from a dairy group which claims to be co-operative, and the Potato Marketing Board is having a tough time trying to stop selling outside the scheme, an operation which goes by the name of "bootlegging"! The fruit producers, however, are thoroughly satisfied with their board, which is apparently giving complete satisfaction.

1. The Privy Council has upheld the decision of the Provincial Court of Appeal.

In view of the disturbing experiences of British Columbia with marketing legislation which provided for an equalising levy on the producer, it is interesting to note that the recently set up cheese producers' marketing scheme in Ontario contains the following clause in its rules and regulations:

Every buyer shall pay to the local board a direct charge or a direct toll at the rate of five cents per one hundred pounds on all cheese purchased by him whether he is acting in such purchase as principal or agent. Such direct charge or direct toll shall be paid by the producer and shall be deducted by the buyer from the amount due the producer.

The Farm Products Control Boards are perfectly aware of the legal aspects of this question of a direct levy. It remains to be seen if, in the event of litigation, Ontario will have better luck in the courts than British Columbia—*Year Book of Agricultural Co-operation, 1938.*

Fire Department Records

"A Model Records and Reporting System for Fire Departments" By DE WAYNE E. NOLTING, National Fire Protection Association. Issued by the Public Administration Service, Chicago, Illinois.

Reviewed by *J. A. Rudland, Fire Marshal, Nova Scotia.*

Fire Department records are essential, a good recording system properly kept, will give valuable information which in the absence of such system must be mere guess work and quite unreliable.

The objectives of this system are briefly, to show the effectiveness of the Fire Department in preventing and fighting fires, to indicate in what building occupancies fires are occurring and what fire hazards are responsible for them, to enable comparison with previous years as to number of fires, causes of fires, classes of occupancies, etc., to make better relationships between the Fire Department and the Public, close co-operation here being essential for education of the people in Fire Prevention.

This "Model" system for records is described in Mr. Nolting's book. It appears complete and adaptable to the needs of a large city or small towns or villages and because every municipality should keep reliable fire information, it would be well for those concerned

to study the "Model. The National Fire Protection Association, (60 Batterymarch Street, Boston, Mass. U. S. A.) invites enquiry from those desiring service of this kind.

The Cost of Dying

In the *Extension Bulletin* published by St. Francis Xavier University, the formation of burial co-operatives is advocated for the Maritime Provinces. The article relates the history and development of similar co-operatives which have been formed in the United States. That co-operatives of this type may perform a very important social function is shown by an extensive study of the problem of burial costs as it presents itself in Great Britain. It has been undertaken by Sir Arnold Wilson, M.P., and Professor Hermann Levy and its results are contained in two stately volumes, the second of which has just come out.¹

It is more customary in Great Britain than it is in this country to take an insurance policy for covering the expenses of a burial. Wilson's and Levy's first book therefore, deals with that type of insurance, Industrial Assurance as it is called in Great Britain. Their investigation revealed the existence of of 85,000,000 policies on the lives of 30,000,000 persons many of the policies being "gambling" policies taken out on the life of a person whose funeral expenses the proposer fears he may have to pay, unless he is willing to incur the social stigma of having a relative buried as a pauper in a common grave. In the year 1934 the premium income of the business as a whole amounted to £62,000,000, of which the sum of 20,000,000 was allocated to expenses, agents receiving a total of £12,000,000. In the case of a small town, once well to do but rather impoverished now, it was found a premium absorbed as much as five per cent of the average family income.

In their first book *Industrial Assurance* the authors showed that an undue amount of the funds of the working and lower-

middle classes was devoted to ensuring a "decent funeral", and recommended that Industrial Assurance, or death benefit, should, in Great Britain, as in certain other countries, be a responsibility of the State. Their new book *Burial Reform and Funeral Costs* takes up the argument where the first left off. What does the "decent funeral" cost? How can the burden of funeral expenses be reduced? These are the problems dealt with by the authors.

The nation's funeral bill, the authors estimate, is about £15,000,000 a year; of this sum about £7,000,000 is devoted to tombstones, funeral bakemeats and mourning clothes, leaving £8,000,000 to be divided between cemetery fees, charged by the various Burial Authorities, and the undertakers. At least nine-tenths of this bill, we are told, is footed by insured persons.

That ostentatious and expensive funerals are almost invariably given to those whose survivors can least afford them is notorious. The authors give striking examples of the entire disproportion of the funeral expenses of the poor to their total income. One will suffice: an old-age pensioner living in an almshouse with an income of 10s. a week, whose undertakers' bill amounted to £15 10s. There is, too, flagrant exploitation of the psychological attitude towards expense induced in most people by the death of a near relative in the failure to render itemised estimates and accounts, the universal practice being to quote an inclusive fee.

The authors make certain specific recommendations, and discuss other remedies as fit subjects for inquiry by a Commission to investigate the whole question of the disposal of the dead. An additional contribution of 2d. a week to National Health Insurance would provide death benefit; the handing over to disinterested Burial Authorities of responsibility for arranging funerals would remove the danger of undue pressure from the undertaker, who would simply be told what type of funeral was required, the Burial Authority having told the mourner what types of funeral were

1. *Industrial Assurance (1937) and Burial Reform and Funeral Costs (1938)*. By Sir Arnold Wilson, M.P., and Professor Hermann Levy. (Oxford University Press).

available and at what prices; and a general control over the undertaking business should be exercised by a Commissioner responsible to the Ministry of Health.

Recession

Canadian business has been offering fairly stubborn resistance to the influence of the United States recession. Though seriously affected by it, Canadian business indexes have shown a remarkable ability to remain at much higher levels than those of the United States. Employment in most centres is little lower than it was at this time last year, although by no means as high as the peak figures. While total construction has been reduced, the reduction has been mainly in the government figures, and private construction in most centres is well up to last year. The government's housing programme may be expected to give a further stimulus in this field. During the summer months Canadian business will watch closely the promising western wheat crop, which offers the chief hope that Canada may escape from any but slight effects of the United States recession. Given a substantial crop, even at prices not above the present, Western Canada would show remarkable resilience, and a tremendous stimulus be given to the rest of the Dominion. The crop is still a long way from the

elevators but there is every promise that the long period of drought has been ended.—From *The Canadian Banker*.

Canada Leads in Use of Telephones

Canada leads the world in the number of conversations per telephone and per capita. These conversations are estimated from counts made on representative days by the large systems and for 1936 amounted to 2,421,202,000 locals and 27,989,727 long-distance completed calls. This was an average of 1,934 total calls per telephone and 222 per capita. United States, Denmark and Sweden rank second, third and fourth in telephone conversations per capita.—*The Municipal Review of Canada*.

No Tax—No Service

According to the *Christian Science Monitor*, garbage removal was discontinued and fire protection withdrawn from forty-eight tax delinquent homes and business buildings in Fort Myers, Fla. The same source of information states that since the campaign started, two large property owners have paid a total of \$20,000 in back taxes. Of the forty-eight properties listed, forty-two are owned by one realty corporation. The fire chief has notified the delinquents that no fire protection will be provided and the health department has stated that owners will be arrested unless their garbage is properly removed.—*The Municipal Review of Canada*.

What Municipalities are Doing

Contributions from Municipalities to this Column will be most welcome.

Town of Lunenburg

THE Town of Lunenburg will celebrate its 50th year of Incorporation on October 31st, 1938, with a balanced budget, a high credit rating and in a sound financial position.

It has a population of approximately 2,800, an area of 1,000 acres, with 20 miles of streets, of which $5\frac{1}{2}$ miles are paved, 16 miles of sewer and 13 miles of water mains.

During the 50 years of Incorporation the Town has been governed by 10 Mayors and its business administered by 4 Town Clerks.

The Town has an excellent water system purchased in 1902 at a cost of \$90,000.00, improvements to the amount of \$60,000.00 have been made and earned by the system in addition to an annual profit in the vicinity of \$1,000.00.

Assessable property amounts to \$1,581,017.00, and is divided as follows: Real \$1,020,880.00, Personal \$402,480.00, Vessels \$157,657.00. The tax rate for 1938 is \$4.85, of which \$1.10 applies to schools.

The bonded debt amounts to \$330,500.00 and Sinking Funds of \$119,203.73 have been provided to date.

The Lunenburg Academy built in 1895 at a cost of \$30,000.00 has a staff of 13 teachers, an enrollment of 540 pupils, and enjoys a high standing in the educational world.

In June, 1937, the Town purchased the Lunenburg Gas Company, Limited, which distributes electrical energy and power throughout the Town of Lunenburg and vicinity, from the Nova Scotia Light & Power Company, Limited, for a sum of \$57,378.28. A Bond Issue of \$60,000.00 to cover the purchase price and provide working capital was floated by the Town. The Bonds were issued on the installment method, \$15,000.00 at $3\frac{1}{2}\%$, and \$15,000.00 at $3\frac{3}{4}\%$, and \$30,000.00 at 4% . A bid of \$101.15 was

accepted for the entire Issue, which was indicative of the high credit standing of the Town. The Lunenburg Gas Company, Limited, was dissolved, and the business of distributing electrical energy and power is carried on as a Department of the Town. One million forty thousand kilowatts were sold during the first year, ended June 30, 1938, and a net profit of \$700.00 was realized, after paying operating expenses, interest and providing for the retirement of Bonds to the amount of \$3,000.00.

Municipality of Lunenburg

The Municipality is expending some thousands of dollars on changes and improvements to the Municipal Home at Dayspring. A central heating plant is being installed in the south wing as well as bath and toilet facilities. An extension to the front gives added space in the dining room as well as providing for a reception room and office. While this work was in progress, the institution had a visit from Warden Dowell of the Municipality of Halifax and Councillors Naugle, Topple and Cruikshank, the building committee for the new home in that Municipality, who were visiting different institutions throughout the province securing ideas to help them in their project.

Town of Yarmouth

Tax collections in Yarmouth for this year are about \$5,000 in advance of a similar period of last year. A surplus in the bank of \$11,000 replaces a former overdraft of some time. Collections for the period show: arrears collected—\$29,176; current tax collections \$106,341; water rates collected \$11,861.

Expenditures by various departments show: for police \$3,047; for poor \$9,166; for fire protection \$2,120; for water supply \$5,194; for streets \$12,732.

This year the town will collect taxes on the stock of the Nova Scotia Liquor Commission in their store at Yarmouth. By a decision of the Town Council at its June session, valuation for assessment will be placed at two-thirds of the average stock of the store.

The Council has passed a by-law which, if ratified by the Provincial Government, will compel the registration of all bicycles owned and operated in Yarmouth. An annual fee of 50 cents will be charged and license plates will be provided. A fine of \$10 or 30 days imprisonment (Maximum), will be imposed for failure to comply with the regulation.

Preliminary arrangements have been made for the enforcement of compulsory sweeping of chimneys in the town in order to reduce the number of chimney fires.

"Relief" remains the most pressing problem in Yarmouth. Thirty-two families are having their rents paid by the town. It has been proposed that the present tenants be ejected from the properties seized for non-payment of taxes and that the families on relief be quartered in these buildings.

Notice will be served on landlords whose tenements have been condemned that until repairs and remodelling are effected, they will not be permitted to collect rent from their tenants.

Municipality of Victoria County, N. S.

The present population of this municipality is about 8,000. It has declined steadily since 1881, when it was about 12,500. The assessment valuation in 1937 totalled \$791,993, having declined from \$1,083,588 in 1920. The financial position of the municipality is sound. In 1937 receipts totalled \$45,337.88 and expenditures amounted to \$41,102.72. Tax collections in 1937 amounted to \$38,690.93. Of this total \$9,221.92 represented collections of taxes in arrears. The general property tax yielded \$36,782.41 in 1937, the poll tax \$1,321.00. The tax rate has increased with the fall in the assessment valuation. In 1917 it was

1.5. In the 1938 levy it averaged approximately 5.1—varying in the different districts from 4.5104 to 5.6073. The municipality has no bonded debt. A floating debt, amounting to about \$18,000 is owing mainly to the Nova Scotia Hospital in Dartmouth.

The municipality maintains no hospital, county home or asylum. Its expenditure for hospitalization in 1937 amounted to \$13,121.37 (paid to hospitals, etc. outside the county). It expended on poor relief, through the District Overseers of Poor, \$1,153.82. Expenditure for direct relief amounted to only \$261.01.

The Municipal Council at its annual session in January, 1938, granted the sum of \$500 to promote school fairs, junior club work and the County Handicraft Exhibition. The Council pressed for the extension to the County of the Provincial Rural Electrification scheme and for improvements in the road and transportation system of the County. The Municipal Clerk, Mr. C. W. K. McCurdy, is at present engaged in the preparation of a very complete map of the municipality (marking out all properties, with names of original grantees and present owners, etc.) for the use of municipal officials.

Large sums are being spent by the Provincial Government on highway construction within the municipality this summer, and the construction of the Cape Breton Highlands National Park in the northern part of the County will probably be carried forward. The outlook for employment is therefore good. It is yet too early to estimate the returns to the farmers and fishermen which this year will bring. Production in the lumber and gypsum industries, however, will probably be greater than it has been for some years.

Charlottetown

Charlottetown, the capital city of the province of Prince Edward Island, has a population of approximately 15,000 people. During the past few years, various pressing problems have faced the city fathers due on the most part, to unusual business conditions.

One of the chief problems was that of tax collection. Although Charlottetown has one of the lowest rates of taxation, 2½% on real and personal property, taxes were becoming increasingly difficult to collect. The city had always rendered her tax bills on the 15th of July, to be paid in one lump sum. Citizens found this a difficult amount to pay and as a result tax arrears mounted. To lighten their burden, and to expediate tax collection, a plan was devised whereby tax bills were rendered quarterly, and as an added inducement to prompt payment the installment is discounted 3% if bill is paid when rendered. Many people have taken advantage of this plan, and the overdrafts of the city have been cut down considerably.

Unemployment has been a serious problem, more especially during the winter months. During the summer various Government and municipal projects take care of most of the unemployed, but in the winter months little of this work can be done. The city has had to resort to direct relief in order to take care of this problem. Relief is administered by commissioners under careful supervision of the city council. During the hardest months, 524 families were looked after in this way. A total of \$204,000 has been expended in direct relief and indirect relief during the past year.

Traffic regulation has been a thorn in the side of the city fathers for many years. Parking spaces were at a premium during business hours in the down-town district. To cure this trouble, the council obtained one of the leading traffic officials from the police department of Montreal. After a survey had been made a new system of traffic regulation was set up, including a proper ticket system for traffic violaters. As a result of this the number of street accidents

in the city has been cut down considerably.

Another problem which has faced civic administrators in Charlottetown for a number of years, has been rates charged for electric power. The power plant which supplies the city with electricity is not the property of the city, but is owned by a private company. As a result continual trouble arose over the question of rate charges. A committee was set up to go into the question with representatives of the electric company. The problem was laid before the Board of Commissioners of Public Utilities and the question was satisfactorily settled, resulting in a decrease in rates charged for power.

ARTHUR PEAKE.

Dalhousie, N. B.

Fire destroyed the town hall of Dalhousie, N. B., on May 26th, causing a loss between \$9,000 and \$10,000. Important town records and papers in a fireproof vault were saved, but some of the magistrate's records became lost.

The two-storey wooden building was erected as a school 37 years ago and used for town offices since 1925.

St. Stephen, N. B.

A good example of international friendship and the desire to live together in peace and harmony is demonstrated by the towns of Calais and Milltown on the American side in Maine and St. Stephen on the Canadian side in New Brunswick. During 1937, the St. Stephen fire department, only one of the three towns having fire fighting equipment, helped put out 60 fires in the two American villages.

THIRTY-THIRD ANNUAL CONVENTION UNION OF NOVA SCOTIA MUNICIPALITIES New Glasgow, N. S.

Tuesday, Wednesday and Thursday, August 23-24-25, 1938

With the Co-operation of the Institute of Public Affairs, Dalhousie University

TUESDAY, AUGUST 23, 1938.

9.30 a.m.

Short Addresses of Welcome.

- The Mayor of New Glasgow.
- The Warden of Pictou County.
- The Mayor of Trenton.
- The Mayor of Stellarton.
- The Mayor of Westville.
- The Mayor of Pictou.

Replies on behalf of the delegates.

Presidential Address.

A. H. Sperry, President of Union of Nova Scotia Municipalities.

Report of the Executive and the Financial Report.

His Honour, Judge Arthur Roberts, Secretary-Treasurer, Union of Nova Scotia Municipalities.

"The Municipality and Industry."

Rod H. MacLeod, B.A., LL.B., Barrister, New Glasgow.

2.30 p.m.

"Assessment of Telephone Companies."

J. H. Winfield, President of the Maritime Tel. & Tel. Co., Limited, Halifax.

"Democracy in the Modern World."

D. MacGregor Dawson, M.A., D.Sc., University of Toronto.

The Committee on Resolutions.

4.00 p.m.

Garden Party at Mayor Mason's for the Ladies.

7.30 p.m.

Theatre parties.

WEDNESDAY, AUGUST 24, 1938.

9.30 a.m.

"Some Problems of Rural Nova Scotia."

Hon. John A. McDonald, Minister of Agriculture for Nova Scotia.

"Problems of Rural Health Organisation."

W. F. Draper, A.B., M.D., Assistant Surgeon General and Chief of the Personnel of the United States Public Health Service.

Dr. Draper will be introduced by Hon. Frank Davis, M.D., Minister of Health for Nova Scotia.

Report of the Committee on Resolutions.

Appointment of Committee on Nominations.

2.30 p.m.

Drive through other towns of the County, Museum and Lookoff at Green Hill.

8.30 p.m.

Banquet at First Presbyterian Hall, New Glasgow.

THURSDAY, AUGUST 25, 1938.

9.30 a.m.

"The Union and the Royal Commission on Dominion-Provincial Relations."

R. M. Fielding, K.C.

"Review of Municipal Legislation, 1938."

G. E. Romkey, M.L.A., Former President of the Union.

Course on Municipal Government

As was the case last year there will be held immediately following the Annual Convention of the Union of Nova Scotia Municipalities a short course in municipal administration especially arranged for municipal officers in this province. The date is August 26 and the meeting place the High School Auditorium, New Glasgow. This arrangement has been made so that those who attend the Convention of the Union of Municipalities can stay on. The duration has been restricted to one day in order not to keep the municipal officers away from home too long.

In the invitation sent out by the Institute of Public Affairs it is stated:

"As was the case last year the course will deal with some practical problems which are in the foreground of municipal

interest. The programme has been drafted after careful consultation with municipal representatives. Each subject will be introduced by a lecture given by a man with special experience in that particular field. The lectures, it is hoped, will be followed by an extensive discussion.

"A new feature of the course will be the answering of questions. Municipal officers taking part in the course are invited to send in writing not later than August 10th, questions which they would like to have answered concerning legal or administrative problems in the municipality. The Institute of Public Affairs will convey these questions, provided they are sent in time, to persons qualified to deal with the subject matter."

PROGRAMME

FRIDAY, AUGUST 26th.

Morning Session—9.30.

CHAIRMAN:—His Honour, Judge Patterson, New Glasgow.

SYSTEMS OF TAX COLLECTION:

W. C. Dunlop, K.C., Halifax, Solicitor of East Hants.

ANSWERING OF QUESTIONS:

Afternoon Session—2.30.

CHAIRMAN:—R. M. Fielding, K.C.

IMPROVED METHODS OF MUNICIPAL ACCOUNTING:

H. J. Egan, C.A., Registrar Securities Act and Collector of Succession Duties

THE VALUE OF AN AUDIT TO THE MUNICIPALITY:

A. M. Butler, C.A., City Auditor, Halifax.

Legal Department

Illegitimate Children's Act

A recent decision given by His Honour Judge Murray of the County Court for District Number One, (unreported) is of interest to Overseers of the Poor. The Overseers of a Poor District in Halifax County instituted proceedings under the Provisions of Part 1 of The Illegitimate Children's Act, Chapter 49 R.S.N.S. 1923, to recover expenses for the "lying-in and maintenance of the mother" and "incident to the birth" of a still-born child. The Justices found for the overseers and an appeal was asserted by the man to the County Court. Judge Murray in his decision quotes cases in England, New Brunswick and Ontario. He says, "I find the law particularly sterile in its authorities. Chapter 49, R.S.N.S. 1923, is a Statute which has been very little changed from the time of Queen Elizabeth. It represents the ancient law for protecting the Poor District or Parish from it becoming charged with the maintenance of illegitimate children."

The case of *The King against De Brouquens* (1811) 14 East 277; 104 E.R. 607, decided that "no dead substance is the object of legislative provision in any of the Acts. All provisions in the several Statutes assume the birth of a child born alive." This decision was followed in New Brunswick in *The Queen versus Murphy*, Kerrs Report (N.B.) Vol. 1, 524. In Ontario the Statute is different and the Court there has held that the word "child" does not bear the restricted meaning given under the English Act. Judge Murray allowed the appeal, holding that he was bound by the English and New Brunswick authorities, to decide that the Nova Scotia Act did not apply in the case of a still-born child. He suggested that our Statute should be amended and would be improved by adopting some of the provisions of the Ontario Act.

R. M. FIELDING, K.C.

Municipal Liability for Riots

In view of recent riots in the West the following decision given by Judge (now Chief Justice) Chisholm, December 3rd, 1926, will be of interest for municipalities. It was quoted in the June issue of the *Municipal News*:

Globe & Rutgers Fire Insurance Co. vs. Glace Bay, (1927) I.D.L.R. 180.

The plaintiff in this case was the assignee of an insured who had suffered damages to

the extent of \$5,936 to his stock-in-trade, which was damaged, destroyed or taken away by rioters during a tumult or civil commotion in January, 1926.

At the time the damages were incurred there was a strike of miners in progress and many colliers and their families in want; as a result of which, after several meetings of the colliers and the town council, the outbreak took place and the raiding began.

The plaintiff alleged that the loss and damage suffered by the insured was caused by the defendant in its failure, neglect and refusal to enforce law and order by its chief of police and police officers; in permitting unlawful assemblies which culminated in riot, tumult, and disturbance; and in not taking reasonable precautions to preserve order by the appointment of a sufficient number of special constables in view of the reasons for apprehending a tumult.

It was held that as there was no express statutory liability for such damage imposed on the town and as there was no liability at common law, the defendant was not liable.

Drunken Driving

There is a wide divergence of opinion among judges as to how intoxicated an automobile driver must be to be convicted of the crime, Judge Maurice Tetreau declared recently in Montreal, but he insisted that all such drivers were a menace to life and limb as well as to property.

Some judges have found that a complete interpretation of Article 285 of the Canadian Criminal Code, which covers the question, means that a driver must be in a "dangerous" condition to be convicted as charged, the judge said. Other judges have given written opinions, he added, that after a single drink, the driver falls under the classification of being under the influence of liquor.

"There must certainly be a middle line of conduct between the two extremes," Judge Tetreau added.

He declared that one judge had acquitted a driver who was declared to be intoxicated by two police officers who arrested him, and by a desk sergeant and several constables at a police station. The judgment was based upon the

evidence that the accused had given his right name and address, had produced his license and had read to the police. He was not in a "dangerous" condition. Another judge had ruled that "one or two little drinks" had dulled the perceptions of danger of the driver, impaired his judgment of distance and lessened his respect for regulations, to such an extent, that he was "under the influence of intoxicating liquors".

The judge stressed the point that the driver who "had a few drinks" was a menace, and that too many lessons of safety could not be taught on the subject. The question of intoxicated drivers could soon be settled if it were as dangerous for the driver as it is to the lives and limbs of others.

There was much comment recently when Judge Tetreau sentenced a youth who was driving home at eight o'clock one morning at more than mile-a-minute speed and crashed into a building. Several fines and a 15-day jail term, with a severe lecture, followed conviction.

Several months ago, the same judge found five drivers guilty, including an unsteady motorcycle driver, and sentenced each to the minimum seven-day prison penalty. — From *Canadian Municipal Review*.

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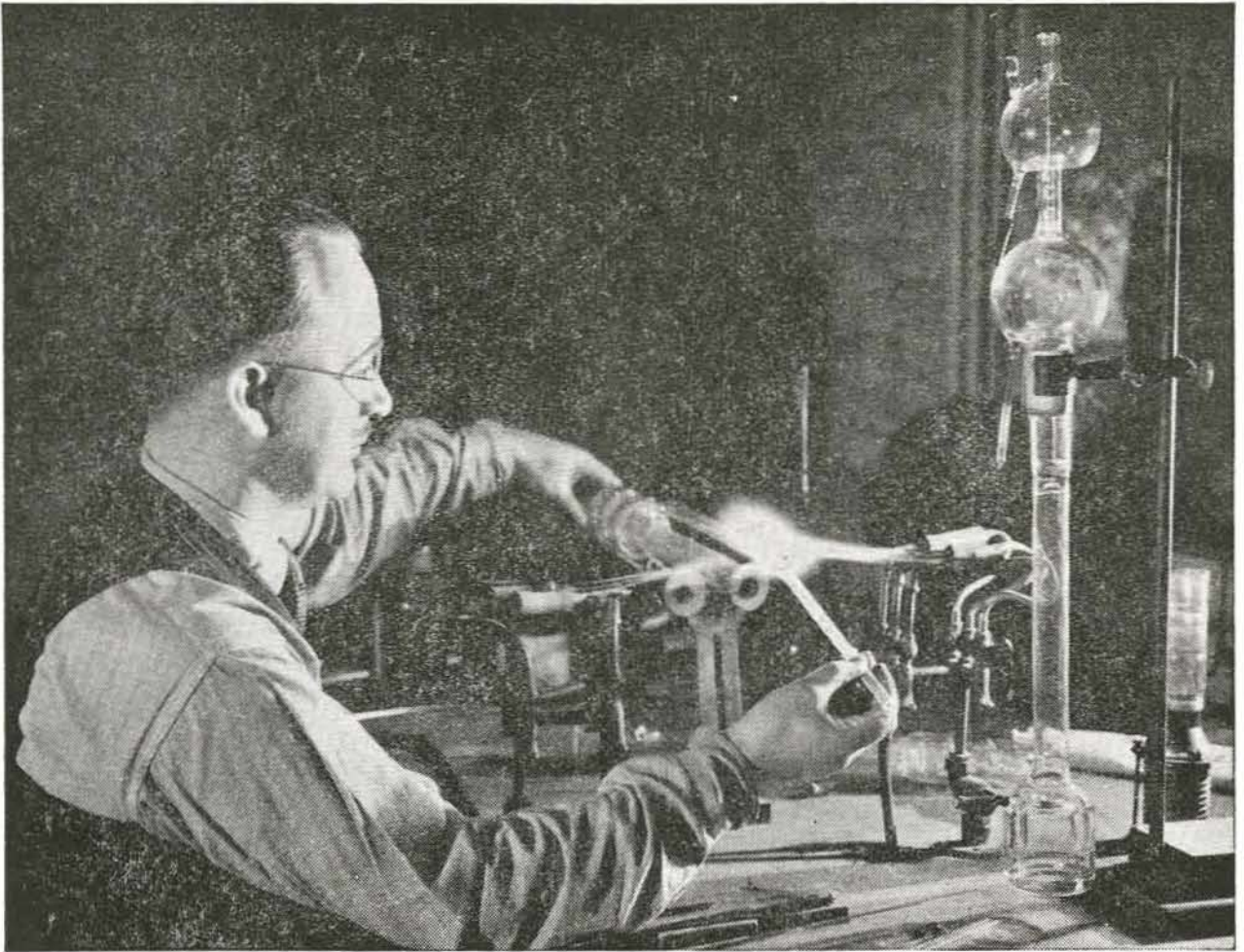
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Sidney P. Wheelock

Prince Edward Island's Case Before the
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Anthony Traboulee

The Economic Background of Unemployment
in Canada
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in Nova Scotia
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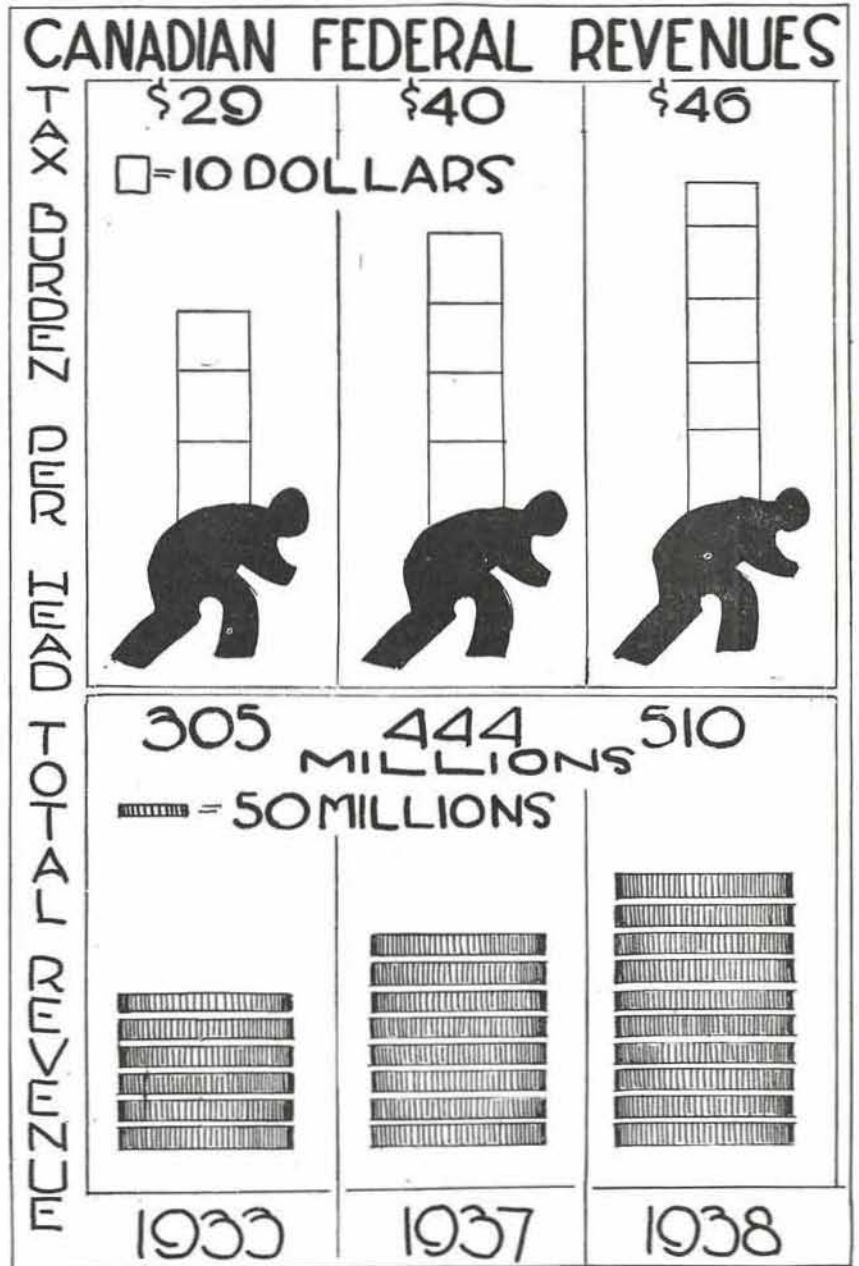
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Employer
Arthur B. Purvis



What Every Canadian Contributes In Taxes (above)
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The Structure of the National Revenue

By SIDNEY P. WHEELOCK

THE federal government of the Dominion of Canada collected in the fiscal year ending March 31, 1938, \$516,692,000. This sum represents an amount of approximately \$46.46 for every man, woman and child in the country (estimated population 11,120,000 in 1937). This is a sum almost exactly twenty-eight times the amount collected from a population of 3,690,000 in the fiscal year ending June 30, 1868, seventy years before. In other words, the per capita federal tax burden has been increased by 9.3 times since Confederation. This figure, perhaps surprisingly, does not have to be corrected for changes in price level. The Dominion Bureau of Statistics gives a wholesale price index of 133 for the year 1867 and of 132.1 for the year 1937.

From the time of Confederation until the Great War (which necessitated huge increases in taxation) the chief sources of federal revenue were customs and excise duties. Together these constituted 63 per cent of the total revenue in the year 1868, and 77 per cent of the total in the fiscal year ending in 1914. Today the comparable proportion is only 28 per cent.

War taxation was begun in Canada in August 1914 and continued in 1915 by increases in the customs and excise duties on various commodities. In 1915 miscellaneous new internal taxes were imposed—on bank circulation, on the income of trust and loan companies, on telegrams, railway tickets, sleeping car berths, cheques, money orders, letters and post-cards, and various other commodities and services. In 1916 the business profits war tax was introduced, and 1917 saw the introduction for the first time in Canada of the income tax—in 1938 the second largest source of

revenue. The base of these taxes was widened successively in the following years, and the sales tax was introduced in 1920; in 1921 the business profits war tax was dropped. The sales tax, however, has now become the largest single source of revenue, and the various war taxes still in existence, as will be seen in the accompanying table, provide more than 58 per cent of the total revenue of the federal government.

The rate of the sales tax has varied since its inception in 1920. Then it was one per cent on sales by manufacturers and one per cent on sales by wholesalers. It was increased from time to time until it reached six per cent on sales by manufacturers or producers on January 1, 1924. Its lowest point since that time was one per cent on sales by manufacturers, a rate which obtained from May 1930 to June 1931, and its highest point eight per cent, the rate current from May 1936 to the present time.

This, in brief outline, is the structure of the federal tax system. Total taxes in the past fiscal year accounted for \$449 millions out of a total revenue of \$517 millions. The largest source of non-tax revenue was the Post Office, which brought an income of \$35,546,000 to the national treasury. This income, however, was practically counterbalanced by an estimated expenditure on Post Office account of \$33,762,000. The net income from the Post Office, therefore, is not a considerable factor in national budgeting. The second largest item of non-tax revenues was \$13,120,000 of interest on government investments.

Thus we see that by adding together customs and excise duties, war tax revenues, Post Office revenues, interest on investments, and the item named "miscellaneous", we have accounted for all but about six million dollars of the national total for the year 1937-38.

EDITOR'S NOTE: Mr. S. P. Wheelock, a graduate of Acadia University and Rhodes Scholar for Nova Scotia, is at present Assistant Private Secretary to the Minister of National Revenue at Ottawa.

This amount includes special receipts and receipts on capital account and will not be referred to further in this article. We shall, however, examine in more detail the customs and excise duties and taxes, and the various items of the war tax revenue.

At this point, it may be of interest to bear in mind the cost of collection of the various types of revenue. Income

borders in proportion to our population. The existence of many customs ports cannot possibly be justified on a revenue basis, but only on an anti-smuggling basis. However, the cost of this preventive service inevitably enters into the collection costs of the customs revenue.

Let us now turn to an examination of the component parts of the national

ORDINARY REVENUE	Total April 1, 1936 to March 31, 1937	Total April 1, 1937 to March 31, 1938
Taxation Revenue—		
Customs Duty	\$ 83,771,090.52	\$ 93,455,750.12
Excise Duty	45,956,857.39	52,037,332.55
War Tax Revenue—		
Excise Taxes (sales, stamps &c.)	152,473,422.30	180,818,767.47
Income Tax	102,365,241.75	120,365,531.48
Miscellaneous Taxes	1,984,257.46	1,973,679.18
Total Taxation Revenue	386,550,869.42	448,651,060.80
Interest on Investments	11,231,034.85	13,120,522.93
Post Office	34,274,552.00	35,546,161.25
Canada Grain Act	1,192,099.40	679,926.94
Miscellaneous	11,780,399.38	12,299,909.52
Total Ordinary Revenue	445,028,955.05	510,297,581.44
Special Receipts (including Miscellaneous Receipts and Credits to Consolidated Fund) ..	8,463,997.61	3,009,879.32
Capital Accounts (Credits and Refunds)	616,069.00	1,543,135.23
Other Credits—Non-active Assets (write-down to Consolidated Fund, etc.)	44,725.73	*1,842,153.47
TOTAL	\$454,153,747.39	\$516,692,749.46

*NOTE.—Includes net credit of \$1,023,058.94 resulting from various adjustments in Railway accounts authorized by Canadian National Railway Capital Revision Act, 1937.

tax revenue cost in 1938, \$1.87 per hundred dollars collected. It is interesting to note that this all-Canada average conceals such widely divergent costs as \$0.98 per hundred dollars in the Toronto district, and \$10.05 per hundred dollars in the Saskatoon district.

Customs excise-revenue was almost as inexpensive as income tax revenue to collect, the figure in 1938 being \$2.48 per one hundred dollars of federal income. This figure, incidentally, represents the lowest collection cost in Canadian history. Customs revenue shows comparatively high collection costs in Canada, due to the great length of our

revenue. The net customs duty collected was ninety-three and one-half million dollars. This amount was 18 per cent of the total revenue, and was collected on total imports, free and dutiable, to the value of \$799,000,000. To correct an impression, erroneous but perhaps widely held, that Canada's tariff varies with changes in government between about 25 and about 33 per cent, it should be noted that the official report of the Department of National Revenue shows that the percentage of duty on the total value of goods entered for home consumption, dutiable and free, is 12.98 for the current year. This is the lowest

percentage rate of duty for any year since 1876. Even the highest rate in Canadian history, that for 1889 (21.65 per cent) is well below the 25 per cent figure, and only once since 1891 has the figure exceeded 20 per cent. That was in the war year of 1916.

Canada's customs tariff may be described as a "three-decker" tariff. For each of the eight-hundred-odd items one of three rates must apply. These rates are known as "British preferential", the lowest, "intermediate", and "general". There is no constant ratio between these three, for every individual tariff item is the result of a complex of historical and economic forces which has worked itself out through a series of trade agreements and budgetary changes. For example, one item will be free under all three tariffs, while another may read, free, 15 per cent, 25 per cent, and still another, say, 30 per cent in all three. This general outline in some cases is still further complicated by special trade agreements with particular countries. Obviously, then, it is not possible further to describe customs revenue without going into an almost inexhaustible mass of detailed statistical data. Canada's customs tariff is in some cases a protective tariff, in other cases a purely revenue tariff, and in many cases a mixture of the two. It may be noted that in so far as a protective tariff succeeds in its avowed purpose of "protecting", it loses its usefulness as a producer of national revenue—at least directly.

Excise duties provided just over 10 per cent of the national revenue in 1937-38, and excise taxes, the largest single item, 35 per cent. The dictionary distinction between a duty and a tax is very finely drawn, but in the Revenue Department the practical difference is clear-cut enough. Duties are collected on goods, such as tobacco and alcoholic liquors, manufactured under government supervision, and the duty must be paid before the goods are released for sale. But for excise taxes, levied on a large number of miscellaneous goods, the government can have no security before-

hand that the tax will be paid. Let us consider excise duty revenue first. By far the largest part of this revenue is derived from duties on tobacco (including cigarettes) and cigars. The government receives in duties and taxes from thirty-nine to fifty-five cents on every dollar's worth of cigarettes, depending on the brand. The rest of the excise duty is made up principally of levies on spirits and the malt used in the manufacture of beer. The purchaser of a standard brand of spirits pays about 28 cents of his dollar to the government, and the beer drinker roughly 15 cents. It should be noted that these figures include sales tax as well as excise duty. Excise duties, then, in Canada are taxes on luxury consumption. The various provincial governments also levy their toll on spirits and malt liquors through their profits on government sale.

Excise taxes, as may be seen in the accompanying table, provided the government with \$180,000,000. Of this amount the sales tax accounted for \$140,000,000. The sales tax is a flat rate tax of eight per cent, levied on the manufacturer's sale price of, with certain exceptions, all commodities. The principal articles exempt from sales tax are foodstuffs and the primary products of farm and forest, mine and quarry, as well as certain commodities designated for use in religious, charitable, health and educational institutions. Fisherman's boats and supplies are exempt, as are also, under recent legislation, building materials. These exemptions are an example of the way in which a tax system may be used to encourage especially deserving causes or to promote particular industries. The sales tax is admittedly heavy, and regressive in its effect, in the sense that it bears more heavily on the poor than on the rich. The present Minister of National Revenue has publicly declared that it will be a happy day for himself and his colleagues when it is possible to reduce the sales tax below its present high level.

Other excise taxes of importance are the three per cent special excise tax on importations, which brought \$18,000,000

to the national treasury in the year just past. The excise tax of one cent per pound on sugar was worth 10 million dollars, and the sale of excise stamps netted nearly five millions. Other excise taxes which went over the million dollar mark were those on matches, on cigarette papers and tubes, and on toilet preparations. Excise taxes providing between a half-million and a million dollars were those levied on telephone calls, on automobiles and on rubber tires.

The final main division of the national revenue to be considered is the income tax. This tax, collected from individuals and corporations, brought to the federal coffers \$120,000,000 in the year 1937-38. Of this sum, 40 million dollars was collected from individuals, 70 million dollars from corporations and 10 million dollars by the special five per cent income tax. The special tax of five per cent is levied on the income of non-residents of Canada when the income is derived from Canadian sources.

The individual income tax varies from three per cent on the lowest income to 56 per cent on the highest, after very liberal tax exemptions have been provided for the lower income group. Less than one-eighth of the individual income tax payers pay more than 85 per cent of the income tax. The corporation in-

come tax is not graduated as it is in the United States, but is a flat rate of 15 per cent. Because of the fact that income tax collections begin on April 1 on incomes earned in the previous fiscal year, peak income tax revenues lag behind by one year peak revenues from customs and excise duties and taxes. This has a certain stabilizing effect on year-to-year total collections, which is undoubtedly desirable from the government's point of view.

Such, then, is the structure of Canada's national revenue in the year 1937-38. It is not to be thought that there is anything long-enduring in the statistical picture here presented. Not only does the tax structure itself vary from year to year, and, more markedly, from government to government, but changes in the economic condition of the country will induce changes in revenue, the tax system remaining the same. In other words, some taxes are more "elastic" as revenue producers than are others. It must be the continuing duty of every government to provide such services as the people demand, with an optimum distribution of the individual burden of taxation and a minimum dislocation of the economic life of the country. It is no simple matter.

Prince Edward Island's Case Before the Rowell Commission

By ANTHONY TRABOULSEE

PRINCE EDWARD ISLAND'S submission to the Rowell Commission opens with a brief foreword. The foreword complains that Prince Edward Island is not receiving an adequate share of federal assistance, it alleges that the "national tariff policy" is working to the detriment of the Maritime Provinces, and that the Island Province, despite

the utmost fiscal frugality, is denying its citizens certain public services enjoyed by citizens of the other provinces, and stresses the necessity for some measure of readjustment of the financial relations and constitutional positions of the Dominion and provinces.

The first proposal is to capitalize the

EDITOR'S NOTE: Anthony Traboulsee, LL.B., is practising law in Glace Bay, Nova Scotia. He formerly taught Economics at St. Francis Xavier University.

Mr. Traboulsee's contribution concludes the series of articles dealing with the Briefs of the Maritime Provinces submitted to the Rowell Commission. The Nova Scotian Brief was discussed by Professor G. E. Curtis in Vol. I, No. 3, p. 114; the New Brunswick Brief by F. X. Jennings, Vol. II, No. 1, p. 3.

existing provincial subsidies at 3% and to abolish entirely the system of unconditional subsidies. The capital amount arrived at is to be applied to the reduction of provincial debts. The reasons for this proposal are: the subsidy question has always roiled the waters of Canadian unity, and, secondly, the "fixed" or "unalterable" subsidies have been anything but fixed: the principle of fixed subsidies is unsound owing to fluctuations in the purchasing power of the dollar and the everchanging requirements of State needs—fiscal needs if you like.

In Prince Edward Island's case the proposed capitalization will yield a sum exceeding provincial debts by about 15 million dollars. This sum is to be placed to the Province's credit at Ottawa with interest to be paid thereon at the rate of 3%, and option to withdraw capital amounts if deemed necessary. If further federal assistance is required, the corollary of conditional subsidies is proposed. This proposal is based on the "theory of transferences", elaborated by Prof. Adarkar in his *The Principles and Problems of Federal Finances*. This theory seems to be a "Share the Wealth" theory, so emphatically repudiated by Messrs. Hepburn and Duplessis. It is further submitted that if any provincial indebtedness remains after capitalization of subsidies, the Federal Government is to assume the resulting residue, "conditioned on the Province's yielding up assets and revenues to the Dominion Government commensurate with the new burden." A Federal Loans Council, patterned after the Australian model, is recommended.

Under the heading "Effects of the National Policy", three questions are discussed, viz., the entry of the Province into Confederation, the "Lotteries" question, and the national tariff policy. The second of these questions is peculiar to Prince Edward Island and may be disposed of summarily in a few words. In 1767, the Province of P. E. I., then a part of Nova Scotia, was divided into 67 townships, and these "lots" were granted to absentee landlords: quit-

rents were imposed by the Crown on the grantees, but these were never, or rarely, paid. The tenants of the original grantees, however, "were obliged to take the lands at whatever rent the proprietors chose to demand from them." When the colony entered Confederation, it inherited this problem. And in order to buy out this landed gentry, it was granted a loan of \$800,000 by the Dominion Government. The Dominion Government is now asked to cancel this loan. With regard to entry into Confederation, the brief says that "Prince Edward Island was partly cajoled and partly forced into the Union".

Regarding the incidence of the national tariff policy, it is pointed out that the Province is under a double liability, that of having to sell in a competitive market, and to buy in a protected market. All the Provinces, with the exception of Quebec and Ontario make the same complaint. The present Minister of Labour is quoted at length from his brief to the Jones Commission in 1934.

The brief stresses Prince Edward Island's inability to keep abreast of educational needs—general, vocational and technical. The thesis of equal educational standards throughout the Dominion is laid down, and it is added that "in P. E. I., we are able to spend far less per pupil *per annum* than any other province", e.g. \$31.95 to British Columbia's \$74.03. It is accordingly recommended that "substantial Dominion subsidies definitely earmarked for education be granted on some basis of provincial needs".

The section dealing with financial arrangements with the Dominion rejects the finality of the White Commission. The Duncan Report is quoted to show that the White Commission was appointed to effect certain readjustments between the provinces and the Dominion. But the White Commission came to the conclusion that "the assessment in detail of each of the claims presented before us is manifestly impracticable". This, the brief under review alleges, is the very reason for the setting up of the White Commission.

The brief looks with favor on the

minority report of Chief Justice Mathieson of Prince Edward Island who accepted the thesis of fiscal needs as the yardstick of financial arrangements between the provinces and the Dominion. This thesis was ably expounded by Premier Macdonald of Nova Scotia in his submission to the Rowell Commission. The thesis involves (to my mind) two assumptions: (1) that no province should lag behind any other province in its obligations—both promotive and protective—to its citizens, such obligations being defined by the needs of modern living and standards. This I take is another way of expressing the “theory of transferences” of Prof. Adarkar mentioned earlier, that is to say the theory “that welfare is maximized generally by making through the agency of taxation and public expenditures real transfers of consumable resources from the rich to the poor”. A less academic person would call this a “Share the Wealth” program. That these services should be frugally administered. The first assumption is rejected by Ontario and Quebec, but the second is conceded to all the provinces. The test of fiscal needs is that amount of money necessary for the performance “on a moderate but efficient footing of the functions which fall to the provinces”.¹

Then follows a sort of *pro forma* budget based on the fiscal needs theory. This kind of budget, it goes without saying, is a wishful budget in that the Province admits its inability to spend more money on new services, or to extend and improve present services, unless it receives assistance in the form of conditional subsidies from the Dominion fisc.

A few remarks are appended to the model budget: direct relief, old age pensions, administration pensions, the Provincial sanatorium, grants to hospitals, and public health services (involving in all \$222,250) are to be taken over by the Dominion Government. In regard to education, the brief remarks that if the Dominion Government is not willing to take over direct administra-

tion throughout Canada, then it should be willing to supplement the Provincial budget with a subsidy of \$193,000, being the difference between the amount estimated in the model budget and the amount at present spent on education by the Province.

The fisheries are not provided for in the model budget. Local conditions and problems—as distinguished from general Dominion jurisdiction over the fisheries—call for further aid from the Dominion Government for (a) relief and re-establishment of needy fishermen, (b) the training of fishermen, (c) and the appointment of provincial officers to direct marketing operations and the curing and processing of fish products. Nor does the model budget provide for construction of permanent highways, the Provincial Government, therefore, reserves the right to claim from the Dominion Government “further substantial contributions towards the construction of hard-surfaced...highways”.

The last section takes up further recommendations and proposals. It alludes to the Province’s attachment to the principle of provincial autonomy within the Union, but finds that social conditions have shown up the inadequacy of our present constitution in certain respects. As to which body should amend the B. N. A. Act to make it harmonize with present needs, the Province is indifferent, as long as the machinery set up for deciding upon such amendments makes ample provision for the protection of provincial rights and provincial viewpoints.

Further recommendations are then submitted: old age pensions, mothers’ allowances, a certain portion of public health services, such as communicable and preventable diseases, unemployment relief, labour legislation, all these burdens are to be borne by the Dominion. The Provincial Government is willing to give up its succession and income taxes to the Dominion on condition that it is “assured of a compensating source of revenue besides the additional revenues already outlined or being dictated by fiscal needs”.

1. *Submission By the Government of Nova Scotia to the Royal Commission on Dominion-Provincial Relations*, 1936, p. 111.

Prince Edward Island, in line with New Brunswick, Nova Scotia and some of the other provinces, asks for a clarification of certain of the rights of the provinces in imposing gasoline, sales and amusement taxes. The Province regrets divided responsibility between the Dominion and the provinces in agriculture and forestry matters. But since this is inevitable, it recommends fullest co-operation. It is also recommended that companies with Dominion scope and operations should be chartered by the Dominion Government, and companies with provincial scope and operation, by the Provincial Governments.

A rather long recommendation on the administration of justice comes at the tail-end of the brief which states that the principle of legislation by the Dominion and administration by the provinces seems to work well. But difficulties arise in the field of quasi-criminal offences, partly provincial and partly federal. The most commonly known of these are the Customs and Excise Acts of the Dominion, and the Highway Traffic, and Liquor Acts of the several provinces. The Criminal Code and the different provincial statutes designate several distinct prosecuting authorities, e.g., under the Criminal Code, and the Highway Acts, the Attorney-General, under the Customs and Excise Acts, the Commissioners of Customs and Excise, both acting under the authority of the Minister of National Revenues. While under the Liquor Laws, different authorities are designated by provincial legislation. All this results in confusion, and a recommendation is

made that where quasi-criminal acts are similar throughout Canada, legislation should be lodged in the Dominion, but the prosecuting authorities in all cases be the provincial attorneys-general. Similarly in respect of provincial legislation uniformity may be attained after this manner: "those portions of provincial enactments which are substantially applicable throughout Canada could be embodied in Dominion legislation, with reservations for provincial and municipal regulation." For example, in the matter of highway traffic, the general laws of speed, rights of way, equipment of vehicles, and public safety could be entrusted to the Dominion.

Having done with the submission of Prince Edward Island, and having read seven of the provincial briefs submitted to the Commission, the writer is struck with the idea that two contending principles emerge from the (in part) conflicting provincial submissions. These are what may be called the centrifugal and centripetal forces, or centralization versus decentralization. The constitutional and fiscal issues involved will hinge upon the resolution of these forces. How the Commission will resolve this conflict, how Parliament and the legislative assemblies, and how the man on the street and in the field will react, is another story. It is abundantly clear, however, that the Rowell Commission, not unlike Atlas, will have to bear on its learned shoulders a universe seething with "internal disharmonies" as Premier Hepburn of Ontario put it. The Commission's report will be waited for with interest, if not with hope.

The Economic Background of Unemployment in Canada

By STEWART BATES

IT makes one feel a little uneasy to have to discuss in a short time the wide background of unemployment in Canada. And it makes one feel a little unwise, when the attempt has to be made in the presence of business men who are in daily contact with the whole matter of Canadian employment.

Nevertheless I have to speak about the economic background, and I shall begin by stating what I am going to maintain. It seems that the Canadian economic background is quite clear in one-half of the picture, but dim and hazy in the other. The dim part would be difficult to penetrate even if Canada's sole economic concern was with her external markets, but the dim part is rendered even more impenetrable by the fact that these fluctuations in external trade impinge on an economic system that has peculiar structural qualities. As a result, it is sometimes almost impossible to see whether a change in the economic position is due to a change in external trade, or to the peculiar and changing structure of the internal economy, or to the fact that the structure of the economy is such that it exaggerates the effects of changes in external trade, and thereby leads to extremes in the fluctuation of our national income.

The clearer part of the background concerns the economic relations within Canada itself. When I say that this part of the problem is clearly seen, I do not mean it is easy to handle in practice. Indeed the solution is difficult, perhaps impossible. But there is some

measure of agreement about the internal relations between the different regions and the different industries of Canada. It is easy to see that the country is fairly clearly demarcated into different economic regions, and that geographically it resembles a string of sausages, some much more meaty than others, but each separated from its neighbour by a wide stretch that has to be linked with a very expensive string—namely the railway problem. And the extent to which these sausages expand and contract between summer and winter represents a seasonal problem that is paralleled in hardly any other Anglo-Saxon society. We are not all agreed as to the causes that produced the regionalism. We generally do agree that the distribution of the natural resources has had much to do with it, and that the economic influence of the St. Lawrence waterway has also helped to make a big sausage in Ontario, and a slightly less big one in Quebec: and there is some measure of agreement also that the concentration of manufactures, and the emergence of large-scale firms in the central provinces, has been assisted by the Canadian tariff, and by the localisation of investment and banking in these provinces. There is a little less agreement, but still some, concerning the effects of federal policy since 1930, especially the tariff and the monetary policy (i.e. exchange policy in the years after 1931), on those areas of the country that are specialised for export. And there is a fair measure of agreement that, since Canada is specialised in regions, the central provinces both in manufactures and in primary products, and the Maritimes and the Prairies very largely in primary commodities that are sold on the world market, there is a close relationship between employment in the

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home manufacturing trades and the income of the producers in the exposed areas. When the exporting regions enjoy high returns, they increase their purchases from the manufacturing areas of the centre (and their borrowings), and buoyant external trade quickly reflects itself in the protected industries serving the Canadian market. In conditions of depressed external trade, the effect is again passed to the industrial parts of the central provinces, both to labour and to creditors. But we might notice in passing that while the export areas quickly communicate their good and bad returns to the central provinces, the centre need not communicate its good and bad returns to the east and west to the same extent. If increased income accrued to the central provinces, (e.g. expansion of income from gold) the resultant increase in the centre's purchases from the Maritimes and the West, tends to be small, because the outlying areas produce mainly primary commodities, for which the centre's demand is not elastic, and because the sort of commodities that are sold to the centre are those in which the producers operate in competition, and they sometimes lack the organization to pursue price policies that would allow them to take advantage of any increase in the level of income in the central provinces. And so, any improvement in income that serves to swell the size of the sausages in the centre, need not improve those at the ends of the string. But if any external trade improvement enlarges the Maritimes or the four western sausages, they pass some meat to the central sausages when they increase their purchases of home-made goods and services.

Now while the nature of this part of the background is not difficult to see, there is great practical difficulty in formulating policies that might reconcile the conflicting interests of the different regions. And these difficulties are perhaps more political and social than economic. If you want a catalogue of these practical difficulties, it is available in the evidence presented to the Rowell Commission in the past year. But I warn

you that when you have finished the five millionth word, you will probably find yourself in the unhappy position of having a few more questions to ask, but you'll be so bowed down with the weight of evidence that you'll probably be unable to raise the voice to ask your questions. But when some lapse of time has restored you to normal, you may find yourself summing up these practical difficulties by asking two kinds of questions. The first kind concerns the regionalism, and you may ask, Are regional interests in Canada more fundamental than national ones? Or putting the same question in another way, How far is the taking of effective action against regionalism in Canada incompatible with the Canadian view of government? Or put still differently, Are regional differences so conflicting in Canada that we must have ten governments each pursuing with some independence, what it thinks its best aims, and must the consequent lack of co-ordination in government fiscal policy, be the price that Canadians must pay for their sectionalised economy? So long as the Canadian people reach no decision on these questions, it seems likely that governments will continue to conflict over regionalism, and try to steal a march one over another, rather than to concern themselves with any common enemy.

Distinct from that, you may find yourself asking a second kind of practical question. How far is Canada content to try to continue her great dependence on certain exports in a contracted world market? Some Canadian areas are specialised for export, but there is some evidence, and now for some years, that some export areas are faced with serious conditions in their markets. It can hardly be expected that the provincial (and federal) governments can continue to maintain income in such regions at the expense of growing debts. The preservation of uneconomic regions, or of uneconomic industries, is an expensive business, even if this happened to be a rich country.

And this brings us to the second part of our background, the fact that is less

clearly seen. I have already said that it is difficult to disentangle the effects of our export position from those of our own internal structural problems. They both affect the level of our income, and the level of our unemployment, but how to separate them is the problem.

About our export position, little need be said. We know that this country derives a large proportion of its export income from a few great commodities (wheat, pulp and paper, non-ferrous metals and gold). There are also some quite important exports of manufactures, and some of services (particularly to tourists). But it is true that much of the income comes from a few great commodities. And it is true that most of our exports go to two countries, the United States and the United Kingdom. If they simultaneously enjoy prosperity, so do we. If one enjoys prosperity and the other suffers depression (or stagnation), we tend to take a middle position. But we enjoy that American and British sunshine only so long as the international prices of our great commodities are sufficiently high to yield us satisfactory returns. Even a combined boom in the United States and Great Britain, which happened to increase the demand for our wheat, would not bring much warmth to the west if the price of wheat were only 35 cents per bushel. And so while we must always have some ups and downs according to the economic fortunes of the United States and United Kingdom, we must always be vitally concerned with the international prices of our great exports. In wheat particularly, we are open to the vulnerability of being important in the world market. And the wheat position tends to become more disquieting. From 1926, when Europe had restored her wheat acreage to its pre-war levels, to 1938, there has been a series of increasing difficulties. The agricultural revolution in Europe that has followed the technical and political revolutions has been of prime significance. The increase in tariffs since 1930, and the gradual transition of many European economies to a war basis, induces them to grow wheat almost irrespective of

its cost to them. Among our competitors, exchange depreciation after 1930, and now the Argentine's determination to expand the Pampas as a wheat economy, have increased other wheat supplies. And consequently we cannot be sure what will happen to prices if we enjoy good harvests. How long does the government think it can subsidize the price of Canadian wheat in such conditions?

But it is unnecessary for me to emphasize the importance of the export position in wheat, or in any other commodity on which some Canadian communities depend. The more important and more baffling question comes from the connexion between that export position and our internal economic structure. Has the slowing down in the rate of Canadian economic progress—a change that has characterised the whole post-war period, with the exception of the years from 1925-28—been connected mainly with the export position or with our own internal position? Is it perhaps a fact that the Canadian economy is rather like a not-too-strong person who from 1925-28 enjoyed bright sunshine from the United States and United Kingdom, and began to look well. And were the periods 1921-24 and 1929 to the present, periods in which the same not-too-strong person began to reveal his inherent weakness, because the climate was less favourable? In short, does the change in the rate of economic progress since the war mean that the Canadian economy can function smoothly only under the accident of simultaneous booms in the United States and the United Kingdom, combined with good prices for our main exports?

The question about our fundamental internal economic constitution is usually dismissed with the reminder that Canada is a young country yet. That is true, but it does not follow, from that fact alone, that she is destined to have a bright economic future. We have already spoken of her internal regional differences, and of her considerable dependence on the export of not too great a range of commodities. These conditions mark her youth, but they also indicate

her fickleness. She can't make up her mind whether to be a single country or to have some sort of marriage of convenience between the provinces. And some people, older than I, take fright at her expensive habits, her attempt to maintain a style equal to that of her much richer neighbours to the south, and they take greater fright at the light-hearted way in which she piles up debts against herself. These older people, before the war, didn't mind the debt so much; the lady was beginning to take a place in the society of nations and she needed to equip her household, which promised to become an attractive one. The war caused a disappointing addition to that debt, but now it is realised that the lady has not repaid even her pre-war debts, and now when bad times come, she piles new debts on the old, a 40% increase since 1930. She is still a young country, but with habits that the average citizen would not like to have his daughter acquire.

Perhaps the background of the Canadian economy is becoming confused for you, with its sausages and its fickle and expensive young lady. But we have still to add something more on this matter of the internal structure of the economy. We have said that there has been some slowing down of the rate of economic progress since the war. Before that time, all Canadian economic indices rose rapidly but the curves flattened after the war, and some in particular have sagged badly. And if we enquire into the reason for the structural change since the war, we are driven to the recognition that the pre-war rate of progress depended largely on the extensive expansion of our frontiers, on the conquest of new sources of supply. The frontiers were pushed into Canada's natural resources, new mineral and lumber areas were opened, and new agricultural areas of high fertility. But, since the war, frontier expansion has been confined to a few wheat and mining territories. And in some areas, already we are recognising that their natural resources are not without limit, that much of the income we have gained from them in the past was really from the sale of national

capital. In some forestry and agricultural areas, there are disquieting evidences of worn-out communities. This is not yet quite so evident in the mining industry as a whole, but we must not allow the accident of the high price of gold since 1931 to make us think that the high returns from the gold industry have been due entirely to great discoveries of new resources. And of course in the Maritimes we do not have to be told that mineral areas wear out. It is true that the Laurentia Shield may contain unknown resources, but recent experience is surely beginning to teach us that we can't afford to be optimistic about conjectural resources. Even in the prairies, the recent soil surveys show that the vacant land which is economic—even with government support of wheat prices—can absorb, not millions, but only some thousands of people.

Now while this limit to our resources has prevented further extension of frontiers, and in some instances has necessitated a retracing of steps, the consequent retardation in the growth of our national income has been in part compensated by a more intensive development of industry within the country. But that development of new industries has been limited—e.g. to pulp and paper, non-ferrous metals, electrical apparatus, saw mill industry, automobiles—and it has been confined mainly to the central provinces. Nevertheless there has been an increase in industrial diversification, and in American branch plants, with also some slight shift in occupation toward service industries, public administration, transport and recreation in the post-war period. To that extent, Canada has begun to provide a slightly larger proportion of her income from home investment rather than from export of resources. But clearly if this intensive industrial development is to compensate fully for the apparent change in our resources and exports, and still more if we have to depend greatly in the future on home investment for our income, it is imperative that no discouragement should be given to the kind of skill and enterprise that is necessary to innovate new goods, or new qualities of goods,

new methods of production, and to adapt them to new markets (even within Canada). Indeed, positive encouragement may be necessary, as the National Employment Commission has suggested in various ways.

But two serious consequences have resulted from the flattening out of our rate of economic progress. Firstly, the slow realisation that no longer is the rate of progress itself the solvent of all our economic difficulties. Before the war, the expanding structure of the economy took care of many difficulties. So rapid was the progress that if industry or governments followed wrong policies (or acted inefficiently), it scarcely mattered. The rate of progress took up the slack. But the cessation of the previous rate, and the smoothing out, has left some problems in its wake, and we can't expect some future boom to solve them for us. The social stratification is becoming more marked in the country and the pressures that this gives rise to, are gradually being put on business and on the governments. Equally important is the fact that the employment opportunities for young people have been few: we are still affected by the pre-war immigration which has distorted our age-structure, giving us a large block of people now between 45-60. Their presence has reduced the employment opportunities for young people, and as the last census showed, there was an unusual and disturbingly large proportion of young people in occupations like agriculture, forestry, and labouring.

The second serious consequence of the changed rate of progress arises from the social responsibility that has been laid on industry and government. The new situation demands that they both pursue the best social ends, but before we can be sure that they know what to pursue, we must have additional knowledge about our resources, and we must know the extent to which un-economic industries are being propped by government help. But not only must the best social ends be pursued; they must be sought in the most efficient way. But to test efficiency is not easy. Before we can do that we

must discover if governments at present are trying to do things they are not competent to do. In short, the present economic position, and the future prospects, seem to call for a reconsideration of those Canadian habits which have given us great debts without having at the same time provided our economy with some more sound stabilisers of income than now exist in Canada. And what would happen to our debt structure in the event of being involved in another war, is something to be afraid of.

We admitted in the beginning that this second part of our background was rather dim. And we may sum up the second part by saying that there is a conflict of view at present. Some people believe that our worst enemy is the fluctuation in external trade, while others think that they see lurking beneath this snake a more insidious enemy. It is Canada's chronic tendency to hope for an income from what nature provided, the dependence on debt when nature shows the limitations of her resources, the consequent disparities of standards of living in the different regions, and the effect of that in rendering co-ordinated government policies more difficult. Whether this second view is more important than the other, is still too early to say. But some reasons exist for giving thought to this second view. I might summarize them as follows: The existence of distressed areas (i.e. those suffering what seems to be more than temporary economic retardation), the failure of the construction industry to revive in the boom of 1936-37, the low level of our national income in that boom (only half way between the 1929 peak and the 1933 low), the extent to which governments were still gaily unbalancing the 1937 budgets that they had striven hard to balance in the dark years from 1931-3, the extent to which these budgets are concerned with trying to transfer income to creditors and to needy persons, the extent to which our banking system invests in government securities rather than the old-fashioned industrial loans—these are all evidences of some far-reaching change in the internal structure of the economy.

Training The Unemployed

Editorial Note: Among the measures taken to reduce unemployment, one of the most constructive is to give appropriate training to the unemployed so that they are fitted for work. In Canada training schemes for juvenile unemployed have been established in all provinces assisted by grants from the Dominion Government, while attempts to train adult unemployed are still in an initial stage. In the latter field Great Britain has made valuable achievements.

I.—Unemployed Youth Training in Nova Scotia

By F. H. SEXTON

General Problem.

ALL over Canada, worried parents with boys and girls who have left school and cannot find any regular work, are the ones who realize most keenly the acute problem of youth unemployment. The young people, themselves, are definitely distressed, but accept the strange conditions more calmly than do their fathers and mothers. The latter are not so deeply concerned about the fact that their offspring still require clothes and meals from a shrunken family income, but that they are denied the opportunities of a normal significant life, productive work, economic independence, marriage, establishment of a home, and self-respecting citizenship. The elders experience a mounting anxiety that their loved sons and daughters are condemned to a dark future in which a few more years of enforced idleness will gradually squeeze out their ambition, initiative and desire for regular work, and fix them in frustrated lives as feeble, drifting, helpless human wrecks, spinning out aimless existences on the public dole. No wonder the older generation begins to doubt the advantages and superiority claimed by some for the present mechanistic civilization over the social and economic order that they entered when they were young.

Reactions of Unemployed Youth.

Youth on the whole bears up better under the strain. They are more adaptable and more optimistic of the future. Most of the boys find congenial chums who are also idle with whom they play games on the vacant lots and loaf along the curbs. They get occasional casual jobs on relief projects which help to buy a new windbreaker and denim trousers, a few cigarettes, an occasional moving picture theatre ticket, and a cheap adventure or mystery magazine. They do not consider the present as a fixed condition and look forward hopefully to a turn of affairs that will bring them a job and a chance to enter a normal life. Few of them deteriorate enough in four or five years of idleness to settle down in a gypsy life with mere subsistence, but have resiliency enough to work satisfactorily if they find a position. Few, however, have wisdom or initiative enough to lay out and follow a program of study and self-improvement which will qualify them for a definite occupation for which they are fitted. Very few make continuous efforts to find an opening and after making some applications in the most evident places, most of them subside into passive complacency with the conviction that there is no employment to be had. They have the vaguest ideas about what occupations they were best fitted for, the requirements for success in common crafts and vocations, and no

knowledge of the technique of seeking a job.

In the first few years after the depression began no one thought much of the fact that youth was idle because there were so many heads of families and competent persons who were without work. During this time all sorts of policies were adopted to share the available employment as fairly as possible. People with dependents were kept on the payroll even if they were not as competent as some others who were single. The young people as a class did not get any consideration. There has been such a surplus of applicants for employment ever since, that youth has not had much chance to start life careers. They have been piling up in greater and greater numbers until their plight has become one of national consideration and concern.

Lack of Opportunities for Training.

During the depression business and industry dropped their provisions for apprenticeship because they had to practice the most rigid economies in order to survive. This abandonment of training received the approval of labour, because it would not be common sense to prepare young people for trades where skilled craftsmen were not all able to find work. This continued policy, however, has worked to the grave detriment of youth in the last few years. When they apply for work, they are asked what specific kind of work they can do and usually reply that they have a good general school education, but have not yet had any practical experience. They hasten to add that they are willing to work for small wages or nothing so that they may acquire some competency and skill. The employer almost invariably replies that he is looking for a trained worker and has no time or facilities to train novices. The young person is thus caught in a curious dilemma where he cannot get a job because he has had no practical experience and cannot get the necessary experience even if he is willing to work for it without pay. Obviously the only way to break down the barrier confronting youth is to pro-

vide him with some opportunity to follow a program of apprenticeship or vocational training in an occupation for which his natural abilities, education, and interests fit him for success. This must be established and maintained by some agency or authority outside of business and industry. The most evident one is a department of government which is most deeply concerned with the problems and welfare of youth.

Dominion Appropriation for Youth Training.

After these problems of the unemployment of our young people had become clamorous for action, the National Employment Commission recommended that steps be taken by the Federal Government to promote measures for the training of boys and girls who had left school and could not find work, so that they might become competent in the useful trades and occupations for which they had natural aptitudes. Accordingly, the Dominion appropriated a million dollars in 1937 for this purpose and made it available through the Department of Labour. Since the needs varied in different parts of the country, the provinces were asked to co-operate in the work and to develop those projects which seemed most likely to achieve the most valuable results. The provincial authorities were asked to provide a sum equal to that offered by the Federal Government, and to secure a contributory expenditure from municipalities where training centres were established for local purposes.

The response was immediate and general. Every province organized new training projects covering a wide range of objectives. They included preparation for a great variety of business and industrial occupations as well as some activities for the promotion of the health and the strengthening of the morale of youth out of work. The program of each province was distinctly different from the others as might have been expected, but all were fired with the same purpose of setting the feet of the coming generation on the path toward useful productive labour and self-support. The

success of these efforts during the first year was so satisfactory that the Federal Government increased its appropriation for the present fiscal year and the activities expanded throughout the Dominion.

Youth Training in Nova Scotia.

Nova Scotia has carried out a variety of training programs for its unemployed youth in mine apprenticeship, auxiliary apprenticeship, household service, power sewing machine stitching, a woodworking co-operative production unit, and specialized short courses in various phases of agriculture.

Metal Mine Apprenticeship.

The great expansion of metal mining, especially in gold production, was one of the most valuable phenomena in the great depression. It afforded much needed employment, furnished an immense tonnage to our beleaguered railways, provided large revenues to governments, stabilized and strengthened our financial structure, gave us the means of meeting foreign obligations, and assisted the national life in many other ways. This field offered employment opportunities for trained underground workers. The Province secured control of a gold mine at Chester Basin which had temporarily suspended activities and organized it as an apprenticeship training centre to prepare young men for the occupations of drill runners, timbermen, hoistmen, millmen, Diesel engine operators, and other vocations associated with gold mining. The mine was staffed with engineers to give supervision and theoretical instruction and with a number of experienced miners to give the practical training underground.

Young men were carefully selected with the required physique, health and interests from among those in the colliery towns who were unemployed and put through a rigid course of training for a period of a year. They were given the necessary clothes for underground work, subsistence, and a stipend of fifty cents a day at the start. As they increased in proficiency the pay was increased by stages to one dollar per day. Their recreation was organized and supervised

by a trained instructor. When they reached the required stage of competency in their occupation, they were placed on regular jobs in the mines of Nova Scotia, Quebec, or Ontario. The number of youths being trained at any one time was about one hundred. During the period of over a year of operation more than one hundred and thirty young men have completed their training and are now regularly employed. The enterprise represents one of the most carefully organized and successfully conducted youth training projects in Canada.

Youth Training in Agricultural Occupations.

The Department of Agriculture is carrying out a broad series of short courses in subjects relating to agricultural occupations and special activities in the successful operation of mixed farming. Most of them are planned to meet the needs of young men, but some of them are conducted in Home Crafts for the benefit of young women in rural life. The greater part of them are organized in rural centres so that the training is carried right to the threshold of the student's home, but others are held at the Agricultural College in Truro.

The range and variety of the work may be comprehended by considering the list of subjects offered. These are Poultry Raising, Grading of Dressed Poultry, Egg Grading, Beekeeping, Cattle Breeding and Herd Maintenance, Farm Mechanics, Horticulture, Tree Pruning and Grafting, Soils and Crops, Fertilizers, Horticulture, Home Crafts. Provision is made so that transportation and boarding costs may be given in part to the students in order to enable them to take the training. It is expected that the enrolment in these courses will reach at least 400 during the autumn and winter sessions.

Auxiliary Apprenticeship Program.

In order to train unemployed young persons for a variety of occupations, it was evident that some provision should be made for them in their own home towns. There were a number of important factors that had to be met for a

satisfactory plan. The regular demands for employment could not be interfered with. There were still large numbers of competent workers with dependents who could not find steady jobs. It would serve no useful purpose to displace one of these by a learner at low wages. The training program would have to provide for a wide range of trades in order to meet the individual abilities of the young persons and to avoid preparing too many people for any one occupation. The best kind of training would be on the job under real working conditions instead of in some school or institution because of the great expense of providing accommodation and equipment. There would have to be some means of giving the learners the scientific, technical, and related trade knowledge that is needed under modern conditions to prepare thoroughly competent and skilled workers in the occupations which they would follow through life. Some modest weekly stipend would have to be paid the learners to enable them to buy working clothes and contribute something to the family budget.

A plan of training was evolved which covered all these elements and it was designated as the "auxiliary apprenticeship" system. Employers were asked to take on one or more auxiliary workers who would be surplus to all actual labour requirements and attach them as helpers to the journeymen or skilled workers for practical instruction. The auxiliary apprentice was expected to work for one month for nothing in order to find out whether or not he wished to enter the occupation as a career and to demonstrate to the employer whether or not he possessed qualifications for success. Then, if both were satisfied, they signed an agreement for one year during which the learner was given a chance to learn the trade and was to be paid a stipend of \$3.00 per week. This contribution was made by the employer as his effort to help solve the local youth unemployment problem. The apprentice was given two half-days per week to attend a training centre where he was instructed in the mathematics, drawing

science, business courses, and trade knowledge necessary for a thorough understanding of his specific vocation. The whole enterprise was organized and administered by the Technical Education Branch of the Department of Education under the provincial Department of Labour. The costs were shared equally by the municipality, the province, and the Dominion.

Vocational Surveys.

In order to ascertain the information as to whether or not an auxiliary training centre would be justified in a town or city, the Technical Education Branch first conducted a vocational survey. Young men between the ages of 18 and 25 were given extensive individual interviews in which the pertinent facts were gathered about their abilities, education, experience, interests, and ambitions for a definite vocation. Guidance and counsel were given each one about their choices and the possibilities. Then each employer and proprietor of business establishments was canvassed to see if they would take one or more apprentices. A report was made to the municipality with recommendations for the establishment of a training centre and an estimate of the cost.

Apprenticeship Training Centres.

North Sydney was the first town to set up a program of auxiliary apprenticeship and it has been conducted there successfully for over a year. Glace Bay started a training centre this summer and it is now functioning smoothly. The City of Sydney has had a vocational survey and had decided to proceed with the organization of such a plan of vocational training. The five towns of New Glasgow, Pictou, Stellarton, Trenton, and Westville jointly requested a survey which was recently completed and are now considering the establishment of a similar co-operative effort in the near future. Over 1,000 young unemployed youths have been interviewed and over 300 openings have been found where they can get training. The breadth and variety of occupations can be judged by the follow-

ing ones taken at random from the list:—automotive mechanic, baker, barber, boilermaker, carpenter, retail clerk, credit clerk, dental technician, electrician, draftsman, jeweller, laundryman, telephone lineman, machinist, painter, pattern-maker, photographer, plumber, plasterer, printer, sheetmetal worker, shoe repairer, tailor, tinsmith, undertaker, welder, X-ray technician. It is felt that the plan meets many of the needs of the situation and will be extended to other towns and cities in the near future.

Household Service Training Centres.

Investigations proved that there were opportunities for young women in household service if they were given definite training for this occupation. Centres have been established for this purpose. In each case a practice house has been secured and staffed with instructors who have had thorough training in teaching household arts. Groups of girls consisting of between 15 and 20 have been given instruction for a period of three months. They had to become skilled in all the jobs that are performed in the ordinary good home and were given classes in nutrition, sewing, personal hygiene, home etiquette, etc. At the end of the course they were given an interim certificate of competency which was exchanged for a permanent one after three months of satisfactory service. Such centres have been operated in North Sydney, Sydney, and Halifax and plans are formulated for conducting them in other places.

Power Sewing Machine Training.

In Windsor and Truro are textile factories where underwear and garments are manufactured. Most of the work is done by girls and the largest number of workers are operators of power sewing machines. There is a seasonal fluctuation of employment and a fairly large annual labour turnover in this occupation. A training class was set up in a school in each centre and equipped with the types of power machines used in the factories. A group of 10 to 15 selected girls was given practical instruction in

their operation under an expert operator for a period of four months. All of the girls in one centre found employment within three months and part of those trained in the other centre are now at regular work.

Co-operative Production Unit in Woodworking.

In the town of Inverness a Community Development Association was formed about two years ago to promote activities for the improvement of the locality. One of the projects proposed was the establishment of a woodworking factory to serve the needs of the district and to give occupational training to some of the unemployed youth. The one industry in the town is coal mining and this is owned and operated directly by the provincial government. Most of the houses in the town belong to the mine. The government had promised to give the Association two dollars for every dollar raised by voluntary subscription.

The Association secured the use of an abandoned concrete building belonging to the mine for the purpose of establishing a woodworking factory. The government gave also the roofing material and lumber needed for the rehabilitation of the building and electric power. A group of ten young men who promised to give one year of their time to the enterprise was selected and the Technical Education Branch furnished the services of a competent instructor on a part-time basis. It took seven months to put the building in condition because the good intentions of the learners faded gradually until only one of the ten remained at work. More recruits were signed on and finally the shop was ready for equipment. Some second-hand machinery was purchased and some was loaned from the Technical College. This was installed and this month orders were secured from the mine for material to repair the company houses. Enough work has been promised to keep the shop going for a year and the group became fired with a new spirit when actual orders rolled in and is now working nights. The group is forming itself into a regular co-

operative production unit and the prospects for its success seem very bright indeed. The whole enterprise has been an experiment, but some such procedure must be followed in other places and other activities if work and training are to be provided for our idle youth.

A good start has been made in tackling the problem of training our unemployed youth for useful lives. Only the fringe has been touched but methods have been actually tried out that promise success. The auxiliary apprentices who have been carefully selected and placed at work have stuck to their jobs and given their employers satisfaction. Only a dozen

or so have withdrawn after a trial or have had to be replaced. If some small increase in business activity comes within the next year which seems reasonable to expect, they will all find regular employment and the way will be open to take on new recruits for training. No apprentices have been developed during the last ten years and employers state that there is a dearth of skilled workmen in every line to supply the demands of normal activity. This emergency method of co-operative training for young people may well become a permanent activity in our educational and industrial life.

II.—Training Schemes for the Adult Unemployed in Great Britain

THE training schemes organised by the Ministry of Labour in Great Britain are intended to repair the effects of prolonged industrial depression on the workers of the country. The first, through the Government Training Centres, gives six months initial training in a specific trade, to selected unemployed men, while the second deals, through the Instructional Centres, with unskilled men of the labouring type and aims at a three months general "toning-up" which will help them to regain and hold employment.

Vocational Training.

The fourteen Government Training Centres with accommodation for 7,500 men are not intended in any way as a rival to apprenticeship in the supply of skilled workers. They merely meet certain needs which apprenticeship, particularly in times of trade depression, is unable to meet—the needs of men who, perhaps through domestic misfortune, but chiefly through the industrial circumstances of the district in which they grew up, have been unable to enter industry in the normal way and have been condemned to unemployment. Men

(such as miners and textile workers) whose skill has become redundant or obsolete are also helped to learn new trades. Men who have served in the Army and thus been deprived of industrial experience are similarly prepared for their entry into civil life.

Recruitment is carried out through the Employment Exchanges, and while first attention is given to the Depressed and Special Areas—any man over eighteen who can show that he has no chance of employment in his normal occupation can apply for training. An interviewing panel tests men's educational and physical capabilities and endeavours to ascertain the trade for which they may be suited. Particular importance is attached to the keenness which men show, for it is impossible to obtain satisfactory results without willing co-operation on the part of the men themselves.

Fares are paid to the Centres, which are usually located in prosperous districts. Unemployed men receive the unemployment benefit or allowances to which they would ordinarily be entitled if unemployed with 5 shillings a week extra for incidental personal expenses and special provision is made for their dependants. They live in lodgings near

EDITOR'S NOTE: The above article written by a British expert has been provided through the courtesy of the Institute of Public Administration, London, England.

the Centre, which cost them 17 shillings, all found. Their midday meal is given free at the Centre.

Four Centres, and a certain number of places at two others, are reserved entirely for soldiers who are trained in the last six months of their colour service. They receive their Army pay, together with lodging, food and light allowances, which enable them to live out exactly as do the civilians at other Centres. This provides a smooth transition to civil life. An Army Officer and clerical staff administer their pay while they are at the Centre, but discipline is civilian, and no uniform is worn or rank held. On July 1st, 1938, the Ministry of Labour also took over the Army Vocational Centres at Hounslow and Chisledon and administers them as part of the general training scheme. The responsibility for the training of all suitable men due to leave the Army now rests with the Ministry, which undertakes the task as an agent for the War Office.

The atmosphere of the Centre is like that of an industrial factory, and men "clock" in and out punctually. The actual training is a combination of the deliberate methods of long-term apprenticeship and of a technical school lecture course. The practical lessons of the day are recorded in notebooks which are regularly inspected by Instructors, and an attempt is made, by orderly presentation of the elements of a trade, to develop a capacity to learn full skill from later experience of production work. The trades taught, are as follows:

Engineering

Draughtsman	Motor Mechanic
Fitting and Turning	Panel Beating and
Instrument Making	Sheet Metal working
Machine Operating	Welding (Electric)
Metal Polishing	Welding (oxy-acetylene)

Building

Bricklaying	Gas and hot waterfitting
Builder's labourer	Painting
Carpentry	Plastering
Tile fixing	

Miscellaneous

Cabinet Making	Glass tube bending and
Coach Body Building	welding
Coach painting	Hairdressing
Coach trimming	Hotel waiting
Factory labourers	Upholstery
French polishing	Wood-machining

Placing in Employment.

Fares are paid to the area in which the man takes employment (or home if he is not placed immediately) and Household Removal facilities are available for his family in appropriate cases. A tool kit is provided for those who find employment in the trade in which they have been trained within twelve months of leaving the Centre.

It is not claimed that men, after completing their courses, are fully skilled, but it is considered that they can obtain a wage sufficient to maintain themselves while adding to their experience in actual employment. Accordingly the starting rate of wages is not as important as are the prospects offered by the position. Particular care is exercised in the choice of vacancies for the men and special officers are deputed to watch over this. Reports of each man's progress during training are kept, and these are circulated to all exchanges where vacancies may be available. Copies of this report are also filed with the man's claim records and thus, should he ever become unemployed again, his capacities are made known to the Employment Exchange at which he claims for insurance benefit.

The scheme must be judged by the number of men which it places in employment, and by this standard its success has been considerable, for during 1937, out of 10,761 men who completed the course, 10,424 or over 97%, found work.

Non-Vocational Training.

The problem of men who are not acceptable for training in a skilled occupation but who are in danger of deterioration through long unemployment is met by the Instructional Centres of which there are now twenty-four with accommodation for 4,500 men. The

work is mostly of the "pick and shovel" kind, but it is in the healthiest surroundings, generally on the estates of the Forestry Commission. It would not be undertaken by paid labour for many years to come. Good food, regular hours, physical exercises and carefully graded work result in a real improvement in health and morale.

Recruitment is carried out through the Employment Exchanges and the Area Officers of the Unemployment Assistance Board*, and is voluntary. Admission is open to men resident in any area between the ages of eighteen and forty-five who are in need of reconditioning, but preference is given to the Depressed and Special Areas. All men must undergo a medical examination. During 1937, 20,588 men passed through the Centres.

Most of the Centres are residential and consist of hutments established near the work to be done. In the summer months, temporary camps are opened which increase the accommodation available. Men receive unemployment benefit or allowances and special provision is made for their dependants during training. A charge is made for board but trainees are left with 41 shillings a week for incidental personal expenses.

An educational class is conducted at each Centre, and men who show themselves suitable are given elementary workshop training with a view to transfer to a Government Training Centre. A course for hotel work is also provided for men who are unable to undertake heavy labouring work and who are suitable for this employment.

Preparatory Training.

The Department's experience in recruiting for Government Training Centres and Instructional Centres showed there were many men who were prevented from taking courses away from their homes either on account of some easily remediable physical disability or from reluctance to try a way of life with which

they were unfamiliar. Two kinds of "trial centres" were therefore established to perform the dual function of bringing men up to the standards required for training at a Government Training Centre, and to enable them by experience of preliminary training in a local centre to judge for themselves whether they would be prepared to undertake the longer course away from their home districts.

Preparatory Centre.

An experiment was first tried in South Wales of providing a Preparatory Centre locally in order that men likely to profit by training at a Government Training Centre might be given in their home districts a short course designed to prepare them for transfer to such centres.

A six weeks' course was given which included workshop training and educational instruction. Men attended the centre in the mornings one week and in the afternoons the next. They lived at home and received their unemployment benefit or allowance, supplemented by a training allowance of 21 shillings and a free midday meal.

The Centre was remarkably successful in sending forward to the Government Training Centres numbers of men who would otherwise not have applied for admission or, in some cases would have been refused admission if there had been no opportunity of testing them for a few weeks locally. It was accordingly decided to extend and develop the idea, and this was done by setting up what are known as Local Training Centres.

Local Training Centres.

These give a course normally lasting not more than twelve weeks, designed to meet the special needs of two classes of unemployed men in the Special Areas—first, those who are not either immediately willing to leave home or qualified (educationally and medically) for admission to a Government Training or Instructional Centre, but who may become willing or able, after a preparatory course of training in their home district; and second, those who are unable to leave home (e.g. owing to domestic

*The Board, established 1935, assists able-bodied unemployed which are not entitled to unemployment insurance benefits.

circumstances) but who may be rendered more able to obtain and hold local employment by a course of training. The hours are 40 a week, with no attendance on Saturdays.

A special feature of these Centres is the medical, dental and optical treatment that is provided out of the funds of the Commissioners for the Special Areas to treat minor disabilities. The course is progressive in character, and divided into groups of trades to which men are allotted according to their several capabilities. A system of tests and reports provides a check on the progress of men at the Centre and ensures that they gain full benefit from the course.

Men attend the Centres on five days a week, and live at home; where this is more than two miles from the Centre their daily travelling expenses are paid. They receive their unemployment benefit

or allowances, supplemented by a training allowance of 21 shillings a week, and a free midday meal at the Centre.

Conclusion.

The training schemes are organised by a special department of the Ministry and have a technical staff of their own. As will have been seen from the foregoing description, they work in close co-operation with the Employment Exchange service and the Industrial Transference machinery of the Ministry. Recruitment, on the one hand, is mainly from areas of heavy unemployment, and placing, on the other, mainly in prosperous districts. In addition, the schemes themselves are co-ordinated, and the system of preparatory training helps to provide that no suitable man will miss the chance of a course from which he may be able to profit.

Systems of Tax Collections in Rural Municipalities in Nova Scotia

By W. C. DUNLOP

THE problem of the collection of taxes is a vital one to Cities, Towns and Municipalities throughout the Province, and with a total amount of over one and a half million dollars collected by Municipalities in 1937, it can readily be seen that it is a matter which is entitled to careful consideration with a view to betterment if possible. There have been in the past considerable differences in the manner of collection between towns and municipalities; in towns the collection of taxes has been for years under the direction and control of the Clerk, while in municipalities, until recent years, there has been a collector for each polling

district; in 1929 the Assessment Act was amended so that one or more collectors could be appointed for the whole municipality or for more than one polling district.

I deal first with collectors for each polling district, which system still prevails in about half the municipalities in the Province. With few exceptions, this method can be said to be unsatisfactory and to have outlived the conditions under which it worked fairly satisfactorily. The reasons for this are not hard to find. In the first place, the amount to be collected has increased, taxes are more difficult to collect and the job requires a man with considerable business ability, possessed also with tact and good judgment. Appointments are only from year to year and changes are frequent. The

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collector is a neighbour and the commission is small, consequently he finds it difficult and embarrassing to force payment from his friends and in a good many cases only collects the easy taxes and returns the roll incomplete. The collector is not under any direct control of the Clerk or other official and if he falls down on the job nothing can be done until the annual meeting of the Council, when a change can be made, but in the meantime a year has been lost. Added to these defects is the problem of bonding, the bonds in general being provided by two friends, with added difficulties should it be necessary to collect.

During the last few years the Municipalities of Halifax, Colchester, Antigonish, West Hants, Kings, Guysborough, Yarmouth, Barrington and Clare have appointed one collector for the whole municipality, while Cape Breton and Richmond have two each, and the reports from these municipalities show that this system is more satisfactory, showing increased collections with a saving of expense. For instance, the report of the auditors of the municipality of West Hants for 1937, where the Clerk has been the collector since 1933, shows increased collections of \$11,430.37 over the year 1932, the last year of district collectors, with a saving of \$2,161.38 in commissions. To the same effect is the report of the Clerk and Treasurer of Kings County, where in 1933 the collection of taxes was placed under his control; while Colchester, another large municipality that adopted a single collector in 1937, reports that taxes were paid in much earlier than in previous years.

Halifax Municipality with a total levy of approximately one hundred and

eighty thousand Dollars in 1937 appointed one collector in March 1937, with much more satisfactory results and increased collections than in previous years. In 1938 the Clerk was appointed Collector, with an assistant who travels throughout the Country. This municipality, along with Antigonish, Lunenburg and Pictou, collects interests on overdue taxes as provided by the Act, and in 1937 the amount collected was substantial, being \$1919.56.

The largest taxing municipality in the Province, Cape Breton County, at a special meeting of the Council on March 29th, 1938, appointed two collectors for 1938, instead of twenty-four as in 1937. A perusal of its proceedings and the By-laws adopted shows that the subject had been given serious thought before the change was made.

The conclusion arrived at after studying the reports of the different municipalities that have adopted the principle of one or two collectors is that it gives much better results at a considerable saving in cost. So far, no municipality that has adopted it has shown any intention of returning to the district collector system. With it the Clerk is able to keep in close contact with collections from day to day and to give the standing of a ratepayer immediately. My opinion is that the whole collection of taxes should be placed under the control of the Clerk, the same as has existed for years in connection with Towns, and he should maintain a permanent office with regular hours, where regular books can be kept, moneys paid and deposited daily and interest charged on overdue accounts. With efficient help the cost of collection can be greatly reduced.

English Municipal Finance

By D. NORMAN CHESTER

The sources of revenue of English Local Authorities are shown in the following table.

Revenues of Local Authorities in England and Wales in 1934-35. (Excluding Trading Undertakings).

	£	Per cent of total.
Local Rates	154,782,080	45.9
Government Grants	127,144,966	37.6
Rents, Fees, etc.,	55,954,720	16.5
	<u>£337,881,776</u>	<u>100.0</u>

The table excludes income from loans which in 1934-35 amounted to £44 million and was spent on works of a capital nature, housing schemes accounted for £24 million or over half of this figure. This large figure of capital expenditure on building houses accounts for the increasing amount of money received from rents. Local authorities now own about one million houses most of which have been built since 1919. House rents cannot, however, be regarded as a source of income in the same sense as local rates can, for the money so received is already earmarked for interest and repayment of debt and the repair and maintenance of the houses and in fact these rents are not sufficient to meet these charges and the deficit is made good from rates and grants. Trading services have been missed from the table though they form a large part of local authorities enterprise in England. Many of these provide some relief to the rates but water supply is often run at a loss. The present tendency is for local authorities to provide their transport, gas, electricity and water services as near to cost price as possible and without trying to make a profit.

Local rates as the table shows are still the main source of local revenues, notwithstanding the large amount received from Government Grants. The significance of this sources is increased by the fact that it is subject to little or no central control. There are no general statutory limits on the amount of rates that can be levied so that the only effective limitation is the unwillingness of rate-payers to bear further increases. There are limitations in respect of what local authorities may spend on one or two small services e.g. they cannot spend more than the produce of a rate of $1\frac{1}{2}$ d. in the £ on advertising the amenities of their area.

The English local rating system like most English institutions is of comparatively ancient origin. It is the Act of 1601 of Elizabeth's reign which really laid down the basis of the present system. For some time previous to this attempts had been made to maintain the poor by means of voluntary almsgiving but the voluntary principle broke down and several Acts were passed towards the end of the sixteenth century finally leading to the great Act of 1601 which not only dealt with poor law but attempted to settle the problem of how the cost of maintaining the poor should be met. The Act gave no directions for the guidance of the overseers as to the method or system by which assessments were to be made or rates collected. It merely directed that occupiers of certain specified properties in the parish and every inhabitant of the parish were to be taxed in aid of the poor. The basic principle of Christian almsgiving is each to give according to his ability and so as the poor rate was to be a kind of compulsory almsgiving the same general principle could be applied. Generally speaking, therefore, the poor rate in its early years at least was to be a kind of local

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income tax. In 1635, for example, are found references that the principle of measuring ability should not only be by the amount of income but also be by taking into account family circumstances and expenses connected with them. If this had been generally carried out it would have resulted in a form of taxation very much like the modern income tax but partly by court decision and partly by reason of administrative ease the principle of ability to pay deteriorated into the levying of rates on the basis of the annual rental value of occupied property.

With that slight historical introduction we may now turn to a description of the present day basis of the tax or rate which constitutes the English local authority's main source of income. There are two keys to the English system—occupation and annual rental value. In all except a few cases it is the occupier and not the owner who is legally liable for the rates levied during his period of occupation of the property. Though the actual basis of the tax is the annual value of the property, the tax is not payable when the premises are empty but only when they are occupied; in other words the tax attaches itself to the occupier and not to the property. In many cases particularly where the property is working class houses let at a small weekly rental, the rate is paid by the owner. This is an easy method of collection for the tenant pays the rates in his weekly rent instead of having to find a lump sum annually; the municipality is saved the trouble of collecting money individually from hundreds of small ratepayers, and in return for his trouble the landlord receives a special rebate or discount. This method of collection is called compounding and in Manchester about 90,000 of the 229,000 assessments are collected by this method. It must be noticed, however, that even in these cases the occupier is still legally liable for the rates. The legal liability of the occupier can always be enforced by the issuing, first of a summons to appear before the magistrates to show why he has not paid, secondly, of a distress

warrant which allows the municipality to take and sell sufficient of the ratepayer's personal furniture etc., to cover the debt and finally, if all this fails, the ratepayer in arrears may be committed to prison. Actually even in the most depressed towns the percentage of bad debts is very low being usually less than 1%.

Certain classes of occupiers are either exempt or enjoy reduced rates. These may be divided into two main groups. The first group is composed of bodies such as religious scientific and charitable institutions which are exempt largely on the grounds that they are not profit making organisations and also that their aims should be supported. Incidentally, though Crown property is exempt from rating but does make a payment in lieu of rates, most municipal property is rateable. For example, municipal schools have to pay local rates but voluntary (i.e. church etc.) schools do not pay. The second group is composed of certain types of private enterprise which Parliament has thought fit to relieve of some of its rate burdens. Since 1929 mills, factories and other industrial premises, railways and canals all receive a rebate of 75% so that their assessments are reduced or derated by this percentage. Agricultural land and buildings (except farm houses) have since 1929 been wholly exempt from local rates.

The basis on which property is assessed is the annual rental value. The assessor first ascertains the gross value of the property. In simple language gross value is the rent at which a premises might reasonably be expected to let from year to year if the tenant undertook to pay all the usual tenants charges and the landlord undertook to bear the cost of repairs, insurance and other expenses. The rateable value, which is the figure on which the rate is actually levied, is usually obtained by deducting a stated percentage from this gross value to allow for the cost of the repairs etc. Even though the majority of property in England is occupied by tenants, only a small proportion of tenanted property is let on a yearly rent, weekly and monthly

tenancies predominate in dwelling-houses, whilst 5, 7 and 14 year leases are quite common for commercial and industrial premises. Thus, even in respect of property for which figures of rents are available, adjustments must often be made so as to arrive at the annual rental value. The difficulty of valuation has increased in recent years because of the growth of house ownership so that for thousands of new houses no rental figures are available and the rental value must be estimated. Greatest difficulty is in respect of such peculiar properties as mines, cinemas, railways and tramways, and public utility undertakings generally. Various methods are used by valuers to estimate the value of these properties, sometimes a percentage of the capital value of the land and buildings is taken, sometimes the receipts and expenditure of the concern have to be examined.

There are two consequences of this English basis of local taxation which have been the subject of a deal of criticism. The first is that empty property and vacant land pay no rates, there being no occupier to rate. It has been urged that empty property still has the advantage of fire and police protection services and that in fact the value of the property would fall if the streets were not repaired and kept clean. Furthermore it has been suggested that the landlord being under no pressure to pay rates on the property is encouraged to hold out for higher rents. Sometimes this empty property may result in quite a loss of revenue to the local authority, the Manchester City Council lost £310,000 or nearly 6% of the total rates it levied in 1937. In the City of London and in Scotland a portion of the rates levied are charged on the owners of empty properties and in recent years the London County

Council has tried to get special powers to do likewise but so far Parliament has not approved.

The second criticism is that the rental value basis does not take into account the potential value of the land. For example, a small house near the centre of the city may have only a small rental value even though the land it is built on has a high capital value. The assessment of the property will only be raised if the rental value of the house increases or, as is more likely in this case, the land is turned to the commercial use indicated by its high value. Critics of the system say that this puts no pressure on the landowner to develop his property and that as part of this increased land value has been due to the community it should be taxable by the local authority.

Both of these criticisms have in recent years gained strength from the fact that most local authorities have been hard pressed for money. Local rate income has not increased at the same pace as expenditure on social services and though the Government have come forward with increased grants most local authorities have had their eyes open for new sources of revenue independent of Government control. Rating of empty property and vacant land and the rating of land value have their strong supporters. In addition a local income tax has been suggested. So far, however, no new important sources of local revenue have been made available for English local authorities and the main burden of local expenditure is still levied on the basis of the annual rental value of occupied property. Grants in aid given by Parliament have become increasingly important but raise so many important administrative and political points as to deserve an article in themselves.

Fire Protection for Rural Areas in Nova Scotia

By J. A. RUDLAND

THREE kinds, or classes of safeguards are required to make property located in rural areas reasonably safe from fire.

The first of these is the exercise of care and forethought in the construction, maintenance and use of the property, with a view to eliminating, so far as possible, all needless fire danger.

The second is individual or home preparedness in the form of simple equipment for use in extinguishing fires before they reach serious proportions.

The third is community preparedness, consisting of a fire fighting organization equipped to check larger fires or to prevent their spread to buildings other than those in which the fires originated.

Such an organization, with more effective equipment than the individual can maintain, is needed to hold the loss to a minimum in those cases in which the first two classes of safeguards have failed or threatened to fail.

In the first class of safeguards or measures for the elimination of fire danger, the questions and problems involve consideration of safe construction, proper maintenance, and due caution to the proper use of heating, lighting, and other equipment and materials that involve danger to life and property.

The second class of safeguards is covered by the heading "Home fire-fighting Equipment".

To be of real value, home fire fighting equipment must be kept in a handy place, and in condition for instant use. The successful use depends upon early discovery of the fire.

Ladders—Numerous roof fires are caused by sparks from the chimney. A ready means of reaching the top of a roof has saved many a building. The appearance of buildings is sometimes marred by attaching fire ladders, but in many instances the ground ladder can

be located inconspicuously, and the roof ladder may be merely a narrow board having a few small cleats.

Instead of attached ladders, it is well to have two light portable ladders, one of which has a large hook for hooking over the ridge pole. Householders should be sure that ladders are in good repair.

Fire pails and barrels—Many small fires may be extinguished with the use of a few pails of water. The water should be thrown so as to drench the burning material. If directed toward the top of the flame, most of the water will be wasted.

Fire pails are usually of wood, fibre or galvanized steel and hold about 12 quarts. The outside should be painted red, and the words "FOR FIRE ONLY" stencilled in black. One pail to each 400 to 500 square feet of area served is generally sufficient. The pails should be hung from hooks or brackets, or set on shelves 2 to 4 feet from the floor.

The main shortcomings of the pail protection is the tendency to use them for other purposes, failure to keep them filled, limiting the water reserve to the relatively few pails that can be kept on hand, and the difficulty or impossibility of reaching fire within flues, partitions or walls or on high ceilings or roofs. Minor disadvantages relate to evaporation, freezing or stagnation of the water—Covers or lids will lessen evaporation, 3 to 6 lbs. of common salt or calcium chloride dissolved in each pail will prevent freezing.

Storage of water in casks, barrels or tanks adds much to the value of the pails for fire fighting.

Water under pressure—To fight a well ignited fire successfully requires more water, and higher pressure than is ordinarily obtained with farm water systems.

Fire extinguishers—Putting out a fire with the least damage depends upon early

discovery and rapid action. Portable extinguishers that contain a small quantity of water or other extinguishing agent are highly useful for this purpose. But, they are intended only for the control of fires in their early stages.

For convenience, fires have been classified according to the way in which they can best be extinguished in their early stages; Class A, fires in ordinary combustibles, like wood, paper, textiles and rubbish; Class B, fires in small quantities of flammable liquids, oils and greases; and Class C, fires in electrical equipment.

Fires are commonly put out in two ways; (1) by cooling the burning material below the burning temperature, and (2) by smothering the fire, and depriving it of air necessary to support combustion.

Class A fires are best put out by cooling with water or water solutions. Class B by smothering with a gas or foam, Class C fires introduce a third condition, that the stream applied be a non-conductor of electricity, so as not to cause electric shock or injury to the user.

Water is ordinarily not effective in fighting fires in flammable liquids. In fact, it may cause the spread of the burning liquid over a larger area, and make the fire more difficult.

There are several types of effective extinguishers as—the Pump Tank Type—Principal size $2\frac{1}{2}$ and 5 gallons—Plain water or a non-freezing solution of calcium chloride—Soda Acid $2\frac{1}{2}$ gallons, commonly used, Larger S. A. Extinguishers common sizes 20 and 40 gallons on wheels.

Carbon Tetrachloride—Vaporizing liquid pump—gun type common sizes 1 quart and $1\frac{1}{2}$ quart. Vapor is heavy and non-inflammable and smothers the fire. Foam Type—most common sizes $2\frac{1}{2}$ gallons. The foam smothers the fire by clinging to the burning materials and excluding air.

Community Fire Protection

To bring out more clearly the relation of the third and final fire safeguard, community fire protection, to the other two it should be assumed that reasonable attention has been given to the elimina-

tion of fire hazards in the construction and maintenance of buildings, and that each house is supplied with certain simple fire fighting equipment readily at hand. In such a community although the average annual fire loss will be small, yet the need for organized rural fire protection will exist. How much more pronounced then is the need for such protection in the more typical community in which fire prevention and home fire fighting equipment are given only meager attention.

A rural fire department may not be able in many cases to save the building in which fire breaks out, particularly if this building happens to be the barn. But in most cases it will prevent the fire from spreading and destroying other buildings, and thereby substantially lessen the loss that otherwise would occur.

Assuming that the fire fighting apparatus provided, is efficient and the fire fighters properly organized and maintained, its effectiveness in reducing losses will depend upon a number of factors, among which are promptness in giving the alarm, condition of roads, distance to be travelled, water supply available for fire department use, and location of buildings with respect to one another. Although a department's efficiency may be limited, in some or perhaps all of these respects, they have a good record in communities where these facilities are available. The purchase, maintenance and operation of rural fire equipment is financed in a number of ways. In many cases, the money is raised through public subscription by farmers and townspeople. Economy in providing fire-protection service in a rural community may often be brought about through co-operation with nearby villages.

A description of what appears to be suitable fire apparatus maintenance and service given by a volunteer department in the Province follows:—

Waterville—Cambridge, Kings Co.,
Nova Scotia

Volunteer Fire Department

Area Covered is about 4 Square Miles.
Equipment Stationed at Waterville.

Equipment—1 Model "T" Ford, chassis fitted with body carrying the following equipment:—

2 x 40 Gallon Tanks of Soda Acid—150 feet x 1" Hose.

3 x 5 Gallon Hand Water Pumps.

2 x 2½ Gallon, Soda Acid Fire Extinguishers.

Carbo Oxide—Chimney Extinguishers.

1 "Gar" Gun—(Chemical Powder Extinguisher).

8 Water Pails.

Spare Bi-Carbonate of Soda.

Spare Sulphuric Acid.

1 Iron Bar and 50 ft. of Chain for obstinate Cresote or soot chimney fires.

1 Extension Ladder.

4 Other Ladders.

8 Coats and Hats for Firemen.

Whole cost was \$2,500.

This equipment is housed in a Frame Building 25 ft. by 15 ft. Concrete Floor, Electric Light, Work Bench, Stove for

Heat in winter electric heater for engine. Keys are kept with Chief, Assistant Chief, Driver and the Secretary Treasurer and Commissioners.

Whole cost of house was \$1,500.

Initial cost and annual maintenance costs are raised by tax on residents in the two districts—rate amounts to not more than 1½ mills annually, any balances left over are kept in the Fire Protection Fund.

The equipment can reach any point in the 4 square miles covered within 15—20 minutes and has frequently been of service further afield—This equipment has undoubtedly saved a great deal of property—Inspection shows the engine and supplies are well kept and ready for instant service.

Transportation in the Economic Life of the Maritimes

By RAND H. MATHESON

THE nineteenth century witnessed in North America and Western Europe a procession of economic changes commonly called "The Industrial Revolution". This revolution resulted in the concentration of production in large plants, particularly in large centres of population. The larger scale of production required large supplies of materials and also larger outlets for the finished products. Fortunately, at the same time, the application of steam power to carriage furnished the means for large scale distribution at relatively lower costs.

About the middle of the nineteenth century the Maritime Provinces were enjoying a certain amount of prosperity, principally along the seaboard. The commercial cities of Saint John and Halifax were rated highly among the principal

seaport cities of the world. A movement towards the construction of a railroad to connect New Brunswick, Nova Scotia and Prince Edward Island with what was then known as Canada had received a temporary set back because surveys and investigations had determined its commercial infeasibility. On the other hand, the movement towards confederating the Provinces was gaining momentum.

It was generally considered, by the statesmen of the time, that an intercolonial railway was essential for the successful confederating of the Provinces. Indeed, the promise of an intercolonial railway soon became the most important inducement to the Maritime Provinces to enter the confederation project.

At the London Conference in 1866 resolutions were adopted providing for the construction of the Intercolonial Railway. The Imperial Government also

EDITOR'S NOTE: Rand H. Matheson is Transportation Manager of the Transportation Commission of the Maritime Board of Trade with headquarters at Moncton, N. B.

guaranteed a loan to assist in the construction on the understanding that national, imperial and strategic considerations would supersede those of a commercial nature. The British North America Act of 1867 provided for the construction of the railway "with all practicable speed". The undertaking was completed by a circuitous route in 1876 to River du Loup where the Grand Trunk gave the Intercolonial access to Quebec and Montreal.

From the outset it has been the general understanding that the Intercolonial railway was "to afford Maritime merchants, traders and manufacturers the larger market of the whole Canadian people instead of the restricted market of the Maritimes themselves." Indeed, the rate policy of the railway up to about 1912 appeared to confirm that understanding. However, from 1912 to 1925 relatively greater increases were effected in the freight rate structure in the Maritimes than in central Canada. These increases the Royal Commission on Maritime Claims, in 1926, found to have placed upon the Maritime Provinces a burden which was never intended it should bear and, moreover, a burden which tended to depress abnormally business conditions in the Maritimes. An immediate reduction of 20 per cent was recommended by the Commission on "all rates charged on traffic which both originates and terminates in the Atlantic Division of the Canadian National railways (including both export and import traffic, by sea, from and to that division), and that the same reduction be applied to the Atlantic Division proportion of the through rates on all traffic which originates at stations on the Atlantic Division (excluding import traffic by sea) and is destined to points outside the Atlantic Division."

The recommended reductions, with the exception of import rates to stations in the Atlantic Division, were implemented in full by the Maritime Freight Rates Act. The reductions became effective on July 1, 1927.

The industrial development, which took place in Canada during the latter part of the nineteenth century, tended to

favour concentration in the central Provinces. The principal factors influencing this concentration were: proximity to raw materials, greater density of population, protective tariffs, low cost transport, advantages of a central location for distribution, etc. Of all these, protection policies and the low cost of transportation for production and distribution were undoubtedly the most dominating. Thus it is not difficult to understand why the Maritime Provinces, producing principally primary commodities a considerable distance from the principal markets of Canada, tended to lag in the economic progress of Canada.

The industries that did establish and develop in the Maritimes were, at the outset, considerably handicapped by differences in transportation costs. It is only those industries that have been able to offset the disadvantages of transport to the larger markets of Canada by other economies or by export to foreign markets that have been able to survive. In fact, even the few industries that produce commodities of relatively high value have complained from time to time of the burden of the transportation factor as compared with their competitors located nearer the principal markets.

Manufactured and miscellaneous commodities loaded at railway stations in the Maritimes in 1936 amounted to only 15% of the total whereas agricultural, mine and forest products amounted to about 84%. In Ontario for the same year manufactured and miscellaneous commodities amounted to about 34% of the total freight loaded not including a large movement by motor truck. In other words, the bulk of the goods produced in the Maritimes are basic or primary commodities which, because of their low value and high density, cannot bear high freight rates.

In the majority of cases, the primary industries of the Maritimes are competitive with industries located nearer the centre of greater population and consumption of Canada. It is patent, therefore, that differences in the cost of transportation are actually additional costs of production to Maritime industries.

The Maritime Freight Rates Act, by re-establishing relatively the previous relationship in rail rates, had the effect of alleviating to some extent persons and industries in the Maritime Provinces. But prior to the passing of the Act, economic changes were taking place, including the revival of road transport, which operated to destroy the relationship in rates established by the Act and consequently destroy, to some extent, its benefits.

The railways have felt keenly the development of motor truck distribution and the concomitant more modest revival of water transport. The competition has been more intense and quicker to develop in the industrial centres of Canada. The resultant effects have been reduced cost of transport and improved and quicker means of carriage in that area. In other words, factors which augment the advantages of location in the central Provinces unless off-set by other compensatory factors for industries in the Maritime Provinces.

The economic changes that have been taking place during the last fifteen years or more have been watched with no little concern by business leaders in the Maritimes. Evident on all sides are changes in production and marketing which are closely interwoven with changed transportation conditions. In this connection, it is apparent that the merchandizing policy during the last ten years has stressed small stocks and rapid turnovers; that consignees desire door to door deliveries; that the re-location of production activity is tending to take place in some places; that retailing is forced by traffic congestion in the principal thoroughfares of our cities to less important streets; that burdensome taxation in some cities is forcing industry to seek relief in other localities.

Some of the manufacturing and semi-manufacturing industries of the Maritimes have found it necessary to utilize warehouses, more and more, in the principal markets in order to meet the new merchandising policy and also the door to door deliveries of their competitors. On the other hand, there have been some instances in recent years of

plant and branch re-location in the Maritimes of central Canadian industries brought about, no doubt, by changes in the merchandising policy.

From the point of view of the Maritimes decentralization of industry would be a desirable thing. It would, of course, mean the establishment of more plants in the Maritimes. This section of the country would tend to become more self sufficing, importing only the commodities which could not be produced locally. The principal hindrance to such a development at present is probably the limited markets available within the Maritimes itself. In other words, an industry, economically speaking, would not make a change unless it was clearly indicated that it would be cheaper to establish a plant in these Provinces.

Whether or not there exists a trend or tendency towards industrial decentralization in Canada is not clear from present observations. However, investigations conducted in the United States indicate definitely that there is a tendency for industry to re-locate towards the South and on the Pacific coast. Transportation is an important, if not a dominant factor, in the re-location of industries in that country. Yet, other factors such as labor and taxation also play an important part.

It would appear, however, that decentralization or re-location of industry in the direction of the Maritimes will not be very extensive in the immediate future, unless labor and taxation problems in the larger centres tend to off-set the comparative disadvantages of transportation. But, it must not be overlooked that concurrent increases in Maritime taxation might be sufficient in itself to discourage the re-location of industries seeking relief.

It is evident, however, that a number of Maritime industries have developed despite the disadvantages of distance from the principal Canadian markets. A survey of those industries and the products thereof indicates that:

- (a) Other advantages existed which tended to offset the transportation advantages of competitors.

- (b) The industry enjoyed a monopoly production in Canada.
- (c) Markets were widened because of water transport.
- (d) The cost of transportation to the value of the product is relatively low.
- (e) The products are principally exported.
- (f) Careful grading created a market preference.
- (g) The proximity to raw materials was controlling.

Some of the industries enjoy a combination of these compensatory factors.

The fact that a number of Maritime industries have been able to carry on successfully is worthy of serious study. It might be true that, in some cases, the size of the industries may be small as compared with competitors in the central Provinces. Nevertheless, the fact of the apparent success of these industries gives rise to a hope that through investigation, invention and research it might be possible to develop the production of other commodities which, together with advantages now possessed by the Maritimes, it will be possible to market universally. Specialization in production of high valued goods also offers another field.

The question now arises, in what manner or by what means can new industries be attracted or developed? The largest and most progressive industries in the United States today have been and are promoting research both economically and scientifically with some degree of success. The industries of the Maritimes, generally, are not sufficiently large to afford the establishment of research departments. It is suggested, therefore, that a research department supported jointly by industry and the Governments and operated in conjunction with the universities would be a move in the right direction.

Space does not permit a complete discussion of the possibilities of research. Suffice it to state that particular concentration on the products of Maritime

industries the demand for which, in the present state, has been considerably curtailed due to world economic conditions might result in discoveries that would alleviate depressed conditions in those industries.

The problem of agriculture also could be included in the research program for the purpose of determining the causes and possible remedies for the relatively large vacation of farms in New Brunswick and Nova Scotia while the Maritimes import annually large quantities of food-stuff which, some people claim, could be produced locally.

An industrial development, concomitant with agricultural rehabilitation, would also add materially to the business of Maritime ports. Instead of steamship services to Maritime ports being considerably curtailed during the summer months, as at present, increased industrial activities in the hinterland of the ports would tend to attract more regular and frequent steamship connections. Improved steamship service would also tend to encourage a greater proportion of through traffic originating at and destined to other parts of Canada.

The question of transportation is obviously of paramount importance to the economic life of the Maritimes. Therefore, the maintenance of rate relationships, in a changing rate structure under new economic conditions, is essential if the present and future industries of these Provinces are to develop and prosper. In this connection, the revival of regular steamship connections between the Maritimes and Great Lakes—St. Lawrence waterways, in 1927, was due largely to the effect on Maritime industries of the reduced rates and improved services created by the development of motor truck competition in the central Provinces. Moreover, recently, Maritime industries found it necessary to oppose a Government measure to regulate water transport between the Maritimes and Great Lakes because it appeared that regulation would tend to disrupt present rate relationships to the advantage of other industries to competitive markets.

Industrial Relations and Social Security

The Social Responsibility of the Employer

By ARTHUR B. PURVIS

BY the term "Employer" we mean one who is entrusted with the responsibility of managing a section of industry for the good of the community, his stewardship therefore requiring him to hold the balance fairly between his three masters, viz., the owners of the savings entrusted to his care, the employees of the concern which he runs and the public to whom its products are sold.

For the owners of the savings entrusted to his management he has to provide such reward as will be sufficient to justify his being allowed to branch out into new employment-providing business ventures as invention and improving technique permit, or in other words, as will continue to attract so-called "venture capital."

For the employees of the business he must provide as steady jobs as the nature of the business can be made to permit along with—at the worst—a living wage and—at the best—an ever-increasing standard of living and security.

For the public to which the products of the business go, he must provide an improving quality of product at a lowering price level.

While believing that adversity often brings out great qualities of individual endurance and therefore causes growth of individual character, nevertheless it is also my belief that the human race to achieve its highest spiritual purpose requires a background of greater economic opportunity for the average individual than yet obtains. In the achievement of this aim the three phases of management's

responsibilities outlined surely provide a sufficient field to keep the fires of enthusiasm burning very brightly.

To achieve the three purposes outlined, profitable enterprise is obviously a necessity, for without it a sufficient margin would be lacking and the sources of enterprise would "dry up". Indeed individual incentive would be increasingly lacking, and the ground already won would probably be lost and reflected in a reversal of the higher standard of living trend so obvious in the history to date of productive enterprise. Admittedly there have always been the few who serve without hope or desire for the personal reward which goes with money: power, community admiration—or whatever other reward the individual most values in life; but such individuals are few and far between and complete selflessness is I fear so unusual as to be a negligible, even though, one can hope, a growing, practical force.

For the "run of mine" mortal I think we can agree that financial reward, at least in the earlier period of his life, still provides the best all round method for harnessing his efforts for community good.

Such reward I believe is not earned at the expense of the community. "You can't take it with you." And if there be what appears to be surplus earnings or reward to an individual or to a business it quickly and of necessity returns to the community, for there is ultimately no where else for it to go.

Some may feel that with government planning and running of business, as good results as, or better results than, those which have been achieved under the individual incentive motive, would be achieved. Such centralized control however must of necessity still involve the

EDITORS NOTE: Arthur B. Purvis is President and Managing Director of Canadian Industries Limited, Montreal. The address published above was delivered at the Second Maritime Conference on Industrial Relations held in Halifax October 28 and 29th, 1938.

faults that go with human management and must surely lead to totalitarianism with the individual subservient to the state instead of the state existing for the benefit of the individual. Surely we can already see enough of that type of experiment, whether styled as Fascist, Communist, National Socialist, or other "ist" to make us prefer the method which has already brought us so far along the road towards decent living standards for all. Forced labour on unproductive work, or even upon productive work, at subsistence wages is surely no solution of unemployment as true democracies understand solutions, nor does it represent a method likely to tend towards the ever increasing standard of living for the average man which is the all important desideratum.

So I assume this community need for profitable enterprise, whether for the individual or for employment—creating business developments.

With this background let us then examine the social responsibilities of the employer, i.e. that phase of the employer's problems that have to do with the assurance of a fair minimum wage and an ever improving standard of living for the employees of the enterprise he manages.

The question, surely, is one of relative emphasis.

In the past the daily demands imposed upon management (whether identical with ownership or not) were onerous enough to have resulted in an insufficient development of a philosophy of approach to industrial relations problems. In the other two phases of business management obligations, namely the obligation to the man who had saved and had his savings available for investment in employment—creating ventures, or even that to the consuming public, the relationship was direct and in the main overpowering. If the support of those who had saved was not forthcoming, management found itself automatically in a "cul-de-sac". Or if the public was not satisfied, it limited its purchases to strict necessities. But in the industrial relations field, the labouring man was often

dependent for his very subsistence on the day to day job. Human frailties therefore, following as ever the line of least resistance, resulted in management being less worried regarding its industrial relations obligations than regarding those in the other two fields. In fact as we all know the more short-sighted side of management often went so far as to exploit labour as a means of satisfying its obligations to the other two forces. A reaction towards common sense in this matter later occurred, aided where necessary by crude direct action by the workers, a reaction which was already established when my early business life began, and gradually the emphasis has changed and is still changing even in the harder-boiled type of employer, and management is genuinely concerned over its industrial relations. Unfortunately neglect of this phase of technique has, as always, impaired efficiency in the handling of it and in many cases the technique of industrial relations requires a drastic overhauling. That today is increasingly obvious to all, not least to management, and profitable business is rapidly realising the advantages of increased efficiency in this domain. For efficiency it is that is required, even more than the impetus which comes from human sympathies. The worker has a right to expect more than sympathy—namely the realisation that the satisfaction of the workers legitimate needs and constant consideration of his personal problems is an ordinary part of successful business management.

With this emphasis constructively in the process of change and correction, how can we attempt to chart our course in the interests of successful enterprise, so as to accelerate the process and prevent the inevitable waste of effort involved in a number of unrelated ad hoc decisions?

What has labour the right to expect from management?

What has management the right to expect from labour?

In satisfying labour's needs, what are the limitations involved in the interest of the general public?

How best can management and labour

be brought to appreciate each others' problems?

These are the vital questions today.

In endeavouring to answer these questions, obviously one of the first requirements is to keep that outlook practical by bearing in mind that progress at any given time must be confined to the maximum advance which can be secured for the employees in the industry in question consistent with meeting the other two types of management obligations outlined, keeping always in mind also the governing necessity that none of the objects can be properly achieved unless enterprise is profitable.

What can labour legitimately expect from management? I suggest:

1. That management of each industrial enterprise should really have an industrial relations policy; a carefully considered one, and one that is overhauled at frequent intervals.
2. That management be sincere in carrying out its industrial relations policy by making it known and operative amongst its employees.
3. That management see that there is machinery set up and operating which will enable it to keep in constant touch with employee needs, small and large, something that is more than ever necessary in these days of large business enterprises, which have done much to improve productive and distributive efficiencies, but which, however, by their very size have involved lessened individual contacts between headmen and the general run of workmen.
4. An appreciation of the vital necessity of helping the worker to provide himself with "security" against the normal vicissitudes of life, in order that fear of the future may be removed as a source of daily worry.
5. An appreciation of the necessity of avoiding a paternalistic outlook in achieving security results under 4, an outlook which is frequently all too prevalent in forward looking smaller family business concerns.
6. An appreciation of the advantage involved in seeing that the employees share with the public and with the supplier of venture capital, in the form of an increasing "real wage", the efficiencies which flow from technological improvements in industrial processes.
7. A willingness to help in the development of governmental protection for the worker against those of life's vicissitudes for which management finds it is outside the power of the individual business in question to cater.

Again, what has management the right to expect from labour? I suggest:

1. A recognition of the fact that if enterprise is unprofitable jobs are insecure and pay is bound to be low. That profitable enterprise is therefore a "sine qua non" if labour is to prosper.
2. A recognition of the fact that labour is a partner with those who venture their savings in the enterprise and with the consuming public (of which after all labour is the largest part) and as such must be willing to see the other partners benefit from enterprise.
3. A willingness to sit down with management in an effort to understand the mutual problems involved in maintaining and creating profitable enterprise.

Now, how best can management and labour be brought to an appreciation of each others' problems?

Obviously varying conditions in different branches of industry will call for quite differing treatment.

Where strong labour and employer organisations already exist in a given industry, machinery for handling major issues such as wage adjustments is already there. Even in these cases however there may be much room for improved contacts.

Where union organisations or employer associations are weak or non-existent, an effort must be made wherever practicable to solve the problem through

the creation of new points of contact. And here in Canada I feel management has a great and unusual opportunity, particularly in many manufacturing industries, to contribute to an improvement in the art of industrial relations, an opportunity of which advantage has frequently not yet been taken.

Much has been made recently of the necessity for labour having the right to organise; the right to bargain collectively with employers; and the right of individual workers to participate in such activities without any question of their jobs being endangered as a result of such participation.

To my mind these touch largely the more academic side of the questions at issue. They should be, and in most cases I imagine are, conceded freely and without argument, and certainly every employee should be entirely free to join or not to join a given labour organisation and should suffer no prejudice from the employer in so doing.

What is a much more vital necessity is the immediate establishment of machinery to provide for a continual exchange of ideas as between the worker and management. In very many cases I believe this can best be achieved through the medium of the Works Council idea, worked out in whatsoever manner is most suitable for the individual factory or enterprise. Nor do I refer to any perfunctory council engaged in discussing only minor problems to the avoidance of major ones, though it is startling to note how often minor problems unknown or badly handled so frequently develop into major ones. Unless management's representatives appreciate that they have as much to learn for the benefit of the business as can be imparted to the worker in such councils, relatively little progress will ensue from their establishment. And again without such a medium of common understanding there can be no adequate realisation of the common aim, namely the prosperity of the enterprise itself. Such councils need not cut across trade unionism, nor across the responsibilities of management, but surely it is often evident today that the lack of such media

for understanding each others' problems has left a fertile ground for demagogic meddling with, and muddling of, issues. And whether management likes it or not the fact remains that we must have lacked in efficiency in handling our industrial relations problems or we would not today be fearing the lack of understanding by labour of management's problems, a lack which is probably frequently matched or nearly matched by management's lack of understanding of the problems of the individual labourer.

Today there is much too much a tendency to look to legislation to put right our industrial difficulties. So many feel that if we make this unlawful or that lawful all difficulties will be overcome. We even see in a neighbouring country an act put through which assumes it is only on the part of the employer that unfair labour practices can occur, an act which, largely as a consequence of this bias, is engendering many more difficulties than it set out to cure and which in causing fear and uncertainty is holding back jobs from the worker. No, legislation, except in special instances, is not to be trusted as a solution. There is no substitute for the gradual growth of standards inside any human institution. Legislation may point the way but compulsion is a poor weapon as compared with co-operation and seldom achieves its purpose.

What we need in Canada is more conscious effort inside industry on the part of management and labour to obtain a better understanding of each others' needs and for this effort I feel management must assume the prime responsibility. Governmental effort is better restricted to encouragement of such programmes and to mediation where co-operation has temporarily failed.

I have endeavoured to suggest a general background of approach for management's Industrial Relations policy. It is meant to be something for discussion and development as may best suit particular circumstances, not as a dogmatic statement. But as to the necessity of some greater emphasis on this phase of manage-

ments' problem and of prompt moves by management to improve its efficiencies where industrial relations are concerned I have no doubt. Truly it is one of the main foundations of any public relations policy and productive enterprise suffers much today from management's past and present lacks in this regard.

Second Maritime Conference on Industrial Relations

Sponsored by a group of Maritime industrialists headed by J. B. Hayes, Manager of the Nova Scotia Light and Power Company, the second Maritime Conference on Industrial Relations took place at Dalhousie-Kings on Friday and Saturday. It was held under the auspices of the Dalhousie Institute of Public Affairs which was also in charge of the preparations. The purpose of the Conference was to give careful study to the problems affecting the relationship between companies and their employees, and also to the efforts of governments to promote the welfare of the workers.

The Conference was attended by more than fifty industrialists from all parts of the Maritimes and a number of invited guests. All major industries from Nova Scotia and New Brunswick were represented, twenty-two of the visitors coming from outside Halifax. The provincial governments of Nova Scotia and New Brunswick had sent representatives as well as the Federal Department of Labour in Ottawa and the Canadian Manufacturers' Association in Toronto.

The first session, under the chairmanship of J. B. Hayes, was occupied by papers and discussions dealing with the employer-employee relationship. A. B. Purvis, President and Managing Director of Canadian Industries Limited in Montreal, spoke on "The Social Responsibility of the Employer".¹ He gave an inspiring address that was followed by more than an hour's discussion. R. L. Dunsmore, Superintendent of the Imperial Oil Limited, read a paper on "Company Pension Plans".

From the discussion following the paper it was apparent that the majority of the Conference strongly favoured the establishment of pension plans in Maritime industries and as far as possible on a contributory basis. Colonel A. N. Jones, Vice-President of Pickford and Black, took as his subject "Employees' Representation".

In the foreground of the second session which was presided over by F. M. Blois, M.L.A., Superintendent of Stanfield's Limited, Truro, was the problem of unemployment. Stewart Bates, Professor of Commerce, Dalhousie University, discussed the "Economic and Financial Implications of the Canadian Unemployment Problem",² while R. D. Crawford, Town Clerk of Amherst, dealt with "Unemployment Relief", and R. W. McColough, Chief Engineer of the Nova Scotia Department of Highways, explained the program of public works carried out in the Province of Nova Scotia.

The last Conference session, for which G. E. Graham, Vice-President and General Manager of the Dominion Atlantic, acted as chairman, was devoted to the problem of "Arbitration and Conciliation". G. V. V. Nicholls of the staff of the Canadian Manufacturers' Association in Toronto explained "The Legal Background", while E. B. Paul, Resident Superintendent of the Dominion Steel and Coal Corporation in Stellarton, discussed "The Practice in Nova Scotia", and W. A. MacDonald, President of the Canadian Union of Marine Engineers, gave the viewpoint of the employee.

The program also included two luncheon meetings. The first, under the chairmanship of Hon. Dr. F. R. Davis, Nova Scotia Minister of Health, was addressed by Dean V. C. MacDonald of the Dalhousie Law School on "Canada's Social Problems and the Constitution". At the second luncheon meeting Professor B. A. Fletcher of Dalhousie spoke on "The Social Responsibility of the University". D. R. Turnbull, Managing

1. Mr. Purvis' paper appears on p. 88 of this issue.

2. Professor Bates' paper appears on p. 64 of this issue.

Director of the Acadia Sugar Refining Company, acted as chairman.

A new committee was elected to carry on the work of the conference and to prepare for next year's conference. The committee is composed of the following: Chairman, D. R. Turnbull, Halifax; J. A. Ford, Moncton; F. C. Macnabb, Saint John; J. A. MacDonald, Sydney; F. M. Blois, Truro; B. J. Waters, Liverpool; J. B. Hayes, Halifax, and C. J. Morrow, Lunenburg. Professor L. Richter of the Dalhousie Institute of Public Affairs, will further serve as secretary to the committee.

The Labour and Industrial Relations Act of New Brunswick

The Labour and Industrial Relations Act, passed at the last session of the New Brunswick Legislature, provides for the appointment of a Fair Wage Officer to hear complaints and investigate wages, hours and conditions of labour prevailing in any trade, industry or business. Where it appears that the wages, hours or conditions of labour are inadequate or unfair, the Officer may call a conference of representatives of employers and workers to attempt to adjust the conditions. The conference is to submit to the Minister of Labour a report of its proceedings and conclusions. The latter may refer the report to the Fair Wage Board, to be appointed by the Lieutenant-Governor in Council and to consist of five members (who are to hold office during pleasure), two of whom are to represent employers and two employees with a disinterested person as chairman. Whether or not an investigation or conference has been held, the Board may make orders establishing fair rates of wages, and maximum hours, and fix overtime rates.

The sections of the Act dealing with freedom of association follow to a certain extent the lines of the Draft Bill of the Trades and Labour Congress. It is declared that "the right of employers and employees to organise in associations, trade unions or other groups for any lawful purpose is hereby recognised", and

that it is lawful for employees to bargain collectively with their employers and to conduct such bargaining through their representatives elected by a majority of the employees affected, or through officers of the organisation to which the majority of such employees belong.

The sections relating to investigation and conciliation of labour disputes apply to any dispute between an employer and a majority of all his employees, or a majority of his employees in any separate plant or department. Where a dispute exists either party may apply to the Minister for appointment of a Conciliation Commissioner, or the Minister may appoint a Commissioner on his own initiative if he deems it advisable. The Commissioner is required to investigate the dispute and seek to arrive at an amicable settlement. If he is unable to effect a settlement, the Minister must refer the case to a Board of Conciliation, but unless otherwise ordered by the Minister such reference is only to be made when the dispute affects 30 or more employees. The Board is made up of one representative of the employers, one of employees and the third, who is to be chairman, nominated by the members so chosen. If within a given period either party fails to appoint a representative, the Minister must make the appointment on their behalf. After making a full inquiry the Board is required to submit its report and recommendations. The question of acceptance or rejection of the Board's report is to be submitted to a separate vote (by secret ballot) of employers and employees, neither being required to accept it. Exemption from the provisions of the Act is granted where there is an agreement between an employer and an organisation of employees for arbitration of disputes.

Under the new statute strikes and lockouts are prohibited unless the dispute has been referred to a Board of Conciliation and the parties have voted to accept or reject the recommendations of the Board or unless the matters in dispute have been dealt with and an order made by the Fair Wage Board.

Legislation in Great Britain Providing For Holidays With Pay

The recent Holidays With Pay Act (1938) of the British Government empowers Trade Boards and Agricultural Wages Committees in England, Wales and Scotland to provide for holidays with pay for the workers for whom they prescribe minimum wages. Similar powers are given to any statutory bodies for the regulation of minimum wages, such as the Road Haulage Central Wages Board, set up under new legislation.

The wage-regulating authorities mentioned are given power to direct that any workers for whom they are fixing or have fixed minimum rates of wages or statutory remuneration shall be entitled to be allowed holidays. These holidays shall be of such duration, subject to certain limitations, as the authority may direct, and the direction may also contain provisions as to the times at which and the circumstances in which such holidays shall be allowed. The first of the limitations on the duration of the holiday is that it must be related to the duration of the period for which the employer has employed the worker or has engaged to employ him. The second limitation, applied in certain cases, is that the holidays shall not exceed one week in any period of twelve months. Agricultural Wages Committees may not provide for holidays of continuous periods exceeding three consecutive days. All such holidays allowed to a worker shall, unless the direction otherwise provides, be in addition to any other statutory holidays to which he may be entitled.

The necessary power to fix "holiday remuneration" is granted to the Trade Boards and Agricultural Wages Committees, the Road Haulage Central Wages Board having already been granted such powers by the Road Haulage Wages Act.

It is also provided that the holiday remuneration shall both accrue and become payable at the times and subject to the conditions laid down by the authorities.

The Act provides that on a joint application made by an organization representing employers and an organization representing workers in an industry or a branch of an industry, the Minister of Labour may in accordance with arrangements made by him with the consent of the Treasury assist the administration of a scheme for securing holidays with pay by attaching officers of the Ministry and in any other way he thinks fit. In particular the arrangements made may provide for the Minister to make to the workers the holiday payments due under the scheme. Where this is done the arrangements shall also provide for both the sums paid out and any expenses attributable to the scheme to be repaid to the Minister.

Hospital Insurance Plan Adopted by Company

The John LaBatt Company has announced that it will assume the cost of employees' hospital expenses. In a circular issued to all employees, it was stated: "The burden of hospital expenses is in many cases a serious load for the individual to carry. The bills resulting from sickness may oftentimes take most of an individual's savings. Therefore, the Company have pleasure in offering to all employees a plan of hospital insurance." According to the plan, each employee receives an allowance every day for which he is confined to any licensed hospital for sickness and off-the-job accidents, as well as a certain indemnity for the use of operating rooms, anaesthetics, etc. The plan has been adopted without cost to employees.

Current Public Affairs

Canada's Newest Village

On August 13th of the present year the Nova Scotia Housing Commission's first housing project was formally opened by the Premier of Nova Scotia. The project which in reality places upon the map a brand new village, has been built in the Tompkinsville subdivision situated on the Sydney-Glace Bay highway near Reserve, C. B.

With the first cement of the foundations poured in the early weeks of June, visitors to the opening ceremonies in mid-August were able to see one house completed and ten others in various stages of construction. The field day which marked the occasion was featured by speech making, music and visits to the one already completed model home.

It is reported that the end of the year will see the new village replete with comfortable well-planned homes, built of the best materials and housing as proud and happy a population as ever lived. Each home is being equipped with modern plumbing, heating and lighting fixtures—facilities which only a small per cent of rural families are as yet privileged to enjoy. No two of the dwellings are being constructed alike thus producing an individuality of appearance which is in happy contrast to the unattractive sameness which characterizes low-cost housing schemes in many lands. A field lot of ample proportions adjoins each site thus making possible light agriculture, while a parkway will eventually run through the property expanding at a central point into a community garden which will form the heart of the village and which will be beautiful with shade trees and flowers. A large play space for children is also envisaged in the scheme.

How this group of industrious young miners were able to exchange dilapidated mining shacks for commodious, modern homes at a cost of only \$9.65 per month was told in an address on the opening day by Professor S. H. Prince of Dalhousie University, who as a member of the N. S. Housing Commission has been

associated with the development of the scheme since its inception.

"The secret is to be found in the single word 'Cooperation'. There are, however, two kinds of cooperation. One is to be discovered in the spirit of the miners themselves—a group of latter-day pioneers, with all the zeal of the Rochdale flannel-weavers of a century ago."

"But the cooperation which has made this new community possible is not a cooperation of individuals alone. It is a cooperation of institutions—of State and Church and School. Enabling legislation, tax-concessions, long-term low-interest loans, free legal-aid and blue-prints—all these were the contributions of the State. The Church made possible the deed of the village-land, while from the School (in this instance St. Francis Xavier University) came able leadership and training in the principles of house construction."

"This is cooperation par-excellence, and of a kind which has no more conspicuous example up on this continent. No nation can rise above the level of its homes. The linking together of the arms of these great social institutions will hold the Canadian home inviolate for all time to come. Thus the year 1938 may be the 'annus mirabilis' of the new cooperation in Nova Scotia."

Cost of Living Survey in Canada

A survey of family expenditures in Canada including nutrition and the quantities and cost of all items entering into the family budget, was started in October. The object of the survey is to provide adequate information as to actual standards of living, income, expenditure and living conditions of families representative of large homogeneous sections of the population, and to provide weights for the calculation of cost of living numbers. A survey of this nature has been urged upon the Canadian Government from time to time by labour organisations, particularly in recent years as it was felt that the existing cost of living indices were, in some parts of the country, not

very satisfactory. At the 1938 session of Parliament funds were voted for this purpose and the Dominion Bureau of Statistics asked to carry out the inquiry. Field agents of the Bureau are at present visiting typical families of wage earners and low salaried workers throughout the country to secure the information as to family expenditures and so on. In the Maritimes the survey is carried out in Halifax, Saint John and Charlottetown. It is to be hoped it will be possible to extend the survey later on to some other districts as the findings of capital cities will be in no way typical of the Maritime Provinces.

12,845 Civil Servants in Ottawa

Ottawa has a total of 12,845 government employees being paid a total of \$20,600,000 salary annually, according to figures released by the Finance Department.

The total includes 8,220 permanent civil servants; 3,858 so called temporaries; and 407 casual and other employees. Of the total number 7,599 are males.

In Ottawa the government employee lists include 2,526 who saw overseas active service, and there are a total of 367 employees over 65 years of age, ordinary retirement age.—*The Municipal Review of Canada.*

Redevelopment of Cities

Perhaps people are inclined to take too seriously the difficulties in connection with the redevelopment of existing cities. Mr. E. E. Finch, the former City Engineer of London (Eng.), at the last annual meeting of the Town Planning Institute of Great Britain, stated that few buildings within the City of London, except those of a more or less public nature consisting of historic buildings and churches, were more than 80 years old; that 42 per cent of the property comprising the city has, in fact, been rebuilt since 1905, and that anything more than 60 years of age is likely to be replaced by modern structures in the near future. In other words, this means that the City of London has been rebuilt in a period of 60 to 80 years.—*The Municipal Review of Canada.*

Aldermen May Be Illiterate

In the Montreal civic elections next December, it will not be obligatory that candidates should be able to read and write. Last year Quebec Legislature amended the city charter's qualifications for would-be aldermen or mayors, and removed the stipulation that they must be able to understand the printed word and be able to use a pen or pencil. The new order of things comes into force for the first time at the coming elections.

Under the old law, the candidate had to fill out a form in which he solemnly testified that:

"I, the undersigned, candidate at the present election, do solemnly declare that I can read fluently and write legibly...."

The form the candidate fills in this year merely says:

"That I do not come under any of the impediments to the nomination for the office of mayor or alderman, or to the election to such office or to the holding of such office, enumerated in article 25 of the charter...."

The impediments listed in article 25 are such things as non-residence in a period of years, failure of a candidate to qualify as a municipal elector, guilt of a criminal offence. Persons in holy orders, or a minister or professor of any religious sect, are barred. Other prohibitions cover interest in city contracts, indebtedness to the city for assessments, etc.—*The Municipal Review of Canada.*

Air Minded Canada

Nearly a million pounds more freight and express were carried by air in Canada last year than the year before, according to a report of the Dominion Bureau of Statistics. The number of flights was increased by 42,500 and the distance flown by nearly three million miles. Paying passengers numbered 112,472, an increase of 13,021. So rapid has been the development that tonnage carried by aircraft was multiplied more than ten times in five years and more than three times greater than the total carried in the United States.—*From an article by S. J. Hungerford, Chairman and President of Trans-Canada Airlines.*

Legal Department

Legal Questions of Interest to Municipalities

At the course for municipal officers held by the Institute of Public Affairs at New Glasgow on August 26, a session was devoted to the discussion of legal problems affecting the municipalities. Municipal officers throughout the province had submitted such questions to the conference committee which had made provisions for having them answered by competent authorities. Some of these questions which it is thought will be of general interest to municipal officers, are given here together with the answers offered at the course.

Question: Can an idiot obtain a settlement in a poor district by reason of the fact that he or she has been boarded in that district for over five years after reaching the age of twenty-one, the parents having settled elsewhere?

Answer: The answer will depend upon the interpretation given to the words "has been boarded". The legal situation will be very different if these words mean boarded at the expense of the Overseers of the Poor or if they mean "boarded at his own expense" or "at the expenses of persons other than Overseers of the Poor".

In the *former* case no settlement can be obtained while such person is so boarded. By the fact that Overseers of the Poor of some district are paying for his board, he must have a settlement in such poor district, and while such poor district is supporting him, he cannot acquire any other settlement other than that which he had when he began to receive such poor relief.

The case is similar to time spent in an insane institution or a hospital, and neither affects the old settlement nor is any aid in getting a new one.

Halsbury (Hails.) Vol. 25, Page 413, Sec. 722, 723 and 725. Section 725 is as follows:

725. A rate-aided person of unsound mind who is chargeable to a county or

county borough is, while he resides in an institution for persons of unsound mind, deemed for the purposes of his settlement to be resident in the place to which he is chargeable.

In the *latter* case, if the lunatic or idiot is paying his own board or is being supported by any other body than the Overseers of the Poor of any district, he can obtain a settlement by residence in the same manner as a sane person. If such boarding-house is an institution or a hospital, the time spent there would not operate to count towards the five year period for settlement. If the same were a board-house or a private house where no treatments were given or if such residence in such place were not for the purpose of obtaining treatments, but was simply a residence, the time would count.

In the Nova Scotia Poor Relief Act no distinction is drawn between sane and insane persons. The words are:

18. Every person shall have a settlement in a poor district who,—

(a) has, after arriving at the age of twenty-one years, resided in such poor district for five consecutive years, and has not during that time received aid from the overseers of the poor.

Question: A man who was married first in 1912, marries again in 1926 believing that his first wife is dead, and has four children from the second marriage. Then it is found that his first wife is still alive. The children become indigent. Which poor district has to take care of them?

Answer: It may be assumed that the second marriage is a *nullity*, because of the existence of the first wife.

The four children are illegitimate and take the settlement of their mother. Their mother continues her old pre-marriage settlement and because her marriage was invalid, did not take her presumptive husband's settlement but could gain her own. In whatever poor district she had her settlement at the time the children became chargeable, that district was liable for the support of the children.

What Municipalities are Doing

Contributions from Municipalities to this Column will be most welcome.

33rd Convention of the Union of Nova Scotia Municipalities

IT is not intended to give here a detailed account of the annual Convention held by the Union of Nova Scotia Municipalities at New Glasgow, August 23-25. As in previous years a comprehensive report of the proceedings will be prepared by the Secretary-Treasurer, Judge Arthur Roberts, giving all the papers as well as the full discussion. It will be published in a few weeks and mailed to all municipal officers in the province. It may therefore suffice to summarize the most important events of the Convention.

The Town of New Glasgow had spared no effort and cost to give the 250 delegates a worthy reception. They met for the formal sessions in the gaily decorated Auditorium of the new High School. They were taken for a pleasant motor trip through the beautiful countryside and they enjoyed a fine banquet in Presbyterian Hall where one learned that the members of the Union can not only debate municipal affairs well, but are also very witty after-dinner speakers.

A number of distinguished guests from inside and outside the province had come to New Glasgow to address the Convention. The provincial government was represented by no less than three Ministers: Hon. J. A. MacDonald, Minister of Agriculture, Hon. Dr. F. R. Davis, Minister of Health, and Hon. J. H. MacQuarrie, Attorney General. Mr. MacDonald who spoke on problems of rural Nova Scotia, did not confine himself to the questions affecting his Department but dealt in a broad way with problems affecting the rural municipalities. He spoke about the conditions in country jails and stressed the need for penal reform, urging especially the separation of first offenders from older criminals. Turning to financial questions, the Minister suggested a uniform system of assessment for all municipalities. He finally advocated beautification of public and private property, offering the services of a landscape gardener retained by his Department to any municipality.

Hon. Dr. Davis, Minister of Health, had come to New Glasgow to introduce another distinguished guest of the Conference, Dr. Warren F. Draper, Assistant Surgeon General of the United States and the Chief Executive Health Officer of that country. He spoke on problems of rural health, discussing the great

progress which had been made in improving health conditions in rural areas of the United States and the methods adopted for that purpose. Of equal interest was the report given by Dr. Draper on the public health programme on which the United States will embark in the near future. It is known to the readers of PUBLIC AFFAIRS through the report of the recent Health Conference in Washington published in the last issue of this journal. Owing to the great interest with which Dr. Draper's paper was received throughout the Maritimes, it will be published as a special Bulletin of the Institute of Public Affairs and sent on request to the readers of this journal free of charge.

Another distinguished speaker from outside, though a native son of Nova Scotia, was Professor MacGregor Dawson of the University of Toronto. His subject was "Democracy in the Modern World" and was very timely in view of recent events in Europe.

Mr. Rod H. MacLeod, Barrister, New Glasgow, discussed "The Municipality and Industry", while Mr. Romkey, as in previous years, reported on recent municipal legislation, dealing especially with the new Assessment Act.

Mr. J. H. Winfield, Managing Director of the Maritime Telephone and Telegraph Company discussed in a paper methods adopted by the various municipalities in assessing telephone companies. He made definite propositions for a change of the present system which, in his opinion, were not fair either to the companies nor to many municipalities. His proposals met, however, with opposition from some of the delegates. A resolution was passed urging a further examination of the problem through the Department of Municipal Affairs in cooperation with the Union and the municipalities concerned.

Of the other resolutions passed by the Convention, the following may be mentioned;

The demands made by the executives of the Union in their Brief to the Rowell Commission were approved. The point was stressed that unemployment relief should be made a national responsibility.

The appointment of the Rowell Commission and the task given to it was commended and the efforts made in certain sections of Canada to stultify the results of the Commission's work prior to the issuance of its report were deprecated.

The Government of Nova Scotia was requested to consider the enactment of legislation restricting any construction within speci-

fied distances of the centre of any or designated highways unless a special license was obtained. The Government was also asked to give early consideration to the possibility of a reduction in the highways tax as now levied with a view to its ultimate entire elimination.

In all prosecutions under Acts of the Legislature where the fine imposed is payable into the Provincial Treasury and in default of payment the cost of imprisonment now has to be borne by the municipality, such cost should be borne by the Government in the same manner as is now followed under the Liquor Control Act.

Proper and adequate legislation should be enacted to regulate the installation of inside electrical wiring equipment.

Appreciation was also expressed in a resolution of the work done by the Institute of Public Affairs in the field of municipal administration and the incoming President was authorised to assist the Institute in the organisation of its proposed library for municipal officers.

The chief officers elected for the next year were as follows: President, A. M. Butler, C. A. 1st Vice-President, R. A. MacKinnon; 2nd Vice-President, Colonel B. W. Roscoe, K.C.; Secretary-Treasurer, Judge Arthur Roberts. The outgoing President, Mr. A. H. Sperry, paid tribute to the fine work done by Judge Roberts for the Union in his long years of active service as Honorary Secretary-Treasurer.

Next year's Convention will be held in Bridgewater.

N. B.'s Municipalities Meet

The 32nd Annual Convention of the Union of New Brunswick Municipalities was held in Hampton, Kings County, from the 7th to the 9th of September. Attendance was excellent and the high standard which was apparent in the papers and discussions once more showed what an important part the Union plays in the public life of the province. The New Brunswick Government was represented by Hon. A. P. Paterson, Minister, and J. H. Conlon, Director of Federal and Municipal Relations. At one of the sessions Lieutenant-Governor Murray MacLaren was also present.

In his presidential address Warden F. A. Menzies reported on the presentations made to the Rowell Commission during its sittings in Fredericton on behalf of the Union. In the Brief presented to the Commission the need had been stressed for relieving the heavy financial burden imposed upon the municipalities through increased social services. The alarming proportions which tuberculosis had reached in the province made it very difficult for many municipalities to care for their indigent poor. Similar difficulties were felt in the administration of unemployment relief. Both tasks, it had

been stated in the Brief, should be attacked as national problems.

Another matter that was pressed upon the Rowell Commission very strongly, was that no additional services be imposed upon municipalities by either the federal or provincial government without creating a definite taxation source for the adequate financing of such services.

The main speaker at the second day of the Convention was Hon. A. P. Paterson, Minister of Federal and Municipal Relations. His address dealt with the economic and financial position of New Brunswick. He felt that the Maritimes had not been given a square deal in the Canadian federation and that they had especially suffered from the preponderance of Central Canadian interests. In that connection the Minister pointed to tariff and freight rates which had been changed to the disadvantage of the Maritimes. The situation was not properly understood by the people in the Maritimes because they lacked an adequate education in Political Economy. This important science should, in the Minister's opinion, have a well established place in the public schools. Furthermore it should be one of the main objectives in the programme of adult education that was strongly furthered by the New Brunswick Government.

Following the Minister, Mr. J. H. Conlon, Director of Federal and Municipal Relations, spoke on the work of the Department of Municipal Affairs. It had in the last year concentrated its efforts on obtaining reliable information on the financial situation of the municipalities, and published a comprehensive report on that subject. The Department had further undertaken a study of sinking funds. Another problem that would be tackled very soon by the Department was the standardization of the methods used in municipal accounts. Mr. Conlon finally stated that the present Rates and Taxes Act was outmoded and, like several other acts relating to municipalities, needed to be overhauled and brought up to date.

At the last session of the Conference the speakers were Dr. R. J. Collins, Superintendent of the Saint John Tuberculosis Hospital, who discussed the tuberculosis problem, and Professor B. A. Fletcher, representing the Institute of Public Affairs at Dalhousie University. Professor Fletcher explained how unevenly under the present system expenditure for educational purposes was distributed among the school districts. He strongly advocated county units of school administration which would not only remove the inequalities but would also result in improvement of education and considerable saving of money.

A number of important resolutions were passed by the Convention. The provincial government was asked to:—

“Permit liquor stores to be taxed by the cities and towns in which they are located.

“Assume responsibility for the support of dependents of family heads imprisoned under the New Brunswick Intoxicating Liquor Act.

“Pay to cities, towns, incorporated villages, and to parishes which finance their own roads, one-fifth of the amount of gasoline tax collected on gas sold in such cities, towns, incorporated villages and parishes.”

The Department of Municipal Affairs was asked in another resolution to take steps to simplify the procedure a municipal corporation must follow in issuing debentures. At the present time they must obtain authority from the Legislature.

A very lively discussion developed over a resolution proposed by the mayors of Saint John and Campbellton to allow the sale of wine and beer in hotel dining rooms. The resolution was defeated by a large majority, the chief opposition coming from rural districts. The sponsors of the resolution, however, announced that they would bring the matter up again before next year's Convention.

The following officers were elected to the Executive: Warden J. B. Blanchard, of Gloucester, County Secretary W. H. Teed of Northumberland, County Secretary L. P. A. Robichaud of Kent, County Secretary G. R. McNutt of Westmorland, Alderman T. R. Eagles of Moncton, County Secretary G. C. Blight of Albert, Councillor Neil MacKellar, Saint John County, Mayor D. L. McLaren, Saint John, Town Clerk Oliver Ormwood, St. Stephen, County Secretary W. G. Brooks of Queen's, Dr. R. W. Robertson, Warden of York, County Secretary G. W. Montgomery of Carleton, County Secretary J. E. Andrews of Victoria, Mayor J. H. Proulx of Edmundston, Alderman F. S. Mundle, Fredericton, and Warden F. A. Menzies of Northumberland.

Mr. A. McF. Limerick was again elected Honorary Secretary-Treasurer and representative of the Union on the Council of the Institute of Public Affairs.

Next year's Convention will be held in Fredericton.

Course on Municipal Administration Held at New Glasgow

The Course on Municipal Administration which is being held annually following the Convention of the Union of Nova Scotia Municipalities, seems to have become a well established institution. While last year when the course was started for the first time, 30 municipal officers and officials registered, this year between 40 and 50 were present. Most of the time was taken up by discussing urgent problems confronting municipal officers in their day to day work, and discussion was at times very lively indeed. The feeling was expressed that the exchange

of opinions facilitated by the course was a most valuable achievement and that the duration of the course should if possible be extended.

The papers on the programme were chiefly meant to introduce discussion and they served that purpose very well. W. C. Dunlop, K.C., Solicitor for East Hants, spoke on “Systems of Tax Collection”, R. D. Crawford, Town Clerk of Amherst, on “Civic Improvement” and A. M. Butler, City Auditor of Halifax, the newly elected President of the Union of Nova Scotia Municipalities, on “The Value of the Audit to the Municipality”. The first mentioned paper is published in this issue of PUBLIC AFFAIRS, while the others will follow in a latter issue.

A new feature that proved very popular was the answering of legal questions pertinent to municipal work. The Institute of Public Affairs had invited a number of municipal officers to submit such questions and had asked various municipal solicitors to provide the answers. Since, however, in many cases there was no unanimity about the solution of the legal problems, there developed a lively discussion to which a great number of officers contributed.

PUBLIC AFFAIRS will publish some of the questions and answers which are of general interest in the “Legal Department.” A start has been made in this issue.

Relief Gardens in Amherst

After one year's experience in handling Direct Relief, the Town Council of Amherst in 1933 decided that Relief Gardens would be a helpful factor in caring for the needs of the unemployed and would prove beneficial both from the standpoint of health and economics. A survey of the vacant lots owned by the town was made and in addition to these, many lots owned by private individuals were donated, so that about three hundred lots are available for this purpose. Besides these, many families on relief are living on properties with fair sized back yard gardens and in some of the years since 1933, as many as four hundred gardens have been planted.

In the earlier years, the Department of Agriculture contributed one-half the cost of the seeds and fertilizer, but in the last few years, Garden Relief has been handled on the same basis as Direct Relief, the Town, the Dominion and the Provincial Government sharing the cost in the same proportion as provided under the Direct Relief contracts.

The number of gardens has varied from two hundred and eighty-four in 1932 to four hundred and seven in 1935 and three hundred and sixty-four for the present year. The average cost

per garden varied from \$2.00 to \$3.00 per year, the town's share being from 70 cents to \$1.08, while the average yield per garden varied from \$10.00 to \$12.00 per garden. In 1934, the total yield on four hundred and three gardens was \$5,157.72. As the greatest part of these gardens were planted in potatoes, the cash yield is not high but the individual is materially helped by not having to buy potatoes and smaller vegetables as well, from his relief order during the winter months when often these commodities are much more expensive.

The experience so far in Amherst, would indicate that the project is sound and has many features to commend it, both to the town and the recipient. It gives the men something interesting to do for themselves and provides them in the summer with what would otherwise be luxuries they could not afford in the way of green vegetables. The vegetables stored for winter help out with their restricted budgets for food, and in both summer and winter, the produce is conducive to good health which is amply demonstrated by the health record of relief recipients in this town. There are, of course, some who will get the seed and fertilizer and plant the garden, then leave it to the mercies of nature. Weeds, of course, soon take charge and the crop is ruined. The percentage of these

cases however, is not high and on the whole the scheme has worked out very satisfactorily.

It is not claimed though that the project has been developed here to its highest possible degree as it has always been dealt with as an emergency measure with the hope that before another year such assistance would not be necessary. But if it is to be a permanent feature, it should be dealt with in a more scientific manner and under closer supervision. In some towns where relief gardens are conducted, a large area is secured and prepared for planting by the town or relief organization and a very close supervision is maintained to see that each plot is properly cared for, lack of such care resulting in forfeiture. Under this plan the men have more inducement to excel and the whole area may well become a most attractive part of the community. It does however, entail some additional expense and a lot of volunteer effort on the part of the organization having the project in charge.

If suitable land is available and the type of men is such that can be depended upon to produce results, Relief Gardens can very easily justify the small outlay necessary, regardless of the particular plan that may be followed.

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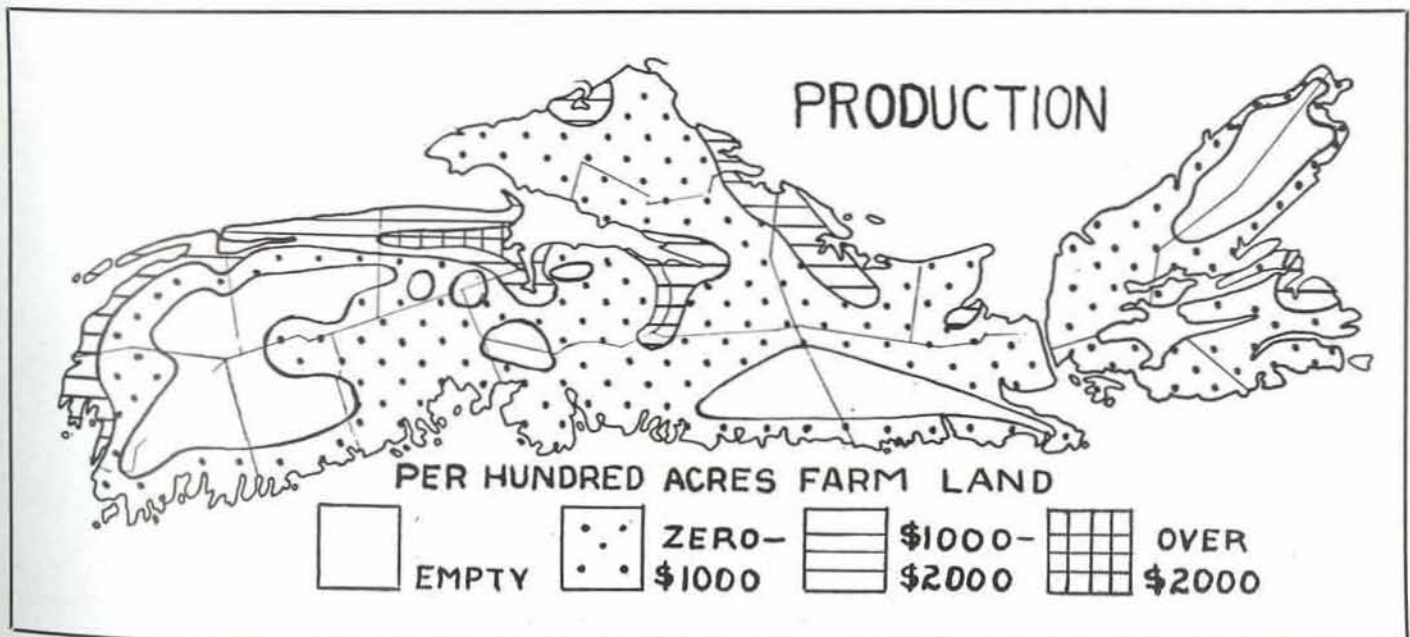
MARCH, 1939

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Special Articles on Agriculture

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Annual Value of Farm Production in Nova Scotia

See the article "Regional Aspects of Nova Scotian Agriculture" by D. F. Putnam

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Land Settlement in the Maritimes

By W. SAXBY BLAIR

IT would almost seem that the prospective farmer is seriously handicapped in his efforts to establish a revenue producing enterprise. The difference between the cost of production and the market returns from the product sold is, at best, not great, and offers little encouragement. To state that farming cannot be followed to result in ultimate profit would be far from the truth, for it is evident that where care and good judgment have been exercised valuable farm holdings have been developed. The common tendency is to expect too much during the early development period rather than to consider farming as a long-time enterprise, the profits from which are cumulative.

It is not possible to develop a farm holding quickly, hence the need for patience and definite planning for future rather than for immediate gains. The cleared land available for settlement has in many cases, due to continuous cropping, been drained of some of the essential plant food elements, and until these are supplied profitable production is not possible. Such difficulties are not easily or quickly overcome except at considerable cost, which may involve at the start an outlay greater than the value of the crop. Even this difficulty is much less, however, than that encountered by the early settler who first had to remove the forest growth to develop tillable acres.

It is stated that very often land development undertakings have been hampered because the prices paid for the holdings were too high. In a few cases that may be so, but it seldom happens that such an assertion has any foundation in fact. Farm holdings are under-valued in most instances. This is not an obstacle preventing success, although it is convenient at times to suggest this as the cause of failure. It is difficult to place a proper value on farm lands;

soil type, drainage and protection of crops must be considered as well as situation. The latter has reference to transportation facilities, schools, church and the opportunity offered for co-operative activities, so generally misunderstood, and of potentially greater value than the land itself.

The facilities afforded by the soil survey expert in determining the physical properties of the soil, and his ability to determine fairly well the elements deficient in the soil, make it much easier than it has been in the past for the settler to build up his farm so that he can bring it into full production quickly, and at least expense. The Agronomist is able to set up a plan so that the cropping of the field can be undertaken in a way that will materially lessen the hazard that otherwise might be encountered. It is quite evident that the varying services provided by our governments have been developed to the point—where if their advice is followed, ultimate success is assured.

No amount of advice can make up for a lack of intelligent effort on the part of the individual in his farming work. In this respect the farm is not different from other undertakings. Many factors are involved in the successful handling of a farm. A few may be mentioned. It is important to provide for the removal of excess surface water so that it may run, with the least possible erosion of soil, from the fields in the early spring, and if this simple thing is not attended to, the result is late working of the land, late seeding, and consequent lessened crop yield, no matter how good the land, or how well it is tilled, or how much fertilizer is used. Permanent grass water courses developed to withstand erosion are necessary, and they should be so developed as to serve the purpose for many years. Obviously the services of a competent engineer should be considered, and these are available to assist in doing this very thing. There are many

similar difficulties constantly arising which can by consistent well-directed effort, at moderate cost, be overcome, thus preventing loss hazard of great economic importance and often of sufficient size to render success doubtful. The development of an environment suitable for a crop is often as important as the supplying of plant food. This is amply evident on many of the dyke-land areas, where, because the drainage ditches have not been kept open, the crops are not nearly so good as they formerly were. It is evident from an analysis of the soil of these areas that they are capable of producing crops equal to those grown when they were first tilled. The plant food is present but the unfavorable environment for plants, due to excess water, makes profitable cropping impossible.

The introduction of vegetable matter to a soil improves the physical texture of sandy or open soils and lightens clay or compact soils. The tilth is improved in both cases and extremes of moisture and temperature modified. The leaching of plant food from light soils is prevented and its liberation is increased in heavy soils—air conditioning is improved and the aeration of the soil to promote bacterial development and root development is necessary for best growth. The rotation of crops with clover as a part of the rotation is advocated, for in this way the soil is filled deeply with roots, which, on their decay fill the soil with humus, thereby improving its physical properties and enriching it as well. To grow good clover it is necessary to use lime on most soils.

It is quite evident that the climate of the Maritimes is suitable for agriculture, and rarely are crop failures recorded as due to unfavourable weather conditions, if good cultural methods are followed. True, in certain seasons all climatic factors seem to combine to give more favourable yields than other years. This variation in yield from year to year is to be expected and is not greater here than in most countries; usually not so great. Statistics show the yield per acre of the principal farm crops to be as great as the average of the same crops in other places. Failure

is more likely to happen in attempting to grow crops designed to serve a prospective temporary market, or what might be termed a speculative type of farming, rather than a well planned, long-time, consistent type of farming, which ultimately will prove to be the most profitable.

To think that a short crop in some other country will give a great advantage above normal here is not likely to be correct—while this may have been possible in the past it is not likely to happen in the future. Facilities for transportation are such now that this cannot very well happen. It is a fact, however, that we are favourably located as compared with most countries, in that we have the advantage of short transportation to one of the best markets known for finished farm products of high quality. It is not possible to change the prevailing prices of such products on the world market, except by taking advantage of the preference given to those supplying a superior product brought about by improved methods of production.

Some say it is not possible to farm economically on the limited areas available for cropping on most farms. This cannot be true, for there are very few farms, if any, producing to their full capacity. Small holdings intelligently tilled must give as great returns for the labour involved as do large holdings. Not only is this the case but under such a plan a man can build up an enterprise that will enable him to provide a home for himself as satisfactory as that offered by other undertakings. It would seem to be better to assist in increasing small holdings than to encourage large-scale farming. A number of men equally established on their own farms must ultimately have a better chance in life than the same number employed in a temporary way doing farm work for others. The incentive is the cumulative advantages offered in the farm development scheme. True, at the start of the undertaking one may many times think the advantages are all in favour of those enjoying the income resulting from temporary employment, which may be much greater than that possible on the farm. It is because of the temporary nature of the

employment that those who go from the farm seeking better living conditions find themselves often without support in their declining years, when it is most needed. There should be a more definite effort made to assist farmers' sons to establish themselves on the land rather than to have them drift into channels where there is already a surplus of men looking for employment. The increased production of crops on the land increases rather than decreases labour requirements. The greater the production the more the labour required to assemble and transport it. The greater the employment on land the more the market for articles produced in industrial enterprises. Hence the reason why immigration should be encouraged. It is apparent that the introduction of new settlers in some parts of the country has had a decided setback in recent years because the undertaking has been unremunerative due to climatic hazards which are unknown in the Maritimes.

The thought prevails that if production above the present level is increased there will be more difficulty in marketing. It seems that until there is a surplus there is no way to effectively build up an export market. A continuity of supply of a uniform product is required as is evident in the case of apples. The price received by farmers for the product they sell locally is greater than that paid to farmers of other places who supply this same market, as handling charges and transportation have to be added to the original purchase price—which is that much to the local man's advantage.

The cost of the farm itself is only one part of the outlay necessary to make a success of it. It must be equipped with machinery, stock, utensils and various other things in order to make effective use of the land. This often is overlooked, but there is no use to hope to make a success without the proper equipment. It is better not to attempt it unless funds for equipment can be provided. It takes time to develop a saleable product and living costs must be met until such time as this is possible. The establishment costs for an average farm may be stated as follows: farm implements,

\$350.00; Two horses and harnesses, \$300.00; five cows, \$300.00; four pigs, \$200.00; chickens \$50.00; fertilizer and lime, \$150.00; seed, \$50.00; tools, \$25.00; repair materials, \$125.00; Total—\$1,350.00. To this must be added an amount to make it possible for the family to live and support the stock until the time when a revenue can be had from the farm to meet these requirements. Food and clothing must be purchased, also certain house utensils or furnishings, and it is not to be expected that these will average less than \$20.00 per month or \$240.00 for one year. To rear the baby chicks and develop 100 pullets and the hogs will require \$100.00 for feed. To this should be added \$110.00 for unforeseen difficulties, such as sickness or stock replacement and other miscellaneous things. This makes the total outlay for establishment, other than farm costs, \$1,800.00. These costs may vary considerably but if provision is not made for them it may work a decided hardship and discouragement at the start.

The revenue from land operations may fairly be considered on the basis of crop production, and the capacity of the operator to turn this into a marketable product. The capacity of the operator to adjust his crop to stock needs, or his stock to his crop possibilities, is of great importance and requires considerable careful thought. There is no purpose in developing crops that cannot be marketed and the cattle, hogs and poultry must be depended upon to turn the pasture, hay, fodder and grain into money. The value of these different crops per acre should be better understood, as otherwise we are not able to see where the revenue we expect is coming from. Information on this point is set forth below.

The value of good hay per acre, two tons at \$8.00, is \$16.00. The good cow will consume approximately two tons of prime quality hay in a year, above the pasture requirements. One acre of good oats, 50 bushels per acre at fifty cents is worth \$25.00—this with some high protein supplement will give the grain feed necessary for one productive cow for a year. Root or corn crops cost approximately \$80.00 per acre, and should

give under good cultural methods 20 tons or 40,000 pounds (800 bushels) of succulent product. The good cow can use of it four tons, 8,000 pounds, during the stable period. Good pasture is valued at \$2.00 per month per acre, or \$10.00 for five months' pasturage. One acre of good pasture will support a cow during the pasture period. If one has five cows the following crops should be planned on as necessary to feed them:

5 acres of hay	worth \$16.00 per acre..	\$ 80.00
5 " " grain	" " 25.00 " " ..	125.00
1 " " succulent crop	worth \$80.00	
	per acre.....	80.00
5 " " pasture,	\$2.00 per month for	
	5 mos.....	50.00
		<hr/>
	For 5 cows, value	\$335.00
	For 1 cow, value.....	67.00

The difficulty is to get these crops, which have no commercial value in their present state, turned into cattle products which the farmer can sell and realize the \$335.00 in cash produced from his 16 acres of well managed and well tilled land. Obviously this sum is not the equivalent of \$1.00 per day, even had he doubled this area, making 32 acres in similar crops, his cash return would be only \$670.00, and had he three times this area, 48 acres, his return would be \$1,005.00, and the crops sufficient only to support fifteen good cows.

Cows having capacity to consume the above feed and produce 6,000 pounds of 4 percent milk per year would make 240 pounds of butterfat which at 25 cents per pound would be \$60.00 per cow. The present price of butterfat is even below this price. It is estimated that to give even a small margin of profit above feed values a price of 30 cents per pound should be obtained. The skim-milk has a value of approximately 20 cents per 100 pounds or say \$12.00. The voidings from one cow approximate under good feeding conditions, 70 pounds per day of liquids and solids, which in 200 barn days would be seven tons, worth \$2.00 per ton—\$14.00. This gives for the return a total value of \$86.00, or \$19.00 above the value of the feed. The estimate of feed value includes horse and labour charges involved in its production, also seed and fertilizers.

The purpose of the above is not so much to point out the small margin between the value of the crops grown on the farm and the price recovered when turned into a dairy product, as it is to indicate the area it is necessary to cultivate to make a revenue sufficient to meet household and other charges that one must meet. Expansion above a certain point will demand additional labour and equipment, which very often the farmer cannot pay for and meet his other obligations as well. The farm offers particular advantages to settlers having boys who can assist in the farming undertakings. The poultry and hogs offer more direct sales with better returns and better opportunities for increased immediate revenue.

The raw milk at \$1.00 per 100 pounds is the equivalent of 2½ cents per quart. Butter from 4 percent milk at 25 cents is \$1.00 per 100 pounds. If butterfat was 30 cents per pound, \$1.20 per 100 pounds would be obtained, which would be \$12.00 per cow a year more—sufficient to overcome some of the present difficulties. Milk at 5 cents per quart is \$2.00 per 100 pounds, the price usually received is probably 18 cents per gallon at shipping point. This trade is limited, and an increase in the value of butterfat would be of material advantage in the development of dairying. If the price could be established at 30 cents the advantage would at once stabilize the dairy industry and encourage the long-time development plan so essential to the establishment of a more permanent agriculture.

Mention has not been made of the various crops such as potatoes, small fruits, large fruits and vegetables, the direct sales of which, while often somewhat limited, offer immediate cash returns much greater per acre of land than are possible from the regular farm crops, but which involve a much greater cost per acre for materials and labour. These crops are too often depended upon to give the cash returns necessary to finance the farm undertaking. The average returns per acre are usually around \$75.00 to \$100.00, and probably the limit for

the average farm is about two acres.

The primary idea of encouraging agricultural societies and assisting in varying ways by special grants, exhibitions and so on, is to secure, through better breeding, stock capable of using the farm crops to best advantage. It is not possible to use, economically, the crops that are grown if cows incapable of good production (of both milk and butterfat) are raised.

The tendency is to spend beyond the capacity of the farm to earn, particularly in the early years of development. It is for this reason that loan companies supplying money to farmers have developed a system whereby general farm planning must receive the sanction and direction of farm experts, who supervise the expenditures along the line it is known will ultimately permit the liquidation of the loans made. Even increased loans are necessary at times to ensure that the loans already made can earn up to their full capacity. This latter fact may escape the attention of one looking for immediate rather than permanent gains, and adjustment to this end is often necessary. Frequently it is stated that less acreage better tilled is best. Certain crops have their limitations even under the best tillage practices—should a man have stock requiring his full acreage for pasture, hay and succulent feed, he will have to buy his grain feed, and does so because it is profitable for him to do so. If a farmer requires 500 bushels of oats he cannot grow it on five acres. Even under good tillage methods approximately ten acres would be required and further he may be able to use his effort to better advantage on his pasture and hay lands, thus increasing their quality and production and thereby lessening the need for such an extensive grain feeding. The importation of feed is often more profitable than one may think, but the need for its purchase in such large volume can be lessened and more profit result from growing better pasture herbage, hay and fodder crops.

Poultry is a profitable undertaking, yet the hen is fed almost entirely on imported grain products. One hundred hens require four tons of such feed in a

year. To raise this would involve five acres of land in grain—if one had 1,000 hens fifty acres would be required—so successful poultry raising of from one to two thousand birds is being carried on on small areas sufficient only to provide range for the growing pullets. The purpose of this discussion is to indicate that under certain conditions the importation rather than the growing of some of the things necessary for feeding may be profitable. Exactness in the feeding of purchased grain feeds and the growing of better bulky forage crops are essential economic features of our farming activities.

It is necessary in order to carry through successfully any land development enterprise that the most rigid accounting should be provided. This to be effective should be based on a knowledge of the varying complicated factors involved in farming. As in many other undertakings having a narrow margin of profit, unwise or unnecessary expenditure must be avoided. To this end rates on capital invested must be at the lowest possible point.

Any system of land settlement should have the full co-operation of the established farmer. The opinion of the farmer should be in favour of such an undertaking but unfortunately in many cases this is not so. Public opinion should be strengthened, the farmer should have an opportunity to express his views so that the matter can be approached effectively. The problem must be faced squarely, and only the best thoughts possible can effectively aid in its solution.

It is quite apparent that much greater agricultural development than at present obtaining is possible. That farming can be better stabilized is evident if reasonably co-operative intelligence is practised. The advantages to the individual on the farm are greater than in most life employment undertakings—the advantages from co-operative community developments are greater on the farm than in any other enterprise. Farming offers advantages that no other calling can provide and insures one against privation, for under intelligent management and with reasonable labour effort food and protection are always maintained.

Regional Aspects of Nova Scotian Agriculture

By D. F. PUTNAM

TWELVE years ago in an unpublished thesis, the writer analysed the census returns relating to agriculture in the province of Nova Scotia and attempted, by means of dot-maps, to show something of the distribution patterns. The task was made difficult and the conclusions somewhat weakened by the fact that the census tabulations were published only as county figures, and these areas are much too large to serve as the basis of distribution maps in a province of such scattered

Any explanation of distributional patterns must be based upon consideration of the natural physical background, therefore the first chart presented here (Fig. 1) is a generalized physiographic map of the province based largely on that of Goldthwaite.¹ As no soil map of the province is yet available, soil characteristics must be interpreted from the underlying rock. It is well known that hard rocks such as granite, syenite and quartzite do not develop into deep fertile soils,

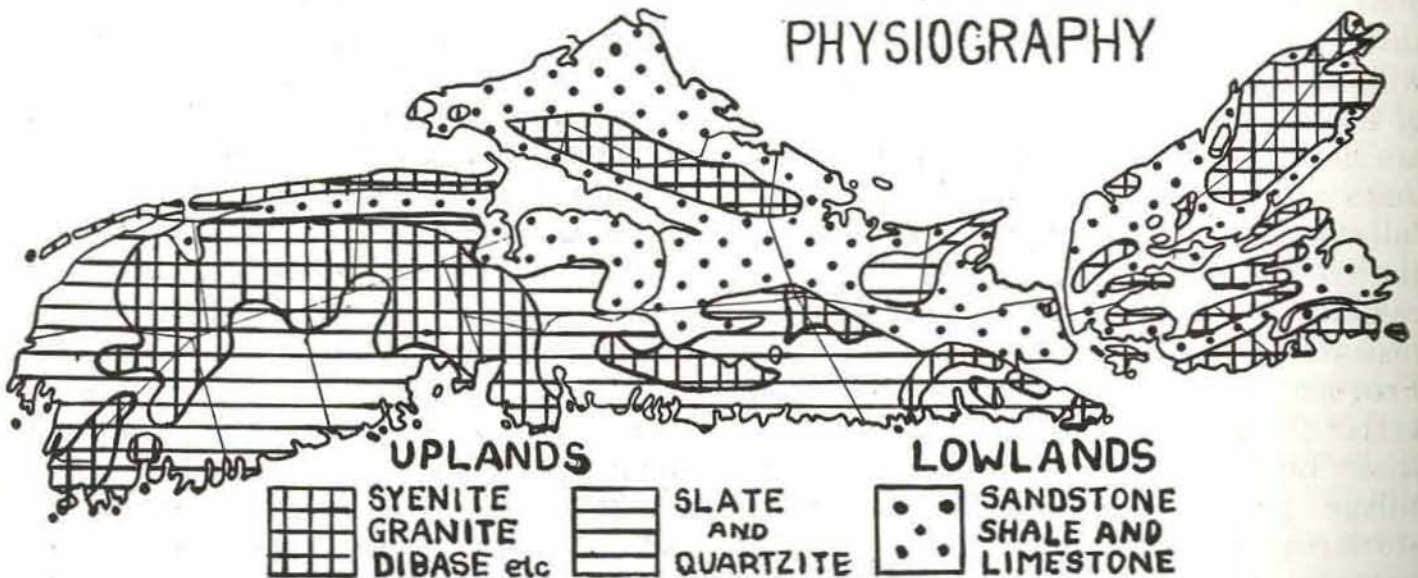


Fig. 1 .

settlement. Since that time another census has been taken and the returns have this time been published on the basis of census subdivisions, which are, apparently, the polling districts within the counties. Distributional analysis is still handicapped, however, by the fact that there is no map of the polling districts, hence their exact locations and areas cannot be plotted. Since there are usually twenty or more polling districts in a county, a sufficient number of point locations can be established to enable one to draw reasonably accurate isopleth lines.

EDITOR'S NOTE: Mr. Putnam is a graduate of the Nova Scotia Agricultural College, Truro and of the Ontario Agricultural College, Guelph, and Ph.D of the University of Toronto. He engaged in agricultural research and is now a member of the Department of Geography of the University of Toronto.

hence it is only natural to find that most of the area occupied as farm land (Fig. 2) is located on softer strata such as limestones, shales and sandstones. The notable features of this map, which has been drawn on the basis of the one accompanying Dr. B. E. Fernow's "Forest Conditions in Nova Scotia", are the areas of absolutely unsettled country which coincide very closely with the areas of granite outcrop. The slate and quartzite area is only sparsely settled except for the shore districts of Digby and Yarmouth counties and the "Slate Belt" of Lunenburg and Queens.

Of the 4,300,000 acres reported as occupied land in 1931, 2,500,000 or

1. J. W. Goldthwaite, "Physiography of Nova Scotia."

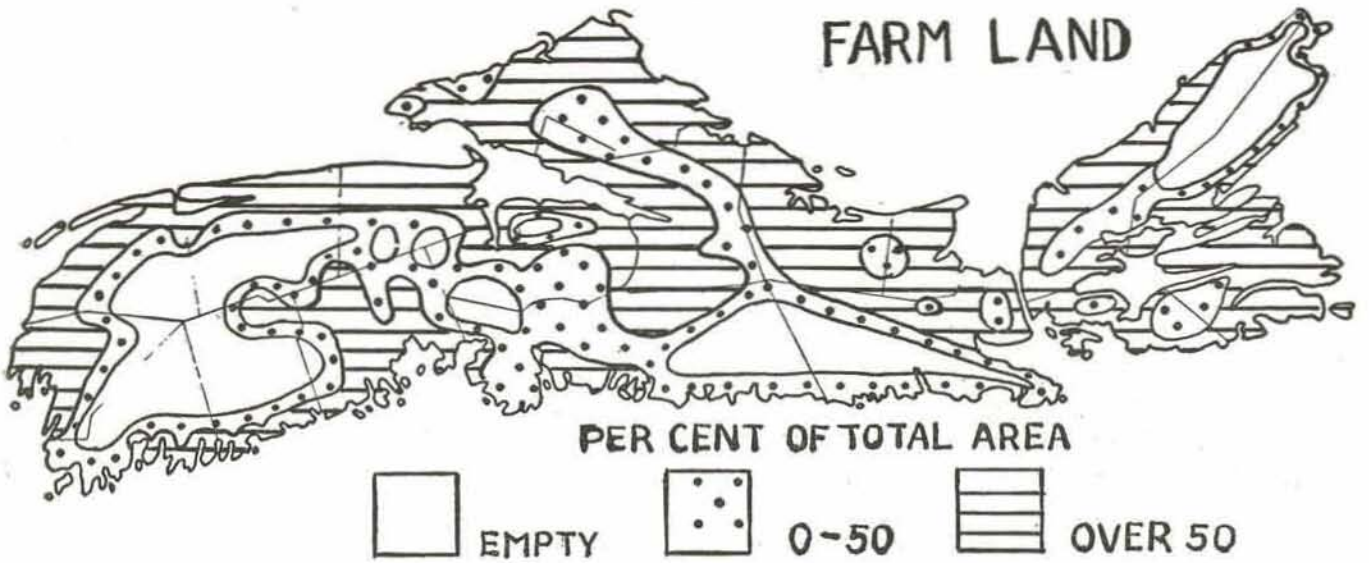


Fig. 2

58% was still in forest, and most of the remainder is classified in two categories; field crops occupying 625,000 acres or 14.5%, and pasture (both improved and natural) 913,000 acres or 21%. In only six counties (Annapolis, Kings, Hants, Cumberland, Colchester and Pictou) are there appreciable areas in which more than 20% of the farm land is devoted to

that in which there is a similar density of crop land and the 20% isopleth in this case seems to be controlled largely by the lithologic boundary. A very prominent feature of this map (Fig. 4) is the large area devoted to pasture in Yarmouth and Lunenburg counties. Fairly high pasture densities are found in Antigonish as well.

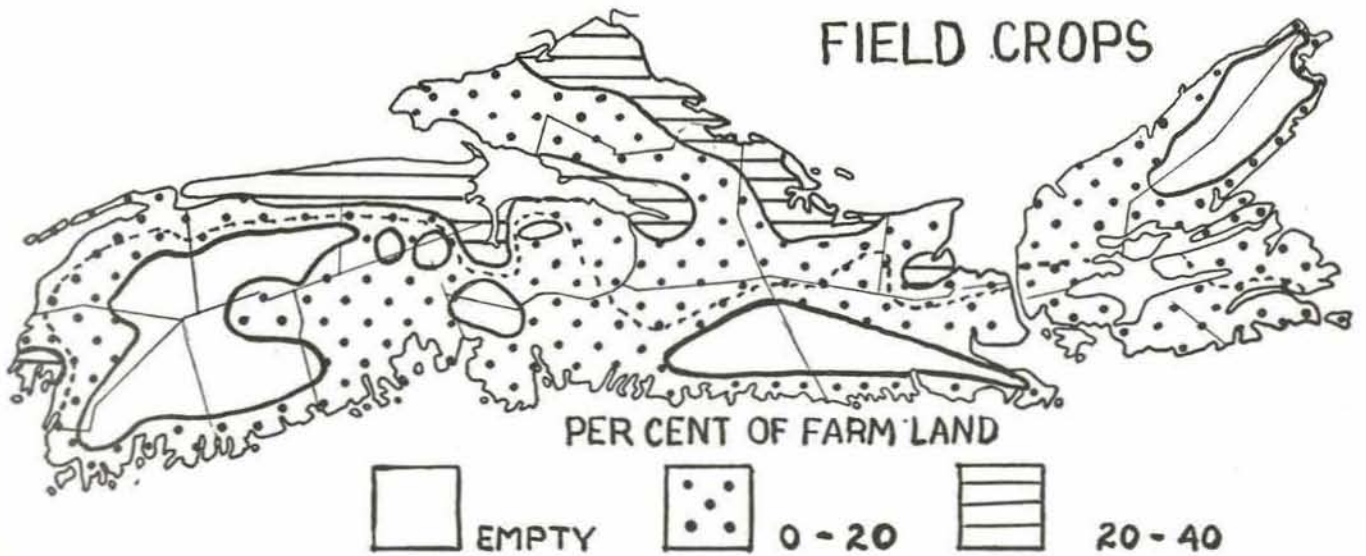


Fig. 3

field crops (Fig. 3), while smaller areas appear in Yarmouth and Antigonish. The interrupted line passing through the middle of the province is the 10% isopleth and throughout most of its length is coincident with the boundary between the hard and soft rocks. The area in which more than 20% of the farm land is devoted to pasture is nearly double

Over a period of ten years, including both depression and pre-depression years, the average annual value of dairy products in the province has been about \$8,500,000, and is by a safe margin the most important source of cash income to the majority of Nova Scotian farmers. Isopleths of intensity of milk production are shown in Fig. 5. Again, of course,

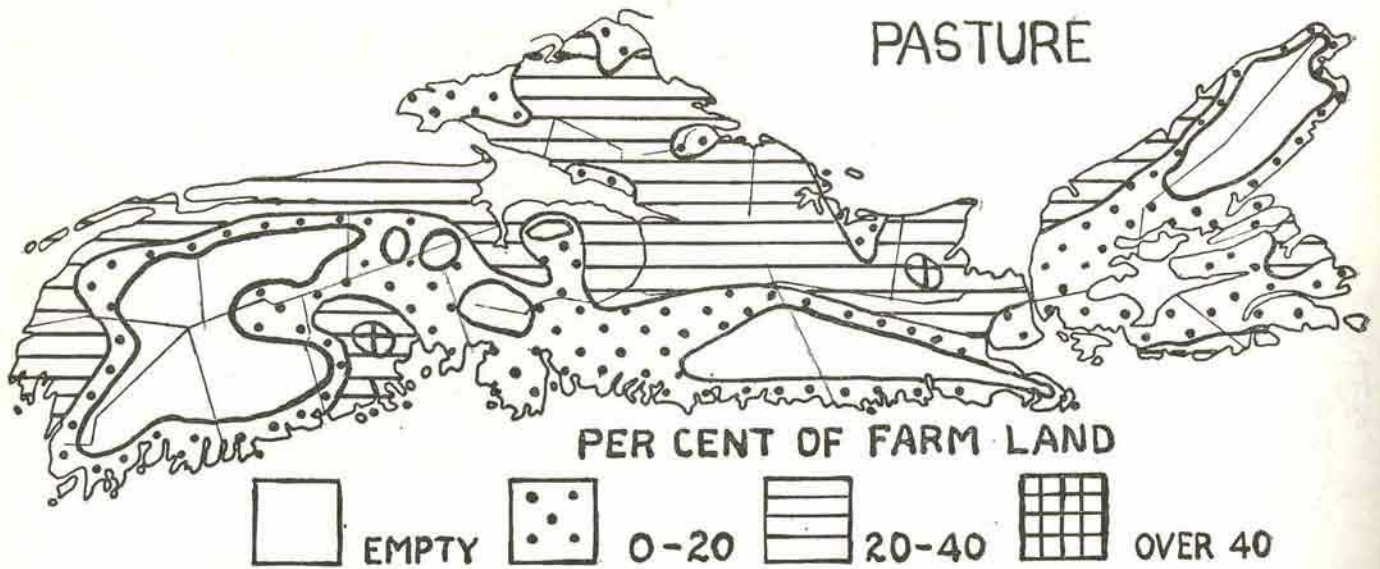


Fig. 4

the higher levels are found in the Northern counties, but the pattern is complicated by economic factors. Within the area of moderately heavy milk production, there are specialized dairy districts. One such is found near Amherst, another is located in Pictou and North Colchester counties, and a third is the market milk district surrounding the Cape Breton

According to the census of 1931, the total agricultural production of the province amounted to about \$32,000,000, the distribution of which is depicted in the map shown on the cover of this magazine. Two factors immediately attain prominence, first it is to be seen that the specialized dairy districts enjoy a distinct advantage, and second that the highest

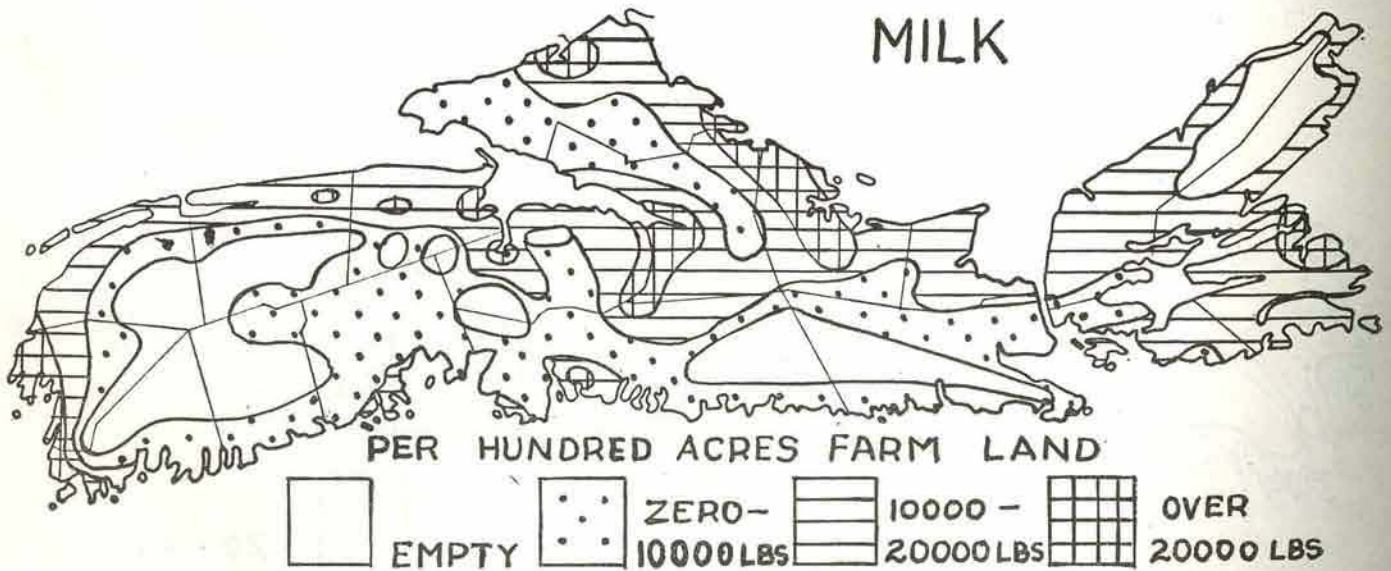


Fig. 5

coalfields. A fourth district is located in Colchester and Hants, shipping fluid milk to the city of Halifax, as well as supplying processing plants in Truro and Halifax. Yarmouth county contains a specialized dairy region, and there are several smaller areas adjacent to the towns of the Annapolis Valley.

production of all is centred in the fruit growing region of the Annapolis Valley.

Fig. 6 shows the distribution of farm capital according to the census of 1931. The fruit farms of the Annapolis Valley stand out above all the rest, but again it may be seen that the specialized dairy districts also enjoy an advantage. The

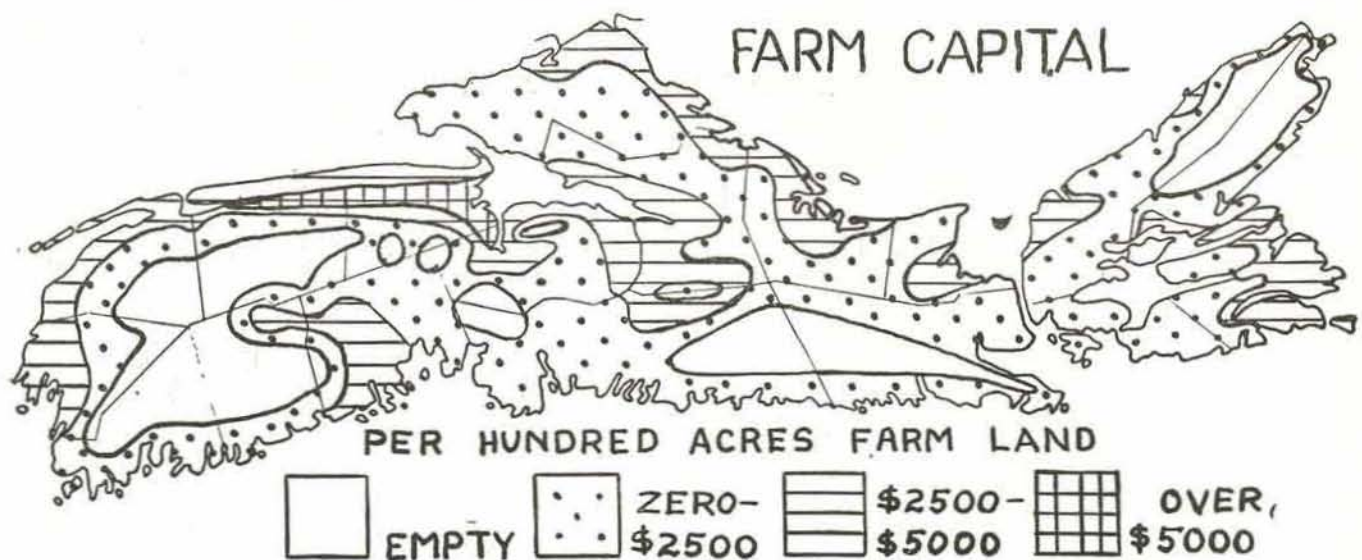


Fig. 6

total farm capital for the province in 1931 was \$105,000,000 on about 40,000 farms or an average of \$2,600 per farm. It is evident therefore that the values of farms in the outlying areas are low indeed. Taking into consideration all the factors charted on the isopleth maps it is possible to delimit a number of

Cumberland, (4) Northern Cape Breton including the counties of Inverness and Victoria, (5) Cumberland, (6) Lunenburg and Queens, (7) Yarmouth and Digby, (8) Cape Breton county, (9) Antigonish. Together they account for almost 90% of the agricultural production of the province, and the remaining portion,

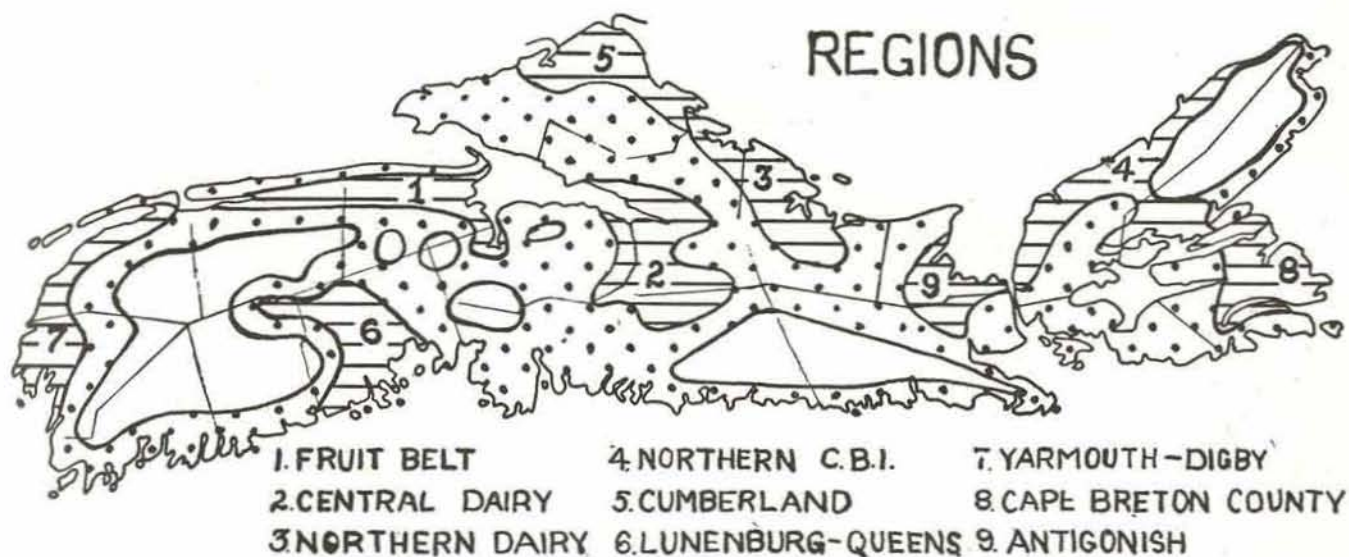


Fig. 7

individual agricultural regions. Nine such areas are shown in Fig. 7. They are in order of importance from a production standpoint: (1) The Fruit Belt in Hants, Kings and Annapolis, (2) The Central Dairy Region in Hants, Colchester and Halifax, (3) the North Shore Dairy Region in Pictou, Colchester and

including large areas in all the counties, but more especially in the southern half of the province, produces very little. The chief categories of agricultural production in order of value are field crops, dairy products, other livestock enterprises, fruit and vegetables, and forest products. The table on the following page has been compiled

District	Value of 1931 Production	Field Crops	Dairy Products	Livestock	Fruit and Vegetables	Forest Products
		%	%	%	%	%
1. Fruit Belt.....	\$ 8,500,000	30	10	10	45	5
2. Central Dairy.....	4,500,000	44	25	16	4	11
3. Northern Dairy.....	4,000,000	48	25	16	4	7
4. Northern Cape Breton.....	3,000,000	50	17	15	3	15
5. Cumberland.....	2,500,000	48	17	17	5	13
6. Lunenburg—Queens.....	2,000,000	37	15	17	11	20
7. Yarmouth—Digby.....	2,000,000	38	18	16	8	20
8. Cape Breton Co.....	1,500,000	40	27	16	7	10
9. Antigonish.....	1,500,000	48	14	25	3	10
Total for Province.....	32,000,000	40	18	16	14	12

from the census figures and shows to some extent at least, the types of farming characterizing the various districts.

Field crops bulk largest in all except the fruit belt, but other categories provide most of the cash income. There are three important dairy districts in which 25% or more of the farm production is in the form of dairy products, while in

only one county, Antigonish, do other livestock enterprises reach a similar prominence. In most of the remaining districts there is a semblance of balance between the two types of animal husbandry. Forest products bulk large in some of the districts, and in the outlying parts of the province they are even more important.

Colonization in the Province of Quebec

By J. E. LAFORCE

ALTHOUGH the Province of Quebec covers over 600,000 square miles, it is populated only along the St. Lawrence and a few of its tributaries, and along the shores of the Baie des Chaleurs. In addition, a new area is now being opened up, in the west of the province—the Abitibi district where some 70,000 settlers and miners are at present creating a new Quebec.

There are some 136,000 farmers in the Province of Quebec, settled on about 13 million acres of land. Hence, vast terri-

tories are still available for improvement either through mining enterprise or by timber exploitation. Moreover there are opportunities, for more extensive development of water-power as well as industries connected therewith, and especially for a fuller development of agriculture in all its branches.

During the past fifty years agriculture, like other industrial activities, has undergone certain changes. Farmers today, instead of cultivating sixty acres as formerly, find it worthwhile to work anywhere from 120 to 180 acres. Many factors have contributed to this trend in agricultural activity. In the first place,

EDITOR'S NOTE: Mr. Laforce is Deputy Minister of Colonization for the Province of Quebec. He has to a large extent been responsible for the work described in this article.

the development of machinery has made possible a more extensive type of farming. Secondly, those farmers who contracted debts during the years of prosperity, who purchased large farms at high prices, who bought expensive implements, or registered stock at prices equal to their weight in gold, have had to give way to those who were more cautious or who had better fortune. Finally, hundreds of others sold their farms during prosperity, and moved to urban areas with the idea of going into business. Thus the number of farmers has decreased while the area of farmed land has increased.

Many of the farmers who gave up farming for one reason or another, have drifted towards American as well as Canadian cities. A large percentage of those individuals who started small businesses were unsuccessful. Those who sought other forms of employment were affected by the industrial decline resulting from the prolonged depression. As a result, a large number of these ex-farmers, at the present time, are staying in villages and accepting any possible job to earn a living for their families.

The number of those families who have lost or sold their farms certainly reaches ten thousand in the Province of Quebec. There are still a few thousand others who, for various reasons, are too far in debt to be able to keep the farms they now occupy or who, at least, would be unable to help their children settle in the immediate surroundings. These farmers in the main, would benefit by selling what is left of their farms and proceeding to new districts with their children.

There are also, in the Province of Quebec, some 60,000 farmers' sons, old enough to be settled and it is the duty of the province to keep them on the land. Many of these youths, influenced by "modern" ideas do not feel any attraction towards mother earth. In fact, a number of these individuals feel that the land will not provide them with an adequate means of livelihood.

A further consideration, in the light of present conditions, is the case of many farmers' sons, married but not established,

who for the most part live with their parents, on the father's farm, until they are properly settled. When the father is financially in a position to aid in the purchase of a farm, the matter is then easily arranged, but when, besides his son, there are still four, six and sometimes ten other sons left on the father's farm, who all have to be established some time, it is very clear that the head of such a family, with all the best intentions in the world, can never be able to meet such a tremendous obligation.

After eliminating those rurals or ex-rurals who would not consent to return to the land, or who are not qualified to open new areas of colonization, there are at least 40,000 families and farmers' sons who should be settled at once. Nearly all those have no resources to start anew in either the old parishes or on abandoned farms. The settlement or re-settlement of such a population is complicated further due to the fact that means, dispositions and tastes are quite different in most of these families.

To meet the needs of this population, there are available about 100,000 lots (each lot covering an area of 100 acres), which have been classified as suitable for the creation of good agricultural establishments. However, in view of the speed that Quebec is maintaining in colonization, in a few years there will be very little tillable land available for settlement. It is to meet this contingency that new methods of settlement are now being considered.

The Quebec Government, in an effort to establish its people, now takes into account the means, tastes and dispositions of the individuals. This policy is based on the conviction that a family established in a district not to its taste, and along lines not in accordance with its wishes, and under conditions unfavourable to its development, can but rarely succeed.

Under the guidance of Honourable H. L. Auger, Minister of Colonization in the Province of Quebec, four different methods are being carried out, adaptable to the different classes of families who wish to remain or return to the farm, namely: the Rogers-Auger agreement,

the Provincial plan, the settlement of farmers' sons, and the establishment on abandoned farms.

To the thousands of agricultural families attracted to cities or villages during the depression, the Rodgers-Auger plan becomes indispensable particularly when these families are without work and must count upon State relief for their living. Between June 1937 and December 1938, 2,137 families have been settled under this agreement.

The families colonizing under this plan receive from the State an amount of \$1,000 distributed over a period of four years, of which amount a sum of \$820 is paid within the two first years of establishment. When these families are settled in a new area, and this applies to most of them, the Province must, in addition to providing the means for actual settlement, open up new roads, build schools, presbyteries, and churches. The Province also distributes clearing, ploughing and seeding bonuses to the settled families, which bring the total expenditure for each family to approximately \$2,600, of which \$333.33 is provided by the Federal Government.

The Provincial plan consists in the granting of a piece of land of 100 acres, with a bonus of \$250 to assist in the construction of a house. To aid in the clearing, ploughing and seeding, bonuses of \$25 per acre, plus an occasional bonus of \$10 or \$15 per acre for special clearing or ploughing are given. The Provincial Government pays the transportation costs both for the families and their household effects. It provides schools, presbyteries and chapels. Also, it facilitates the development of local industries. Finally it encourages these settlers, by all possible means, to clear and to improve their farm as quickly as possible, so that these families may become self-supporting. 4,863 families of settlers were established under the Provincial plan, from September 1936 to December 1938.

Due to the fact that each Quebec family has numerous children, that the cost of establishment is high, and that many heads of families have limited

means to assist their children's settlement in the old parish, the Government of Quebec gives to each head of family who established one of his sons on a farm, a special bonus of \$100 per year during three years. 3,966 farmers' sons have been settled in this way.

There are, in the Province, a number of farmers who, for various reasons, have lost their farms but who still own cattle, agricultural implements, and sometimes a few hundred dollars or more. When they settle on an abandoned farm, to help them start anew, the Government grants these farmers the sum of \$100 per year during three years. They can also take advantage of a loan of not more than \$500 without interest, to be reimbursed beginning with the fourth year. This loan is authorized in order to enable the farmer to make the necessary repairs and adjustments. To obtain this loan, however, the farmer must own a sum representing fifty per cent of the amount he wishes to borrow. 1,347 families have been settled under this plan.

If the totals of families mentioned above are added, the grand total amounts to 12,313 families, settled on new land or on farms in old parishes, from September 1936 to December 1938: this represents a population of approximately 60,000 people.

There are yet other establishments assisted by the Department of Colonization of the Province of Quebec. Let us mention those of the sandy district of Joliette County, where cigarette tobacco is now being cultivated on land that was absolutely unproductive until the day when the Member for this county, Mr. Antonio Barrette, organized this specialised culture. The original harvest was 28,000 pounds in 1936, it was increased to 450,000 pounds in 1937 and to 2,500,000 pounds in 1938.

Aside from the clearing, ploughing and seeding bonuses, the Department of Colonization has assisted in the construction of more than 5,000 houses for the settlers. In one fiscal year, it has distributed bonuses for the construction of 540 stable-barns, 330 hen-houses, 39 bakehouses, and 330 vegetable cellars.

It has also paid bonuses to 260 settlers who have manufactured pairs of wheels for carts, to 43 who have installed blacksmith shops, to 26 who have installed carpenter shops; and it has paid for the boring of 79 wells in districts where drinkable water was difficult to reach. To this list must be added the building of 11 parish halls to be used for meetings, 36 presbyteries and 63 chapels in the new centers. The Department also has paid bonuses to 231 settlers who have organized themselves for the production of maple syrup, to 5613 who have cultivated truck-gardens, to 426 who have cleared away stones from their lands, to 65 who have drained their farm-lands, to 1562 for the purchase of a first draught-ox, to 2511 for the purchase of registered hogs, to 1212 for the purchase of ploughs. During the same year, \$480,837 has been paid to settlers for statutory land clearing and ploughing bonuses, and \$366,436 for special clearing bonuses.

During the past two years, the Department of Colonization of the Province of Quebec has built 1,342 miles of new road through forests, it has remade and rendered suitable for traffic 5,064 miles of paths that were formerly impassable, and has repaired 1,818 miles of roads that were hardly tolerable and made them fit for heavy traffic. This represents 8,224 miles of new roads, paths

remade into good roads, roads unfit repaired and made suitable for heavy traffic: this is equivalent to the length of a road from Halifax to Vancouver and return through San Francisco, New York and Saint John, N. B.

The Province of Quebec has devoted itself to such a tremendous task because it was realised that thousands of its agricultural families and thousands of its farmers' sons have to be kept on the land, and that the most practicable manner of reducing unemployment is to make the Canadian soil bring forth a daily living, provide clothing and—in a land where wood is easily available—ensure timber for shelter and firewood to keep its people warm. It is apparent that in this realization, the Province of Quebec is far ahead of all the other Canadian provinces. It has done much, but it could do more, if it received from the Federal Government that help which is its due, because it is an admitted fact that colonization is of vital importance for the country, and Quebec can at the present time settle hardly half of those who should and could be established each year. In spite of this, however, Quebec has made a tremendous effort in attempting to settle its people, and it has attacked the problem along practical and methodical lines.

Recent Trends in the Agricultural Policy of the United States

By KARL BRANDT

AGRICULTURAL policy in the United States in 1939 is an important element firmly embedded in the general economic and social policies of the country. Like the majority of these broader national programs, the present system of organizing the public aid to the farm population and of fostering and regulating agriculture is the outgrowth of the energetic recovery plan that was set in motion in 1933. Yet the agricultural adjustment policy reaches further back and follows a general trend of its own that began to develop from the 1920 collapse of the war boom and its inflated prices. The United States agricultural policy of 1939 has therefore—and this seems important for an evaluation—two separate aspects. It is at the same time the present answer to a political demand expressed by American farmers with increasing power and urgency during the last two decades, and it is the politically expedient continuation of an emergency program and a transitional recovery program under President Roosevelt's "New Deal". Though it has all the earmarks of a temporary short-run policy, and though it is built upon many arguments and claims that become unavoidably contradictory in the long run, this policy has found the endorsement of Congress simply because no better alternatives that were politically or socially suitable have been suggested, and because something had to be done in behalf of the farm population. Under the present proportional strength of representation of the Democratic and the Republican parties in the House of Representatives and in the Senate, it may be anticipated that the opposition to some of the major

features of this policy and its undesirable by-products will gain momentum; and yet it is a fairly safe guess that the essence of the present attack upon the farm problem will be carried on for reasons that are explained later.

What then are the main features of this policy as it presents itself *anno Domini*, Nineteen Hundred and Thirty-nine? The most effective and central part of the policy is centered around the attempt to guarantee to the American farmer an income that may be considered as economically desirable and as somehow in line with what is claimed to be social justice. That is what farmers claim as the purpose and the achievement of this policy and so at least runs the core of the arguments of those who endorse it, either by conviction or *faute de mieux*. If the play of prices in the world market turns out to be so adverse and the forces in the domestic market operate toward such low returns that the farmer does receive a satisfactory income, the public shall add to it the missing share. In order to determine what a "satisfactory" income of agriculture is, two statistical keys have been applied: those of "parity prices" and those of "parity income". These keys have acquired a more and more refined definition. Parity prices shall give any agricultural commodity the same purchasing power with respect to articles that farmers buy as it did during the base period of 1909-1914, with due consideration of the changes in the burden of interest and taxes. As defined by the Agricultural Adjustment Act: "parity income shall be that per capita net income of individuals on farms from farming operations that bears to the per capita net income of individuals not on farms the same relation as prevailed during the same base period." The

base of 1909-14 is taken as a period in which farmers received a square deal in prices and income. The dubious soundness and feasibility of the underlying complex assumptions will not be discussed here. It may simply suffice to state that these two index keys are an integral part of the Agricultural Adjustment Act of 1938, better known by the abbreviation AAA. the legal basis for the present agricultural policy, and that they will probably serve as such for their 1939 version of the same Act.

In order to improve and replenish the income of the farm population up to the level that Congress has thus set as the aim, a variety of measures has been applied. Some of them try to keep production in such limits that the domestic price may be prevented from dropping too low. This is achieved by national, state, county and farm allotments of the acreage to be cultivated. Since the production control or "adjustment" plans are on a voluntary basis, all those who cooperate receive cash benefits. A part of these inducements is aid for diverting acreage from "soil depleting crops", which are at the same time the "surplus commodities", and for growing "soil restoring crops," which are fodder or green manure crops.

Other measures seek to keep the market supply of the commodities within such limits that the price can be kept up. This is achieved by marketing quotas, typically apportioned as "normal yield" on the acreage allotment, with penalties on sales beyond the quota, by commodity loans to farmers, by open-market purchases of government agencies, by distributing publicly purchased "surpluses" among people on relief, and by subsidized exports. Finally the government is to pay a direct cash bonus to the producers of certain commodities per unit of their estimated normal production as a so-called price adjustment payment. Minor more or less experimental methods like licenses, marketing agreements and the state supported crop yield insurance to wheat growers may be ignored in this survey.

All these measures combined have the result that, aside from pegging the prices of some commodities through controlling markets supplies, the farmer receives a certain share of his cash income in the form of checks from the United States Treasury. For 1938 the cash income of American farmers has been estimated to have totaled \$7,625,000,000. This figure included about \$500,000,000 in direct payments from the government.

In 1939 the program provides for the following conservation and price adjustment payments to cooperating farmers: cotton, 3.6-3.8 cents per lb; corn, 14-15 cents per bushel; wheat, 27-29 cents per bushel; rice, 22-23 cents per cwt.

The total disbursement of government payments under the Agricultural Adjustment Act of 1939 will be considerably higher than in preceding years. They will amount to \$500,000,000 payments in behalf of soil conservation and acreage adjustments, and to \$212,000,000 parity price payments. If the total cash income should range around 7.5 to 8.0 billions, this would mean that from nine to ten per cent of it would be directly derived from the Treasury. Since the commodities which contribute the largest share to the farmer's cash income, such as animal products combined with fruits and vegetables, receive little or no direct aid, the public bonus to the "commodities on relief" is much more pronounced than the total cash income figures indicate. If we assume that the market wholesale price of cotton will oscillate around 8.5 cents per lb., the bonus of 3.6-3.8 cents per lb. to the farmer represents an additional payment of 42 to 44 per cent. If the wholesale price of wheat ranges between 60 and 70 cents a bushel, the bonus of 27-29 cents per bushel means an additional payment from the Treasury of from 50 to 60 per cent above the farm price.

The policy however which will contribute some 712 millions of dollars in direct cash payments to cooperating farmers involves a much larger public aid. The Secretary of Agriculture has at his disposal about \$140 millions in appropria-

tions from the Customs which is used in behalf of surplus commodity operations. The operation of the wheat insurance scheme and unavoidable losses in the commodity loan and carry-over business may easily reach a sum of \$148 millions, which could bring the main visible expenditures from public sources up to a total of one billion dollars in a single year. In this account the appropriations for land purchases under the Farm Tenancy Act and much larger appropriations under the Federal program of purchasing submarginal land as forest reserves or recreational acres are not considered because they are a public investment aside from their assistance to certain farmers.

It was stated before that the present AAA policy has become the permanent form of an experimental emergency program adopted in the depression, the bottom of which was passed in 1932, and that the main theme of this policy will most probably be continued for some years to come, although some specific devices may be exchanged against others eventually. Under such auspices it seems to be a timely proposition to trace some of the dominant arguments and convictions that have been instrumental toward the political entrenchment of this agricultural policy and the elements that will make its repeal very unlikely. However, this is more easily suggested than done because this policy rests on a host of sentiments, convictions and tendencies. They find their best common expression in the slogan of the early twenties under which the campaign began: "Equality for agriculture!" That powerful slogan meant economic equality but it also involves a certain philosophy of justice. Adverse conditions beyond the control of the farmer are supposed to be responsible for the unsatisfactory financial results of his industry. The main arguments that bolster the AAA may be divided into five different groups. These are centering around:

1. Criticism of the economic system.
2. Necessary compensations for effective industrial tariffs.

3. Adversities in the specific historical situation.
4. Social considerations.
5. Conservation for natural resources.

The general criticism of the competitive price system and of the set-up of a free market economy is perhaps the root of the strongest support of the present agricultural policy. Few American farmers may be willing to go more than half way with the various groups of economic reformers and planners in their crusade against the liberal market doctrine, but in the hands of those who drafted the policy the disbelief in the competitive system is the most powerful weapon because it serves to prove the impossibility of a *laissez-faire* policy and to stress the necessity of centralized control and planning. This logic begins with the notion that agriculture is one of the last remnants of a freely competing industry. Agriculture is said to continue to operate under a system of a destructive "atomistic" competition while industries and commerce and finally even labor are operating under the protection of strong monopolies. These monopolies are supposed to exist either by virtue of trusts, cartels, unions, "gentlemen's agreements", or public control, by virtue of concentration of investment or technical minimum capacity, or to be the result of state protection in the form of tariffs. It is argued that effective tariff protection for industries and all the other forms of restrained competition lead toward enhanced prices for materials that farmers buy, while atomistic competition depresses the price of farm products. Another belief in the defective functioning of the competitive system assumes that the slow rhythm of production and many natural handicaps of agriculture prevent an equilibrium and a sufficient adjustment of the supply to the demand. Some of the most influential strategists of the AAA policy go so far as to conclude that not only is monopoly not the root of the evil but that monopoly is necessary and that hence agriculture must be organized as a monopoly. Many other sponsors of the AAA conclude simply

that no matter how or why monopoly or tariffs exist, whether they are good or bad, something has to be done to give the farmer a fair deal, either by lowering industrial tariffs and "busting" monopolies or, if this cannot be done, by compensating their evil effects.

It is in a similar vein that the necessity for the AAA policy is argued on the base of an adverse historical situation. The more familiar variety of this deduction hinges also on the question of competition, state interference or planned economy. The main emphasis is placed, however, on its international aspects and those of the world market. It is assumed that industrial protectionism at home and agricultural protectionism abroad prevent the payments for American agricultural exports and that as a consequence American agriculture has lost since the beginning of the last depression a good deal of its export markets. These markets were lost also because of the discontinuation of American loans to Europe and as the result of the insolvency of debtor nations and the autarchy policy of the dictatorial regimes. As a result of this loss of export markets, the United States has some 40 to 50 million acres in excess of requirements under cultivation. This situation is considered as a historical accident and as something beyond the control of individual farmers. In order to avoid injustice and undesirable effects upon the economic system as a whole, it is urged, the government must act.

The next group of arguments of a social nature is well intertwined with the preceding ones. Among the large number of sponsors of the AAA who do not question the capacity of the competitive system to bring about the necessary adjustments by the automatism of the market are those who frequently claim that such drastic adjustments as are necessary today would cause unjustifiable hardships among the farm population and that such "cruel" consequences of laissez faire are socially undesirable or politically unbearable. Their argument is strengthened by the economic explanation that without public aid the adjustments would necessitate a shift of

population from farming to industrial or commercial occupations or into personal services. So far the other professions are clogged with millions of unemployed people. At least as long as this condition prevails—so say the most moderate sponsors who argue that way—the AAA policy is a social palliative for a continued emergency at least as long as this situation persists. It is not surprising that such social reasoning has gained more and more weight within an era in domestic policies that emphasizes above all else the aim of social security. If every one is to have a certain amount of social security, why should not the farmers have their share in it.

A last group of arguments is of a different character, although it is related to the first group that questions more or less the soundness of the competitive economic system. The standard conclusion of this group runs approximately like this: Low prices as the result of chaotic competition and the lack of planning the agricultural production lead to rugged individualistic exploitation of land resources, to erosion and soil depletion. Thus American farmers have exported in cut-throat competition and far below "real costs" the soil fertility of the United States and left over the sad remnants. Hence it is necessary to plan production, to reduce cash crop production, and to raise prices in the domestic market to a level that is remunerative and permits adopting soil conservation methods in farming. Motion pictures and fiction writers, public agencies, colleges and schools have for several years joined in a nationwide drive toward conservation of national resources that sways the minds of the people. Today the American layman, no matter whether he be an intellectual or a laborer, is so soil-erosion conscious that a policy that requires the support of the taxpayer for erosion control and soil conservation has his sympathetic ear.

These four groups of reasons represent the major body of arguments advanced in behalf of the AAA policy, partly as an endorsement for a temporary cure, partly as an energetic drive for a

systematic and permanent reform policy, partly well-formulated, and partly only active in the sub-consciousness of the public. The narrow limitations of allotted space prohibit the most tempting venture to discuss the validity of the various arguments. From the birdseye view of the heterogeneous argumentation, however, it seems to become obvious already that some of the controversial arguments lead straight into the fathomless depth of political and economic philosophy and defy in the ultimate analysis an objective discussion. It shall only be hinted here that if the nation decides to pay for its food and textile raw materials permanently in the dual way of prices plus taxes for bonuses, this policy may not only not correct inadequate automatic adjustments but it may unintentionally upset the major part of such adjustments altogether. It seems reasonable to expect that a perpetuated AAA in its present form will artificially maintain an oversized agricultural population, and that it will tend to establish agriculture on an artificial level of costs. There are just as many arguments contra as those which are pro

the present AAA. However, the "ayes" at present carry the vote.

It is the writer's conviction that the real problem of agricultural policy which the AAA tries to solve lies mainly outside of agriculture, namely in the industrial field and particularly in that of the production goods industries. If the total capacity of productive man power can be absorbed in industries, the problem of the AAA solves itself by automatic adjustment in prices, in the number of farmers and their output.

As long as millions of unemployed clog the labor market in industries, it seems to be considered also as an indisputable political necessity to keep the farm population in good spirits lest they may join fascist or other political movements that undermine democracy. This offers another answer to the question why the AAA is maintained in spite of its all too obvious shortcomings. In other words, in spite of its perpetuation in its present form, the AAA is an expedient temporary cure for the symptoms, as they appear in the agricultural industry, of an industrially and commercially maladjusted situation.

The National Housing Act 1938

By HORACE L. SEYMOUR

The Nova Scotia Town Planning Act of 1912 contained a provision to encourage Councils to guarantee bonds up to one-half the capital required for any company carrying out a Housing programme on any area planned under the Act. This feature was omitted from the 1915 Act which was a "compulsory" Act. Certain municipalities were required to prepare plans within three years, amended in 1919 to six years but it has been found such legislation does not always work. What is mostly needed, is legislation so drafted that the municipalities that really wish to plan can do so most effectively.

N. S. Housing and Town Planning Legislation

IT is understood that the Nova Scotia Town Planning Act is to be amended, and no doubt its relationship to existing housing legislation will be considered. The Nova Scotia Housing Commission Act 1932 encourages the formation of housing companies. Prof. S. H. Prince of King's College, Member of the Nova Scotia Housing Commission, points out in his recent *Society and the Housing Crisis* that:—

The Nova Scotia Housing Commission Act of 1932, first legislation of its kind in Canada, incorporates the principles of tax-exemption and rent restriction. Governmental long-term, low-interest loans are available to companies building under the Act.

This Housing Act also encourages the creation of local Planning Boards under the "Town Planning Act". This, of course, is the most desirable kind of co-operation.

Preceded by thorough educational

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courses in co-operative housing, there is the beginning of a movement for co-operative housing in Nova Scotia. This has been made possible with the assistance of the Extension Department of St. Francis Xavier University and the co-operation of the Nova Scotia Housing Commission.

Housing Co-operatives have been most successful in continental European countries, especially in Scandinavia; Building Societies most successful in Great Britain and the United States. In Great Britain the building society plays a prominent part in the life of the ordinary wage earner. Small savings are accepted. Advice is given about houses. The Building Society has succeeded where the Housing Co-operative, involving complete co-operation as to ownership as well, has not been organized to any great extent. The Building Society seems to suit the Britisher, especially where single homes instead of apartments are to be built. It should be emphasized that Building Societies, as far as building is concerned, are co-operative and not organized for commercial gain.

Such a lengthy introduction, as this, to the consideration of the provisions of the National Housing Act 1938 is only justified by restating the belief of the writer that active leadership or assistance in encouraging a housing program must come not only from public spirited bodies and individual citizens in the municipalities or from industrial and labour organizations, but also from provinces and municipalities. Canada's new Housing Act provides for low-interest, long-term money under certain conditions, but the Act does not provide (as has been done in some countries) for the construction by federal authorities of any low-cost housing or slum-clearance projects. In general we need happy relationships in Dominion-Provincial-Municipal affairs, if we are to avoid

waste and reduce the tax levy. In particular, the National Housing Act 1938 cannot be successful without such co-operation. Let us see what is required of each party in the transactions that should bring us nearer to that ideal of *Homes for All*.

The Dominion's Part

Part I of the National Housing Act 1938 repeals the Dominion Housing Act 1935, but re-enacts most of its provisions. Important amendments and additions are designed with the assistance of the lending institutions to extend the facilities of the Act to families in lower income groups and in rural as well as in urban areas.

Under the provisions of the Dominion Act 1935, the Dominion loaned about \$4,500,000. The total amount authorized for loan under Part I of the National Housing Act is \$20,000,000. That means a balance of \$15,500,000 is still available as the Federal Government's part of such housing loans. When a loan is desired, application is made locally to a lending institution.

Part II of the National Housing Act applies to low-rental housing, and involves new principles in the relationship of the Federal Government to the housing problem. In some provinces legislation in regard to taxation will be necessary and in general co-operation is required on the part of provinces, municipalities and public spirited citizens in the municipalities. Under this part of the Act the Federal Government is prepared to make all of the loans for low-rental housing projects up to a total of \$30,000,000 (to be loaned pro rata to urban population). This should provide in the next few years for about \$35,000,000 worth of housing units that are to be rented to families of limited income.

Part III of the National Housing Act applies to assistance to municipalities in respect of low-cost houses other than those covered by Part II. Such assistance, by way of the payment of a part of the municipal taxes by the Federal Government, in varying proportions and for a limited period, is only for one-

family dwellings costing not more than \$4,000, when erected by the owner for his own use and if under construction before the end of the year 1940.

Under Part III of the Act the amount of tax assistance in the next three years would be some \$5,000,000 if the assumption of the Minister of Finance be correct that \$100,000,000 worth of buildings may be constructed under the tax-assistance provisions of this part of the Act. The cost of a building lot is governed and would add only a small percentage to the cost of the building.

Lower Cost Homes

Under the provisions of the Dominion Housing Act 1935, and before the passage of the National Housing Act 1938, over 4,000 family units were provided, for which the average loan was over \$4,000.

At the end of March, 1938, Dominion Housing Act loans in the Maritimes were as follows:—

	No. of Loans	Amount	Family Unit
P. E. Island.....	10	\$ 54,034	10
Nova Scotia.....	314	1,392,933	316
New Brunswick..	63	275,967	66

With but three or four exceptions, all the houses built in the Maritimes under the provisions of the Dominion Housing Act have been single family dwellings, with an average loan per family of well over \$4,000.

Since at the most only 80% of the value of the house and lot could be loaned, the average cost of homes developed under the D. H. A. is over \$5,000 whether in the Maritimes or in all Canada.

Under the new National Housing Act, the lending institutions are encouraged to make loans for homes costing \$4,000 or less in both rural and urban areas. This is done through additional guarantees and special payments where extra travelling is involved on the part of lending institution officials.

If a house is commenced before the end of the year 1940, and if the municipality that owns any suitable lots is willing to sell at not more than \$50 per lot, then the Federal Government will

pay taxes levied on the house only, (where as explained the house is a single family dwelling, costing not more than \$4,000, and built and occupied by the owner), as follows:

- 100 per cent the first year,
- 50 per cent the second year, and
- 25 per cent the third year.

A person building a \$4,000 home under the National Housing Act is still required to make a twenty per cent down payment and equal monthly instalments over a twenty-year period to retire principal and interest at five per cent. If, however, a home costing not more than \$2,500 can be built, the down payment is reduced to ten per cent.

This is a most important provision as most workers cannot raise the twenty per cent of the purchase price as was previously required; the severe depression of recent years has depleted the savings of thousands of prudent and thrifty families.

The \$2,500 home also enjoys Federal tax assistance for the first three years that taxes are levied, and, as explained special provisions have been made to encourage the lending institutions to engage in these smaller loans.

While it is felt that the farmer with his own labour may build the \$2,500 home, it is very doubtful if, except in British Columbia, the urban or suburban home can be built at that cost. At the best it could only be accomplished through mass production and wise planning to secure reduction in the cost of both building and utilities. The "pre-fabricated" house may yet be the solution of the problem though, so far, it has not meant less expensive construction.

It would seem that it is for the homes costing between \$2,500 and \$4,000 (requiring annual incomes of from \$1,000 to \$1,600) that assistance is needed to provide the intending owner with at least half of the twenty per cent down payment he is required to make, and for the lack of which he cannot build. If people with these incomes can be induced to build then the employment provided, can help those in the lowest-

income groups. It is submitted that the Building Societies of Great Britain, the Building and Loan Associations of the United States, and the Housing Co-operatives of other countries are the kind of organizations necessary to further the housing program now begun by the Federal Government.

Low-rental Homes

The Federal Government wants to help by way of low-interest, long-term money but it must be assisted in actual construction of low-rental projects by the municipality under provincial guarantee or by a limited-dividend housing corporation. In any event the municipality must be authorized by the Province to collect not more than one per cent of the cost of any low-rental project by way of taxes and the municipality must be prepared to collect even less if necessary to ensure payments for interest and principal being regularly made.

An urban municipality can obtain a ninety per cent loan from the Federal Government but must also obtain a provincial guarantee for such loan. For this and other reasons it seems likely that the limited-dividend corporation (composed of public spirited citizens) must be depended on for effective action. While it may obtain only an eighty per cent loan from the Federal Government, a provincial guarantee is not required, the interest rate is only $1\frac{3}{4}\%$ per annum payable half yearly and the principal can be repaid over a 35 year term.

The savings effected under the provisions of the National Housing Act should cut the economic rental of about 1% of the cost of home or apartment per month down to about $7/12\%$ per month. The average maximum income of the family permitted to occupy the average maximum housing unit of \$3,000 would be \$1,800 per year and the assisted rent \$17.50 per month.

Of course, it is the lower incomes in which we are interested. Allowing 20% for rent, a family income of \$850 would be required for the \$2,400 apartment—if, as it is hoped, it can be built—and the assisted rental would be \$14 per

month. To reach lower incomes a rent reduction fund, subscribed to by the municipality or province, is suggested in the National Housing Act.

The area in which a low-rental housing project is being developed must be adequately planned and the zoning regulations must be sufficient to secure the loan during its life. Adequate municipal services must be available or be supplied forthwith.

The Province's Part

In outlining the Dominion's part in the National Housing Act, most of what the province, the municipality and the individual must do has been detailed, or at least suggested. Leadership in all provinces by a Provincial Planning Board as in New Brunswick, or by a Provincial Housing Commission as in Nova Scotia, is strongly recommended.

If low-rental housing projects are to be provided under Part II of the National Housing Act, the province must legislate so that the municipality may collect annually not more than one per cent of the total cost of the project in lieu of taxes of all kinds, and as previously explained, if necessary, a lesser amount.

If the municipality feels in a position to undertake the construction of a low-rental housing project, the province must guarantee the ninety per cent of the cost which the Dominion may loan the municipality.

It has been mentioned that the area in which a housing project is being developed, must be adequately planned and zoned. Emphasis is placed in the National Housing Act and in statements of Federal Housing Administration officials on the need for adequate planning of areas where individual homes, as well as low-rental projects are to be built, and for zoning regulations and building codes that will protect the communities, where the housing units are constructed, against the intrusion of undesirable structures or a type of development that might destroy property values of the individual. Because it has been demonstrated that neighbourhoods without such control may

become blighted long before the individual houses suffer from age. And it has been pointed out that no matter how well you build your home, if a filling station or store takes over the adjoining lot, your investment is impaired. Also, no matter how well you build your beautiful house, if the other beautiful houses in the neighbourhood subsequently become occupied by people who live one-family-to-a-room and leave their garbage, ashes and waste on what used to be the lawn, your investment suffers. Under the provisions of the National Housing Act its administrators are insisting on practical requirements for building and for zoning regulations or protections that should result in sane standards for neighbourhood maintenance. The needed planning legislation must be enacted by the province.

The Municipality's Part

We may briefly restate how the municipality may help in providing homes under the provisions of the National Housing Act.

If or when the province has provided adequate Town Planning legislation, then the municipality must plan and zone for the purposes already outlined. This involves study and technical advice but is one sure way of reducing the tax levy or at least of making the tax dollar represent more essential services.

If the individual building a \$4,000 home or less is to take advantage of the tax assistance provisions of Part III of the National Housing Act, the municipality must agree to charge not more than \$50 per lot for a reasonable number of lots, if such lots are owned by the municipality and suitable for residential purposes.

In regard to low-rental housing under Part II of the Act, the municipality must approve the low-rental project, must agree that taxes of all kinds levied by it shall not exceed one per cent of the cost of the property and that no income tax be levied on the limited-dividend housing corporation. Adequate municipal services if not available must be supplied by the municipality.

Civic Improvement

By R. D. CRAWFORD

IN the old days of Athens, the term "civic improvement" might have meant a new statue in the public square, a new stadium or an academy. In Rome, perhaps it would suggest an aqueduct, a sewer or a triumphal arch. In the Middle Ages, it would be associated with the strengthening of a city wall, the building of an additional tower or perhaps a road for the conveyance of military engines. Coming down to more recent times, say from the middle of the nineteenth century on this continent at least, it almost invariably is associated with the construction of water and sewerage systems, the widening, paving and lighting of streets, tending to improved conditions respecting health, transportation and safety. In some of the larger centres aestheticism found expression in a public park or square, but in our own day with almost all of our towns and even many of our villages well watered, sewered, paved and lighted, improvement follows other channels in its efforts to make our communities more healthful, convenient, safe and pleasant for the inhabitants and the visitors attracted to us from other countries by the natural beauties and charm of our province. So it is that now the aesthetic is beginning to predominate and we find movements everywhere to preserve and if possible, enhance that gift of beauty which nature has so generously showered upon us in Nova Scotia.

The general idea taking root today is that instead of concentrating all effort on a park or a square, splendid institutions in their way, more attention should be given to the general appearances, and that the whole community should strive to present those pleasing vistas and

pictures we formerly associated only with parks or gardens. It is in this field today that ample scope is found for public spirited citizens to serve in a most worthwhile way the towns and villages in which their lot is cast.

The first essential in any plan having this ideal for its objective, is to see that the general layout of streets, lanes, sidewalks and bridges are as nearly right as can be achieved, that public dumps, advertising signs, dilapidated buildings and other eyesores are removed. Then an appeal may be made to the general public to beautify their private properties. In connection with the removal of these obnoxious features, some of course will necessitate the expenditure of a considerable amount of money and it may be for the time being, the removal of the dilapidated buildings will have to go by the board, although today in many towns and cities there is sufficient legislation to compel the owners to remove these nuisances without any cost to the community. The removal of obnoxious advertising signs has been pretty well taken care of by recent legislation which empowers the Highways Department to control all signs within a certain distance from the highways outside the limits of the incorporated towns. Legislation is now being sought empowering the towns to control advertising within their limits in a similar manner. Legislation is also being sought to permit the Highways Department to regulate the erection of buildings along the highways, having for its object the prevention of the construction of unsightly buildings and buildings so close to the highways so as to spoil the natural beauty of the countryside and make the highways unsafe for travel. These steps it is hoped, will be of inestimable value in preserving our heritage in this respect.

Along many otherwise beautiful residen-

EDITOR'S NOTE: R. D. Crawford is Town Clerk of Amherst, Nova Scotia. He spoke on this subject at the Course for municipal officers and officials held by the Institute of Public Affairs at New Glasgow, August 26, 1938.

tial streets, one frequently notes great gullies that are supposed to be drainage ditches. At the sides will be uneven and ill-kept sidewalks and the dust from the rough and unpaved roadway may be allowed to blow at will over the landscape causing unnecessary and exasperating annoyance and discouragement to the householder. The modern trend in street construction is to eliminate all unevenness of surface, to build the contour of the street and sidewalk in close conformity to the surrounding properties and to one another. This is particularly noticeable in the newer developed areas of the more progressive cities of the continent. If you examine closely the difference between some most pleasing part of the city and some ugly part, it will often be found that the improvement has been achieved mainly by smoothing out the rough spots and a simple arrangement of planting that is restful and pleasing to the eye and creates an impression of beauty (in effect, streamlining). Of course it is not to be assumed that the beauty of a rugged hillside, towering cliff or a picturesque ravine should be brought to the general level as this would result only in monotony and loss of interest, but very frequently these same hillsides and ravines may be deftly improved by the hand of an expert so that in addition to retaining all their natural beauty, a better approach may be provided or a better vista opened up. The best results are achieved when nature is copied in such a subtle way that the hand of man is effectually concealed.

The means by which these improvements may be effected will vary in different localities. In some The Horticultural Society may take the lead, in others it may be The Civic Improvement League, The Women's Institute, a committee of The Board of Trade or one of the many service clubs, but the most effective method of procedure will be the same in all. First, the interest of the public in a general improvement program should be aroused

by calling attention to the advantages of the improvements sought, and then the co-operation of the local authorities should be secured to deal effectively with the removal of objectionable features such as weeds, dumps, advertising signs, dilapidated buildings, etc. Then when a start has been made in this direction, strong appeals should be made to the property owners to repair and paint their buildings and dress up the surrounding grounds. In this respect suitable suggestions should be made as to the best means of carrying out an improvement plan such as an harmonious development of all properties on a street or in a given section, the making and care of lawns, the eliminating of unsightly crossways from the street to private driveways, proper grouping and arrangement in the planting of trees, shrubs, flowers, etc. These and many other suggestions should be worked out during the winter months to be ready for a grand spring campaign, which with the cooperation of the local government, the press, which may always be counted upon to boost such worthwhile endeavours, and the public, could be made an assured success. Over a period of years almost any drab community could make some claim to distinction for its attractiveness that would more than repay all the effort put forth.

Improvements such as outlined above, not only have an appeal to the finer senses but actually justify themselves from an economic standpoint. Outstanding in this respect of course, is the advantage to the tourist traffic which today is assuming such large proportions in the Maritimes and can only be sustained and increased as we maintain and enhance the attractions of our province both in urban and rural districts. Space does not permit a detailed reference to the other economic advantages but I know that aside from all that, no effort will pay greater dividends in health, happiness and contentment than a well planned and well directed program of Civic Improvement.

Proportional Representation

Its Operation In Cincinnati

By HAROLD F. GOSNELL

THE single transferable vote, or Hare system as it is sometimes called from the name of its founder, Thomas Hare, a British barrister, is the most popular form of proportional representation employed in English-speaking countries.¹ It is based on the theory that a lawmaking body should reflect with mathematical exactness the strength of various groups in the electorate. In jurisdictions where the single member district plurality system gives decided advantages to the major parties, the spread of the Hare plan has been slow. However, it is now in use in such American cities as Boulder, Colorado, Cincinnati, Hamilton, and Toledo, Ohio, Wheeling, West Virginia, and New York City and such Canadian cities as Calgary, Alberta, Winnipeg and St. James, Manitoba, and Saskatoon.

As compared with other systems of proportional representation, the Hare plan is aimed to give the individual voter the maximum amount of freedom. In New York City, the instructions to the voters placed on the ballots in the first trial of the system in 1937 read as follows:

"Mark your choices with numbers only. (Do not use X marks.)

"Put the number 1 in the square opposite the name of your first choice.

"Put the number 2 opposite your second choice, the number 3 opposite your third choice, and so on. You may mark as many choices as you please.

EDITOR'S NOTE: Harold F. Gosnell is Lecturer in Political Science at the University of Chicago. He has given special attention to the problem of Proportional Representation and is the author of the article on that subject in the *Encyclopaedia of the Social Sciences*, XII, 541-45.

"Do not put the same number opposite more than one name.

"To vote for a person whose name is not printed on the ballot, write his name on a blank line under the names of the candidates and put a number in the square opposite to show which choice you wish to give him.

"If you tear or deface or wrongly mark this ballot, return it and obtain another."

The first step in the count is the distribution of the ballots according to the first choices. It is then necessary to apply the quota in order to determine what candidates are to be elected. Except in New York City where the quota was fixed in advance at 75,000, the quota is dependent upon the size of the vote cast and the number of candidates to be elected and complete the quotient to the next whole number. Thus, in Cincinnati where there is a council of nine to be elected, the quota for the 1937 election was 14,208, obtained by dividing the total number of valid votes cast (142,071) by ten and completing to the next round number.

All candidates whose first choice votes equal or exceed the quota are declared elected. The ballots in excess of the quota are then transferred to the next available choices. Following this the candidates with the smallest number of votes are eliminated in turn and their ballots transferred in the same manner until the offices are filled.

One of the essential characteristics of the Hare plan is the system of transfers. While the first choices give a general idea as to how the election is coming out, the transfers sometimes bring about important changes. Although the counting and sorting of the ballots usually takes a week in Cincinnati and took more than a month in some of the boroughs

1. A brief popular discussion of the subject may be found in G. H. Hallett, Jr., *Proportional Representation—The Key to Democracy* (Washington, D. C., 1937). The *National Municipal Review* devotes special attention to the subject.

of New York, the plan is defended on the ground of its great flexibility and accuracy in reflecting the wishes of the voters. The city of New York is considering the use of tabulating machines to speed up the counting of the proportional representation ballots.

A more detailed consideration of the Cincinnati elections of 1929 and 1937 will show how the system has been working in practice.² One of the claims made for the plan is that it secures a more representative legislative body. An analysis of the transfers in the two Cincinnati elections will give an idea as to what groups have been seeking representation in this city, since it is reasonable to assume that candidates with given characteristics will attract voters with the same characteristics.

In the two Cincinnati elections the two principal municipal parties were the Charter Committee and the Republican Executive Committee. The Charter Committee is made up of a combination of independent Republicans and Democrats who were instrumental in securing the adoption of the city manager charter with a council elected according to the Hare plan. This group has sponsored a full set of nine candidates at each election and won a majority of the seats up to the election of 1935. In contrast to municipal parties in many American cities it operates on a volunteer rather than a patronage basis and it has greatly improved the tone of city politics. While the Democrats were content to support the Charter ticket in 1929, in 1937 they were split into three factions only one of which supported the Charter group.

An examination of the transfer of votes from candidates with given party affiliations shows that the eight year period brought a decline in party discipline. While in 1929 about four-fifths of the ballots transferred from candidates with a given party affiliation went to candidates with the same party affiliation,

in 1937 only three-fifths of the ballots were transferred within the same party groups. Several explanations may be given for the drop in party cohesion. In the earlier election party issues were more clear cut since the memory of the misrule of the Republicans before 1924 was sufficiently strong to induce those who desired civic reform to keep their choices within the Charter list. In the more recent elections the Republican party has been putting up candidates who were frequently equal in ability and prestige to those presented by the Charter group and it has ceased to challenge many of the reforms originally brought in by the Charterites. The transfers show that both the Republican and the Charterite voters are crossing party lines in greater numbers since the issues between them have become less clearly defined.

One of the comments made about proportional representation is that it increases voting along racial lines. If the view is taken that candidates should be voted for because of their ability, experience and integrity, rather than their membership in a particular race, then a system of voting which accentuated racial distinctions would not be regarded as desirable on that account. On the other hand, it has been pointed out that the essence of democracy is opportunity afforded different groups to protect themselves against exploitation by other groups.

In Cincinnati the Negroes form about one-tenth of the total population and so they should be able theoretically to elect a representative to the city council under proportional representation. This they did in 1937 when one of their candidates had regular Republican backing, but not in 1929 when both their candidates were without party backing. However, an examination of the transfers in the earlier year shows that three-fourths of the transferred votes of the Negro candidate eliminated went to the other Negro candidate who was still in the running whereas in the 1937 election the transfers from the Negro candidates eliminated scattered more widely. While it is impossible to compare the two

2. See H. F. Gosnell, "Motives for Voting as Shown by the Cincinnati P. R. Election of 1929," *National Municipal Review*, XIX (July, 1930), 471-76. One of my students, Mr. Morris H. Cohen, assisted me in the analysis of the 1937 election.

elections accurately because of the changed conditions, it is apparent that there is a strong race consciousness in both of them. In the later election it is probable that the first choices of the Negro voters were more highly concentrated than in the earlier election. It may be concluded that proportional representation permits voting along racial lines, but it does not necessarily increase such voting.

Another comment made about proportional representation is that it tends to encourage voting along religious lines. An analysis of the transfers from eliminated Protestant candidates at the two elections shows that they were distributed roughly in accordance with the proportion of Protestant candidates still in the running. This probably indicates that religious considerations were not of prime importance. However, in the 1937 election there was some slight tendency among the voters who gave their first choices to Catholic candidates to favor Catholic candidates in their later choices.

The relationship of proportional representation to voting along economic lines is also a matter of general interest. If in a given community there is little labor consciousness, then the Hare system will reflect this condition. This was the state of affairs in Cincinnati in 1929 when there were two labor candidates, one on the Republican ticket and one on the Charter ticket. When the Charter

labor candidate was eliminated only 5 per cent of his ballots were transferred to the Republican labor candidate. However, in 1937 the situation had changed considerably. About one-half of the votes transferred from labor candidates went to other labor candidates. The system faithfully reflected the rise in labor solidarity during the eight year period.

The advocates of proportional representation point out that the system results in a high per cent of effective votes, that it cannot be manipulated by party organizations, that it insures majority rule and guarantees the representation of every substantial minority, that it gives the voters great freedom of choice, that it prevents gerrymandering and solves the problem of reapportionment, that it eliminates mudslinging in local campaigns, and that it develops local leaders. Those who have opposed the plan claim that it promotes racial and religious blocs, that it helps extremists, that count is cumbersome and expensive, and that the system is hard to understand. As in connection with other governmental devices, extravagant claims have been made on both sides. The plan is, after all, a mechanical device and the use made of it depends upon the social composition and the leadership of the community which has adopted it. Since civic reform groups have been the most active in urging its spread, its adoption has usually been accompanied by a civic awakening.

Canada-United States Trade Agreement and the Maritime Provinces

By GEORGE V. HAYTHORNE

AT a time when political tensions between nations interfere with the working out of mutually advantageous economic policies and when, at great cost, tariff barriers are being raised to promote economic self-sufficiency, it is reassuring to hear of international agreements designed to remove such barriers and to liberate trade. The recent trade agreements between Canada and the United States and the United States and the United Kingdom, signed on November 17, 1938 in Washington, are particularly reassuring not only because these three countries are directly connected with much of the world's commerce, over one-third in 1937, but also because the agreements represent a tangible expression of common national interests. Under these circumstances it is not to be wondered that the agreements have been so well received in all three countries, as well as in all other countries which have most favored nation agreements with them.

Not since the days of reciprocity prior to 1866 has such freedom of trade existed between Canada and the United States. In fact, although there have been periods when substantial tariff reductions were granted, the general trend of both Canadian and United States tariffs for almost three-quarters of a century was upward. A high point was reached in the United States in the Smoot-Hawley tariff of 1930, when the tariff schedules were raised chiefly in an unsuccessful effort to offset the decline in commodity prices that accompanied the beginning

of the depression period. A general upward revision of Canadian import duties was made in 1931 partly for the same reason and partly in retaliation to the increases in the United States duties. In the following year, 1932, the Ottawa agreements, which greatly extended the system of preferential tariff treatment among the British Empire countries, became another barrier to Canada-United States trade.

The first attempt to remove any of the hindrances to trade erected during the years 1930-1932 was the signing of a Canada-United States trade agreement in 1935 which became effective on January 1, 1936 for a period of three years. Although this agreement was experimental and strictly limited in its scope—none of the concessions, for example, affected the preferential position of British goods in the Canadian market—nevertheless the results of the agreement proved sufficiently beneficial to both countries that they were ready and willing to sign a much more comprehensive agreement which came into effect on January 1, 1939 for another period of three years.

Under the new agreement all of the concessions granted in the previous agreement are either renewed or increased and, in addition, there is a large number of entirely new concessions. Altogether the 1938 agreement includes reductions on 129 items and sub-items, which is over twice the number provided under the 1935 agreement. Several more bindings of existing duties or of free entry are included in the recent agreement and many of the previous quotas are removed or substantially increased. In some cases the reductions in the duties are not large. Frequently this is due to the fact that the President of United States is empowered by the Trade Agreements Act of 1934

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to reduce rates of duty established by the Tariff Act of 1930 by not more than 50 p.c. through trade agreements with other countries. Canada has also, under the new agreement, made substantial further concessions to the United States on many specific items and in addition has promised to remove the special 3 p.c. excise tax on items bound on the Canadian free list as well as on items upon which existing duties are bound or reduced.

While it is altogether likely that an expansion of the total trade between Canada and the United States will occur under the new agreement, it is impossible to prophesy accurately what the outcome will be for specific commodities. In the present discussion all that will be attempted, will be a brief review of the reduction of duties on commodities of particular interest to the Maritime Provinces and to discuss in a general way their probable effect on the extent and direction of trade.

Of all the concessions granted by the United States in the recent agreement the most important from the point of view of the Maritime Provinces are those on fish. The reductions range from 16 $\frac{2}{3}$ p.c. to 50 p.c. of the previous rates and are much more extensive than those granted under the first agreement three years ago¹. Fish in a fresh or frozen form receive particularly favorable treatment. The largest reduction is on fresh mackerel namely from 2 cents to 1 cent per pound but the reduction on filleted, sliced or boned cod and related species in a fresh or frozen form from 2 $\frac{1}{2}$ cents to 1 $\frac{7}{8}$ cents per pound should be especially helpful. On the one hand this reduction on cod and related species will either reduce the previous loss or perhaps give a slight profit on these varieties of Canadian fish exported to the United States, and on the other hand, it will help to maintain the price level of fish in the domestic markets. Provision is made for the reduced rate of 1 $\frac{7}{8}$ cents per pound to apply to a quota of 15,000,000 pounds annually. This quota is expandable,

however, to 15 p.c. of the United States consumption, if the consumption averages over 100,000,000 pounds annually during the three preceding years. During years when the United States catch of cod and related species is low, this clause may be particularly beneficial to the Maritime Provinces. The total quantity of fresh and frozen cod and related species exported to the United States during the fiscal year 1938, however, amounted to only half of this quota. The amount of the fish exports and of other primary products of particular interest to the Maritime Provinces are shown in the accompanying table. In this table a comparison is made also between the quantities and values in the fiscal year 1935, the year before the first Canada-United States agreement came into effect, and those in 1938. Those commodities on which United States import duties were reduced in the 1935 agreement are specially marked. It should not be assumed that where increases in exports in these commodities occur, they were due to lower United States duties. In most cases, however, tariff reductions were an important contributing factor.

Smoked cod and related species are given the maximum concession allowable under the United States Trade Agreements Act. The two classifications for salted or pickled cod and related species, namely not more than, and over 43 p.c. moisture are also given maximum concessions. Although the differential between these two classifications still exists, it has been reduced sufficiently in absolute terms to enable more of the drier fish to be sold in the Porto Rican market. Formerly the differential amounted to \$2.24 per 448 pounds, while it is now \$1.12 per 448 pounds. This latter figure does not look so formidable. Some people will be willing to pay an extra \$1.12 per cask for the drier fish whereas they would not be willing to pay an extra \$2.24. This difference in duty based on the quantity of moisture contained in the salted fish has worked out to the advantage of Newfoundland which, with its so-called "Labrador slop", has been

1. See *Commercial Intelligence Journal*, No. 1817, Nov. 26, 1938, pp. 907-908.

Selected Canadian Exports to the United States, Fiscal Years 1935 and 1938†

Commodity*	Quantity		Value	
	1935	1938	1935	1938
	cwts.	cwts.	\$	\$
Fish:				
Fresh or frozen mackerel.....	2,658	26,776	13,562	159,141
*Fresh or frozen halibut.....	26,205	55,576	230,201	550,469
Fresh or frozen cod and related species.	44,261	75,209	295,099	518,316
*Fresh or frozen swordfish.....	14,780	14,334	154,421	198,786
*Smoked herring.....	4,849	8,586	19,158	36,828
Smoked cod and related species.....	18,430	27,598	181,937	283,014
Salted or pickled herring.....	14,716	8,759	25,782	29,825
*Salted alewives.....	1,640	42	4,982	190
Green salted or pickled cod and related species.....	108,126	112,355	310,078	302,846
Dry salted cod and related species....	90,776	65,384	510,647	377,391
Boneless, canned or preserved cod and related species.....	23,939	18,402	209,686	160,930
Agriculture:				
Potatoes: Table, bushels.....	{ 625,451	191,563	{ 337,413	124,213
*Seed, bushels.....		570,256		393,607
*Turnips, pounds.....	1,815,207	2,456,891	396,478	839,859
Blueberries, fresh, pounds.....	3,665,567	7,146,831	205,068	435,779
*Hay, short tons.....	69,819	81,604	673,963	555,768
Cider, gallons.....	161,416	135,195	96,587	50,500
Fox skins, silver or black, number....	5,999	6,048	197,312	177,614
Forest Products:				
Planks and boards,				
*Spruce, M. board feet.....	124,669	212,638	3,004,298	5,706,003
*Pine, " " ".....	86,721	60,685	2,121,972	1,936,224
*Birch, " " ".....	8,857	31,199	294,198	1,238,176
Christmas trees,.....	x	x	365,565	508,185
Total Canadian exports to the U. S.	.....	.....	304,748,440	425,131,091

†Fiscal year ending March 31.

‡Includes only those commodities of particular interest to the Maritime Provinces on which concessions were granted either in the 1935 or 1938 trade agreements.

*Commodities on which United States import duties were reduced in the 1935 agreement.

xQuantity figures not available.

Source: *Trade of Canada, 1937 and 1938.*

able under a lower duty to outbid drier fish from the Maritime Provinces in the Porto Rican market. This advantage, while still existing, is reduced by the present trade agreement.

The reduction of duties on farm products covers a wide range but those most directly affecting the Maritimes are on potatoes, and blueberries. The concessions on potatoes apply both to seed and table varieties. On seed potatoes the maximum decrease is granted, making the duty under the new agreement 37½ cents per hundred pounds or 22½ cents per bushel. For the time being this duty applies for nine months from the beginning of March to the end of November. During the three remaining months the

duty is to be 60 cents per bushel. Provided a previous obligation to Cuba in respect to seed potatoes is removed, the lower rate will apply for the whole year. A quota on seed potatoes remains in force but it has been increased from 750,000 to 1,500,000 bushels annually. The maximum reduction from 75 cents to 37½ cents is granted also on table potatoes for the nine months of the year. A smaller reduction to 60 cents is given during the other three months. The minimum quota is fixed at 1,000,000 bushels but it may be increased automatically in a short crop year by the amount the domestic United States crop falls below 350,000,000 bushels. If Canada happens to have a short crop during

the same year, this expandable quota will not make much difference since the Canadian market would likely absorb the whole domestic supply at good prices. Under other circumstances, however, this clause in the agreement should prove highly beneficial to Maritime potato producers.

Under the 1935 agreement preserved blueberries were granted a reduction of 10 p.c. ad valorem. They are given a further concession from 25 p.c. to 17½ p.c. under the new treaty and in addition the duty on fresh blueberries or blueberries in a brine is reduced from 1¼ cents to 1 cent per pound. The increase which occurred in the export of blueberries to the United States under the 1935 agreement is likely to be extended under these more favorable conditions.

A substantial reduction on silver and black fox furs, under the new trade agreement will no doubt be shared by the Maritimes.

Canadian exports of apples are not directly affected by the new agreement. Indirectly, however, through the United States-United Kingdom agreement Canadian apples enjoy a smaller preference over United States apples in the British market. This results from a reduction of the British duty on United States apples from 4s. 6d. per cwt., to 3s. per cwt., covering a period from August 16 to April 15 inclusive. Since Canadian apples enter the British market free, the present preference of 3s. per cwt. is still ample to safeguard the sales of Nova Scotia apples in the United Kingdom. It is likely, in fact, that had the tariff on United States apples been lowered at an earlier date, there would have been less stimulus given to domestic apple production in the United Kingdom. The increased production of British apples is likely to prove a more serious factor to the Canadian trade than any increased importation to the United Kingdom from the United States under the new agreement.

In addition to the removal of the marking requirement, which made it necessary to stamp the name of the

country of origin on lumber entering the United States, the only other direct benefit to the forestry industry in the Maritimes resulting from the present agreement is the reduction of the duty on Christmas trees from 10 to 5 p.c. ad valorem. Indirectly, however, benefits are likely to come in two other ways. First, the removal of the United States quota on Douglas fir and Western Hemlock is likely to give rise to a larger export of this product from British Columbia to the United States and thus tend to reduce the competition of British Columbia lumber with that from the Maritimes in the United Kingdom market. Second, the United Kingdom has agreed to remove the duty on certain sizes and specifications of United States softwoods if the United States in turn will remove its excise tax of \$1.50 per thousand on all Canadian lumber. If this tax is allowed to expire in June of this year, as it normally would, the only duty or tax on Canadian fir, spruce, pine, hemlock, or larch lumber entering the United States would be 50 cents per thousand feet. Under these circumstances, moreover, birch and other hardwoods, with the exception of cabinet woods, would enter the United States free of all duties or taxes.

This latter arrangement regarding lumber illustrates how Canada's bargaining position in her discussions with the United States was strengthened through assistance from the United Kingdom. Because Canada sacrificed something of the guaranteed market, especially for primary products, formerly enjoyed in the United Kingdom, she was aided by the United Kingdom in obtaining better treatment from the United States both in direct concessions in the Canada-United States agreement and in indirect concessions through the United Kingdom-United States agreement.

Quite apart from the above benefits directly occurring to the Maritimes from the agreement there are other indirect gains. One important result will be the reduced prices of manufactured articles, particularly machinery not made in Can-

ada, arising out of the lower Canadian import duties. These lower prices of producers goods will be reflected ultimately, through lower costs, in consumer prices. Another outcome, although one difficult to measure, will be the increased business confidence based on the stabilization of duties on important imports and exports for the next three years. A final,

and not the least important benefit, especially to a region like the Maritime Provinces which is so largely dependent on export trade, is the fact that this new agreement will serve as a splendid model for other agreements which, it is to be hoped, Canada will make with other countries in the near future.

What Health Insurance Means to the British Worker

By DOUGLASS W. ORR

TWO questions are suggested by the title of this paper. One is, "What does health insurance mean to the British worker as seen by a public health official or some other outside observer?" The other is, "What does the average British worker himself think of health insurance?" Fortunately the points of view both of the average "outsider" in Great Britain and of the worker himself are quite similar. Anyone who undertakes a study of the British scheme of health insurance, interviewing working men and women, employers, social workers, doctors, politicians, and others, will soon find that the opinions about it from all sources have a certain monotony, and that, except for rare instances, only an extreme Conservative, on the one hand, or an extreme left winger, on the other, would provide any marked divergence of sentiment.

Great Britain has had its scheme of health insurance since 1911 when the first National Health Insurance Act was pushed through Parliament by Mr. David Lloyd George, then Chancellor of the Exchequer. The Bill was, in some respects, a patchwork of compromises and there was considerable opposition—both lay and medical—to many of its provisions. Once enacted the measure was skilfully administered by tactful civil

servants, however, and National Health Insurance has now become a permanent and indispensable part of the British social services.

Several characteristics of National Health Insurance in Great Britain deserve special mention at the onset. It is, first of all, compulsory for virtually all wage-earners; that is to say, all wage-earners under a contract of service earning less than £250 a year (about \$1250) and these comprise some 18,000,000 men and women between 16 and 65 years of age. Secondly, it is not merely a plan of insurance; it includes also a special type of medical service for the insured population. And, finally, the range of cash benefits and also of medical services is subject to fairly well defined statutory limitations.

Health insurance, now more than twenty-five years old in Great Britain, is almost as much a part of the worker's daily life as is the Post Office or the school system. The insured person, having his weekly contribution (about 10c.) regularly "stopped from his wages", finds himself relatively secure in the knowledge that if he becomes sick he has a considerable measure of protection both against the sudden loss of earning power and against the illness itself. The statutory benefits of National Health Insurance may be summarized as follows:

- (1) *Medical benefit*: This consists of medical attention and the provision of "proper and sufficient medicines" without the

EDITOR'S NOTE: Douglass Orr, M. D., is on the staff of the Menninger Clinic in Topeka, Kansas. For his publications, see p 142., footnote 2.

payment of further fees than the weekly contributions during health. Medical benefit is limited to services "within the competence of an average general practitioner"—the doctor to be chosen by the insured person himself—but does not include midwifery or the care of conditions directly related to childbirth. The services of specialists and of hospitals are not included.

- (2) *Sickness benefit*: This consists in a cash payment during a period of incapacity for work "caused by some specific disease or bodily or mental disablement." This cash payment begins on the fourth day of illness and may continue up to 26 weeks. The statutory benefit is 15s. a week for men, 12s. a week for unmarried women, and 10s. a week for married women (about \$3.75, \$3.00, and \$2.50 respectively).
- (3) *Disablement benefit* is also a cash payment, just one-half the amount of sickness benefit, paid weekly to insured persons who are incapacitated for work beyond 26 weeks and up to an indefinite period.
- (4) *Maternity benefit* is a cash payment of £2 (\$10) to an insured person whose wife gives birth to a baby. If the wife is herself insured, this benefit is paid in respect of both husband and wife.
- (5) *Additional benefits* are paid by insurance societies having surpluses. A surplus may arise from a low incidence of sickness in the society or from exceptionally good management. More than a dozen additional benefits have been approved by the Ministry of Health including dental benefit, ophthalmic benefit, convalescent care, home nursing, and the like. Some 70% of all insured persons are entitled to additional *cash* benefits and over 90% are entitled to one or more additional *treatment* benefits (1935-36).

The several benefits of National Health Insurance are most important to the worker who is suddenly thrown out of work by illness and they are greatly appreciated by a large proportion of the insured population. At the same time, however, there is an increasing awareness of certain inadequacies and limitations in the scheme, and a mounting public demand for extensions, especially of the

medical services of National Health Insurance.

Interviews with insurance doctors, social workers, politicians, and workers point to "general satisfaction" with National Health Insurance, but frequently with the qualifying phrase "as far as it goes." A majority of workers who think about possible extensions of the scheme favor changes like these: (1) Extension of the medical service (now limited to what can be provided by "the average general practitioner") to include specialist services; (2) Still more important, extension of the medical service to include, not only the worker himself, but also his wife and dependent children; and (3) Increasing the amount of cash benefits, again not only with the welfare of the individual worker in mind, but also that of his dependents through some form of dependent allowances. There is some left-wing sentiment for nationalization of all medical services, including hospitals, and for making a full range of health services and medical care available to all (the analogy of the public school system is frequently used), but there is no widespread popular demand for any such sweeping change.

One index—and one often disregarded—of what a scheme like National Health Insurance means to British workers is what the workers themselves say about it. Several years ago an English nurse, employed by the Central Bureau for Industrial Nursing (London) interviewed at the request of the Metropolitan Life Insurance Company of New York, several hundred English workers and their wives on the subject: "Do you approve of the National Health Insurance Act?" Her findings have never been published in full, but her general results have been summarized as follows: "The final analysis of the survey showed that very few were not in favor of the scheme, but there was evidence that changes in some directions were needed. There was a feeling that benefits and contributions should not be at a flat rate but should be assessed according to circumstances.

There was a strong opinion that wives and dependents should be included in the scheme."¹

One or two "sample opinions" taken from Miss Charley's article are as follows:

- (1) "I can speak nothing but good of the scheme. I have had a lot from it. I have been ill since 1921 with toxic goiter and now it has left me with a weak heart. I have drawn on the National Health all these years and now I am getting disablement benefit. My panel doctor, who is a lady, is very good...."
- (2) "It is good to be able to have the doctor when you want him. If you had to find the money each time you might not have him at all."
- (3) A shopkeeper thinks: "There's less since it came in and the workhouses are not so full. It's certainly rather a nuisance stamping the cards, but I think it's worth it."

A similar, more comprehensive survey of National Health Insurance and other public health and medical services for the lower income groups in Great Britain was made by the writer and his wife two years ago.² The results, insofar as the popular feeling about National Health Insurance is concerned, are in substantial agreement with the above and also with the published opinions of the British Medical Association, the Royal Commission on National Health Insurance (1926), the Committee on the Scottish Health Services (1936), and the P E P (Political and Economic Planning) "Report on the British Health Services," 1937. The medical service established under National Health Insurance is vastly better than the haphazard arrangements existing before 1911, but there is chum

that remains to be done in extending the service and making it available to the wives and dependents of the present insured group.

Opinions expressed to the writer or his wife included the following:

- (1) "...one of the best Acts ever introduced for the worker."
- (2) "A twist" (i.e., a swindle).
- (3) "In my experience as a working man it is one of the best things we have—the more so since it is made compulsory so that the state, the employer, and the workman all subscribe to it..."
- (4) "What I think about National Health Insurance is that it is very useful and sensible as it comes as a good consolation to poor people when they are ill. If there were no National Health, poor people would find it very difficult to find money for doctors' bills, and the panel money which is given is able to allow extra nourishment when a person is ill..."

Increasing concern with respect to "social security" on this side of the Atlantic heightens the interest for us of measures which have already been taken in Great Britain. When we recall that Old Age Pensions, Unemployment Insurance, and National Health Insurance were all pre-War measures there, we realize that there is much that we can learn from a study of such well-established schemes. The British form of health insurance, despite certain limitations, has brought a considerable measure of "health security" to the 18,000,000 workers who are included within the scheme, and the time is probably not far remote when nearly 20,000,000 wives and dependents of these workers will be included in the medical service of National Health Insurance, so that nearly 80 per cent of the entire population will enjoy its benefits and likewise the increased range of services which is almost certainly also a matter of the immediate future.

1. Charley, Irene H.: "National Health Insurance in Great Britain," *Public Health Nursing*, 27: 125-128, 1935.

2. Orr, Douglass W., and Orr, Jean Walker: *Health Insurance With Medical Care: The British Experience*. New York, The Macmillan Company, 1938. See also the *Survey Graphic*, December, 1937, and January, February, and March, 1938.

Industrial Relations and Social Security

Trends in Industrial Retirement Plans in Canada

By J. C. CAMERON

WITH the growing interest in the general problem of old age insecurity, and with the increasing recognition that industry has some responsibility for providing for the full life-span of its employees, the need for a comprehensive survey of the provisions for retirement which are actually maintained in industry becomes very evident. Such a study was recently completed by the Industrial Relations Section of the School of Commerce and Administration, Queen's University. The study analyzes 120 retirement plans maintained by companies estimated to employ 265,000 employees in Canada.

Examination of these plans suggests that certain definite trends are emerging in Canada at the present time. The more important of these trends are outlined below.

1. The majority of the new plans confine the retirement plan to provision for old age, and to the protection of the right of the individual employees to the funds accumulated on their behalf. Many of the re-insured plans have associated with them provisions for group life insurance, or group sickness and non-occupational disability insurance, or both.

2. With very few exceptions, the plans examined provide that all permanent employees shall be eligible for membership. A short waiting period for eligibility is frequently imposed, in order to reduce administrative costs by excluding casual employees.

3. For employees hired after the inauguration of the plan, membership is frequently compulsory. For employees already in the service it is usually optional, but accompanied by a strong

inducement to participate. The most effective inducements seem to be the limitation of benefits for past service to employees joining the plan within a short time of its adoption, and the grouping of two or more forms of insurance under a "package" plan. If complete coverage is to be attained, compulsory membership seems to be necessary.

4. The newer plans provide for compulsory retirement at a definite age (present experience indicates no later than sixty-five). Later retirement is sometimes permitted under special circumstances, but usually only on the application of the employee and with the consent of the employer. Earlier retirement, with an immediate annuity actuarially adjusted, is almost invariably permitted at the discretion of the employer, on the request of the employee. Such flexibility appears to be desirable, provided that the annuity payable is adequate.

5. No conditions for determining eligibility for annuity other than attainment of the normal retirement age are imposed under the majority of recent plans. It has been found that service requirements operate to postpone desirable retirements, and limit the effective protection to a relatively small proportion of the employees. Moreover, since they are related to the conception of a pension as a reward for long and faithful service, they are inappropriate if retirement plans are regarded as a form of wage payment.

6. Practically every new plan which has been adopted since 1929 has provided for direct employee contributions, and a number of previously non-contributory plans have been revised on the same basis. Direct employee contributions have been found desirable to ensure that the employees will take an active interest in the plan, and that they will be granted

legal rights. Experience has shown such rights to be associated only with contributory plans, although the provision for direct employee contributions does not always, or in itself, guarantee them.

7. Usually direct employee contributions and company contributions are so arranged that each provides approximately one-half of the total funds necessary. Together they are designed to result in each employee having to his credit at retirement a total amount, from contributions and accumulated interest, sufficient to provide benefits roughly related to his aggregate pay and service. Contributions usually cease at the normal retirement age.

8. For convenience in administration it has been found desirable, under the newer re-insured plans, to group employees according to their salaries, and to arrange for the same rate of contributions and benefits for employees in the same salary group. This method usually introduces some inequalities between individual employees. The portion of any salary above a relatively low maximum is frequently disregarded, since the number of individuals who would benefit by high retirement annuities is limited, and such individuals may reasonably be expected to provide for themselves such extra protection as they require.

9. Employees are commonly not asked to contribute during periods when their income is reduced because of lay-off or illness. Provision is sometimes made for making up such contributions voluntarily on the employee's return to work, so that the final retirement annuity need not be reduced. Ordinarily employees definitely leaving the service of the company are refunded their own direct contributions (sometimes with interest) but forfeit the company contributions on their behalf.

10. The new plans provide a retirement allowance in the form of a life annuity, payable at the normal age of retirement, equivalent in value to the total contributions made on behalf of the individual employee, together with the accumulated interest on those contributions.

11. Any immediate annuity payable to an employee retired before the normal retirement age is usually equivalent in value to the deferred annuity payable at the normal retirement age to which his accumulated reserves would entitle him.

12. The annuity payable to the employee retiring later than the normal age sometimes begins at the normal age; sometimes it begins at actual retirement and is increased to allow for the further accumulations of interest and for the reduced life expectancy.

13. Past service benefits of an adequate amount have usually been found necessary to make retirements possible, both immediately and until the accumulations under the contributory plan provide adequate benefits.

14. A maximum limit to the benefits payable is usually provided, frequently by grouping all salaries over a specified amount into one "basket" salary class.

15. Employees are usually given the option of selecting the form of annuity most suited to their individual needs, so that they may make provision to protect their dependents against the risk of their death shortly after retirement. The optional annuity is of the same actuarial value as the life annuity otherwise payable.

16. All the contributory retirement plans provide for a refund of the employee's own contributions, usually with interest at a guaranteed rate, if the employee withdraws from the company before retirement for any reason, or if he dies before reaching the retirement age. Companies have tended to look upon their contributions as funds especially set aside for retirement purposes, and have confined their benefits to employees remaining with the company until retirement. In order to ensure retirement protection to each individual employee a number of recent plans have made provision for vesting rights to a paid-up deferred annuity, purchased with the appropriate share of company contributions, in each withdrawing employee who agrees to accept the refund of his own direct contributions in the

same form. Under a few plans employees who withdraw are given the right to a refund of all contributions made on their behalf.

17. Recent retirement plans afford the employees legal safeguards in the form of guarantees that the retirement annuity will be awarded to all persons who attain the normal retirement age while still in the company service, and that benefits which are once granted will continue to be paid for the life of the retiring employee. Since the benefits of the retirement plan are one form in which employees receive their wage payments, it seems desirable that ultimately employees should be assured of full contractual rights, not only to their own direct contributions, but also to the company contributions on their behalf. Such rights would have to be vested in the individual employees regularly.

18. The provisions of the plans recently adopted or revised indicate that increasing attention is being paid to the problem of sound finance. It is becoming recognized that the liabilities accrue currently and that they should be measured accurately and provided for as they accrue. If the company arranges to pay past service benefits, the unfunded liability which is assumed, is usually discharged by a lump-sum payment, or, if the company finds this outlay too heavy a burden at one time, by amortization over a short time.

19. Under practically all the retirement plans recently adopted the liabilities are underwritten by a life insurance company. Re-insurance provides guarantees that the principal of the reserve fund will be secure, and that the assumed rate of interest will be earned. It also makes certain that the liabilities will be adequately funded as they accrue.

20. All re-insured plans and the majority of new self-administered plans recognize the need of guarantees that funds once set aside for retirement purposes will not, under any circumstances, be recaptured by the company and used for other purposes.

Social Remedies Within The Democratic System

Under the above caption, the *Toronto Daily Star*, in a recent editorial urges establishment of a greater measure of social security in Canada, and like organized labour, contends that this in itself would best serve to maintain democracy by bringing the greatest good to the greatest number. The *Star*, which has consistently advocated social reforms, believes "that Canada is able, within the democratic system, through Federal or provincial legislatures to establish relief to the people from some of their basic burdens and fears." It advocates "Unemployment insurance, health insurance, minimum wages and maximum hours for men (a "floor for wages and a ceiling for hours"), a reduction of the age for old age pensions to 65, a national works programme and the reorganization, on a federal basis, of the present disorganised, inadequate relief system."

Continuing, the editorial says:—

"Most or all of them with variations, are in operation in the democracies—Great Britain, Australia, New Zealand, Scandinavian countries, the United States. A number of such measures have been longest in existence in Great Britain and they have not been challenged as injuring or menacing the democratic system. They are accepted as normal social measures, and found to be extremely beneficial for the maintenance and preservation of democracy. Canada has not yet tried out any such measures excepting Old Age Pensions, and can quite easily do so within the democratic system. Indeed there is no other method as lasting and satisfactory by which to evolve such remedies than in the democratic way.

"The *Star* believes that the best way to ensure the continued existence of democracy is by helping it to grow unhampered. A body grows and develops best when it is properly nourished and exercised. This is also true of democracy. It needs nourishment and exercise, and not to be 'saved' from activity. Democracy will thrive best if there is the widest participation of all citizens in all spheres of government. A social security programme such as the *Star* advocates can come best through the democratic process. The democratic process means that all the people, by thinking, planning and experimenting

together, can work out measures which will bring 'the greatest good to the greatest number.' This cannot be done by restricting groups of law-abiding people from participation in the responsibilities and functions of government."—*From the Canadian Congress Journal.*

Conflict About Co-operative Medicine

Two years ago in Washington, D.C., a group of government employees formed the Group Health Association, Inc. They arranged to pay from \$2.20 to \$4.50 a month apiece, and in turn were to receive medical care and hospitalization when they needed it.

From the beginning they had trouble getting doctors to work for them. Physicians claimed that if they took Group Health cases, it would hurt their standing with the medical associations. Doctors who finally joined the staff said that not only was this true, but that it was not very long before specialists refused to give them consultations, and Washington private hospitals barred their patients.

The Group Health Association complained to the Department of Justice. A little later a campaign waged by contributors to the Washington (D.C.) Community Chest—many of whom made "pledges" conditional upon the lifting of the medical associations' boycott of the Group Health M.D.'s—attracted attention.

Finally a District of Columbia court issued an indictment against the American Medical Association, the Medical Society of the District of Columbia, and other medical groups, for violation of the Sherman Anti-Trust Act. They were charged with monopolistic practices.

Proponents of co-operative medicine are anxiously waiting to see what the outcome will be. If the American Medical Association is found guilty, it will advance the group medicine cause tremendously. For although a nation-wide survey made by the American Institute

of Public Opinion indicates that 25,000,000 persons would be interested in "group medicine" if they could get full coverage for around \$3 a month, in most communities doctors refuse to participate.—*Consumer Education News Letter*, published by the Institute for Consumer Education of Stephens College, Columbia, Miss.

Social Security Act in New Zealand

Following the report of a National Health and Superannuation Committee on the proposals of the government to establish a national health and superannuation service, a social security act has been passed in the Parliament of New Zealand.

According to a Canadian Press-Reuters despatch from Wellington, the act provides that ultimately all persons at 60 will be eligible to receive a pension of 30 shillings (\$7.50) weekly. Other provisions include disablement, sickness and unemployment benefits. The proposed scheme also covers free hospital and medical treatment for all persons, and a special section provides for maternity attention and maintenance in hospital for a period of 14 days.

The act provides that a married couple, both aged 60 or more, will be entitled to £3 (\$15) per week while receiving not more than £1 each from other sources. If their income from other than the pension exceeds £1, their joint pension will be reduced so that their total income does not exceed £4 weekly.

It is stipulated that a married person whose spouse is less than 60 years of age may receive a pension of 30 shillings weekly, provided the pensioner's other income does not exceed 50 shillings.

The scheme, as set forth in the act, applies to all persons more than 16 years of age and will be financed by an annual registration fee of £1 and a charge of one shilling to the pound on all salaries and wages.

What Municipalities are Doing

Contributions from Municipalities to this Column will be most welcome.

Winter Sessions of Municipal Councils

Annapolis. Among the resolutions passed by the Council was one dealing with the presentation of a bill to the Provincial Legislature making it necessary for marriage candidates of doubtful mental or physical qualifications to obtain a certificate from a doctor before being granted a license.

Chester. A general improvement in the affairs of this municipality was reported at the annual council sessions. All obligations have been met and the year's operations show a surplus of \$3,500. A consolidation and revision of the municipal by-laws has been carried out.

Colchester. The 1938 budget was balanced with a surplus of almost \$5,000. A reduction of \$4,500 in the debit balance in 1938 over the same period in 1937, coupled with decreased expenditures was a feature of annual reports. Tax revenues for the year, general and default, amounted to \$83,947, a drop from the \$90,443 collected in 1937. Revenue increases were noted in various items. The tax rate of 2.55 will remain in effect for the ensuing year. The Council unanimously passed a resolution urging the abolishing of the Municipalities' Highways Tax. A proposal for the establishment of a tile manufacturing plant to afford constructive employment to inmates of the county jail was put before the Council, but no action was taken.

Cumberland. The financial position of the municipality has improved in the past year. Out of a tax levy of \$112,000, over \$83,000 in current taxes was collected by the central tax collector, while district collectors secured a proportion of arrears. The collections approximated 75 per cent and were nearly double the amount collected under the old district system in 1937. The Council appointed a committee to study the best methods of collecting delinquent taxes. The committee will report in April. It was decided to make the assessment of foxes applicable to breeding foxes only.

Digby. Encouraging reports have been received from the Digby County Power Board and the municipal hydro electric distribution. The revenue of the Board for the past year was \$39,357, with a profit of \$2,415. During the year 1,508,900 kw. hrs. were generated as compared with 1,412,500 in 1937, and 107 new customers were added, 55 of whom were in the municipality of Clare. Among the bills before

the Council, those for outside poor amounted to \$6,700, for Children's Aid \$2,205, for Sanatorium patients \$2,343, for patients in the Digby General Hospital \$3,362, and for patients in the Victoria General Hospital, \$1,611, as well as other heavy bills for public charities, for country doctors' services and for the care of the insane and poor.

Hants, West. Other hospitalization costs were: Victoria General Hospital, \$194; Eastern Kings Memorial Hospital, \$78. A relief project that would provide work this winter for heads of fifty families in the St. Croix district was announced at the January session of the Council as being under consideration by the Provincial Government. The municipality would pay 35 per cent of the cost, the Provincial and Federal governments contributing the remainder. A resolution was passed demanding that a report of all indigent cases receiving hospitalization be submitted to the municipal clerk each month. The Council protested the heavy drain on county finances caused by abuse and indifferent check-up of relief recipients of hospital treatment. Indigent chronic and incurable cases hereafter will not be admitted to the institution. Diagnosis of such cases must also be reported.

Kings. The financial position of the municipality shows an improvement, with a surplus of \$39,598 in the balance sheet as compared with a deficit of \$2,000 last year. Assets amounted to \$337,523 of which \$180,074 is invested in buildings, and current assets including cash on hand. Rates receivable, less reserve for uncollectables, and accounts payable generally amounted to \$107,202. Bonded debt is \$115,000, current liabilities \$126,316, and sinking fund reserve \$30,956. The total revenue of the county was \$118,375, and the total expenditure \$117,594. The cost of poor relief for the past year was \$43,000. Children's aid costs are increasing. Tax collections show an increase of \$10,000 over the previous year, \$9,000 of this being collections of taxes in arrears. \$5,987 in delinquent taxes is still outstanding. The tax rate will remain unchanged at \$3.20. Estimated expenditures for the coming year were set at \$122,425, against an estimated revenue of \$35,800, leaving \$86,625 to be raised by taxation.

Lunenburg. At the recent annual session the Municipal Council voted \$1,000 toward a

new X-ray for the Dawson Memorial Hospital at Bridgewater, jointly owned by the Municipality and Town of Bridgewater. The town will also donate a similar amount.

The suggestion having been made that it would be desirable to investigate the benefit of building a T. B. Annex at the Municipal Home for a limited number of patients, the Commissioners were directed to make a thorough survey and report at the April session.

The tax rate was given a little cut and the finances reported in excellent condition.

During the year, twenty-eight patients were given terms of three to six months at the Nova Scotia Sanatorium, Kentville, in an effort to have them taught to care for themselves properly, and in many incipient cases to effect a cure.

Pictou. The financial report showed receipts for 1938 amounting to \$150,404, including credits from 1937 to \$20,811. Expenditures amounted to \$157,778, consisting of municipal expenditures of \$76,925 and joint expenditures of \$80,853 with a balance of \$13,436. Joint assets amounted to \$470,671, with joint liabilities of \$200,000; municipal assets amounted to \$53,480, with liabilities of \$21,825. When all outstanding accounts are met there will be a deficit of about \$7,000. Outstanding taxes up to the end of 1938 amounted to \$52,337. It is generally felt that the system of assessment and tax collection in use is unsatisfactory. The Board of Revision and Appeal in its report to the Council recommended that the present 25 assessors be replaced by a single assessor, who should be a member of the Board or accompany it on its tours of the county. The Council received many appeals for relief of the unemployment situation which in several sections of the county this winter is acute.

Yarmouth. The Council resolved to float a bond issue of \$10,000, to be retired in ten years and to bear interest at 4 per cent. The tax rate for the coming year was raised 37 cents from last year's figure of \$2.50. Next year's expenditure for outside poor and pensioners was estimated at \$10,400, which is \$1,000 less than the actual expenditure of last year. A new finance committee of three was appointed to supervise all expenditures throughout the year. The Committee is to meet every month to review reports presented by the clerk regarding collections and the relation of actual to estimated expenditures, with a view to curtailing expenditures and to encouraging the collection of taxes. The committee is also to audit all accounts not otherwise provided for.

Municipal Finance in New Brunswick

A report on municipal finance in New Brunswick has been prepared by the New Brunswick Institute of Chartered Accountants at the request of the Department of Education, Federal and Municipal Relations.¹ It is tangible evidence of a desire on the part of the administration to seek the viewpoints of individuals not closely connected with government administration.

Part One of the report deals with the various operations now generally followed by local officers in the assessing, collecting, disbursing and recording of municipal funds. Suggestions are offered whereby changes in techniques could be made in order that some homogeneity in local financial practices might result. Recommendations dealing specifically with uniform valuation of property for tax purposes and provincial supervision of local indebtedness merit the attention of provincial and municipal officials. The committee, apparently recognizing the problem of achieving widespread co-operation from all local units, suggests that "the citizens should be taken into the full confidence of the various municipal bodies and be given full information about the condition of affairs and the activities of their representatives" (p. 4). There is little doubt that a wide distribution of *comprehensive* financial reports could aid materially in providing some incentive toward the attainment, on the part of local officers, of sound financial techniques.

Part Two presents "in a general way a system (of accounting) which may be followed by Provincial Municipalities, subject to differences in detail necessitated by variations in size" (p. 16). The usefulness of various ledgers and controlling accounts, deemed necessary for the tabulation of local financial transactions, is indicated in some detail. The committee was confronted with the problem—by no means unique in New Brunswick

(1) Report on: I. *Financial Administration of Municipalities in New Brunswick*, and II. *System of Accounting for Municipalities in New Brunswick*. The New Brunswick Institute of Chartered Accountants (Province of New Brunswick, Department of Education, Federal and Municipal Relations, January 1939.)

—of devising a system of accounts suitable for adoption in communities whose needs and functions are at wide variance. As a workable solution, broad classifications according to functions, purposes and objects are outlined. In order to achieve some elasticity in the accounting method it is implied that specific details could be arranged to meet the needs of the localities.² This is vital to the continued success of a uniform system of accounting and reporting.

An extremely useful feature of the Report is its discussion of weaknesses in the present methods of local administration. The recommendations made by the committee concerning budgeting techniques, accounting practices, financial reporting, the annual auditing of records, and the administration of local debt are also worthy of careful study by all public officials. Furthermore the committee did not feel obliged to confine its recommendations within the limits of the existing legal framework. Unfortunately for the student of finance, it was deemed advisable to limit the study to general considerations of local administration, thus sacrificing a discussion of technical issues. Nevertheless points are raised, the satisfactory solution of which is necessary to some coordination of local and provincial functions. As a basis for further research in provincial-local relations the report should serve as a most useful guide post in directing efforts along specific channels.—W. F. LOUGHEED

Lucid Municipal Reports

The need for intelligible municipal reports is stressed in an interesting article written for *The Municipal Journal*, (England) by Mr. Arthur Collins and referred to in *The Municipal Review of Canada*. It is a well known fact that most of the municipal reports published in Canada and elsewhere are of such

a technical nature that they can hardly be understood except by a few experts. This is very regrettable as the reports would give a splendid opportunity to the municipal councils for efficient publicity of their activities. To quote Mr. Collins:

"We think that authorities should make this a specific part of their administration, and, as is done by certain municipalities, should allocate this task to an officer as, at least, part of his duties. In other words, the time has come when every authority of any consequence should have its publicity department which, besides producing an attractive annual report on the work of the council, would be responsible for keeping the public informed, through the usual channels, on the wide field of services rendered by the authority, fostering the interests of the rate-payers in local administration, creating a better-informed opinion on the manifold questions which come within the purview of the council. The tendency in recent years has all been in the direction of a spirit of friendly co-operation between the public administration and the public.

"One means of securing this friendly co-operation, so very necessary, particularly in these days when there appears to be a good deal of misunderstanding of the civic administration, is by the publication of a report which will be practical, useful and informative—a report with a human appeal—calculated to arouse and maintain the interest of the rate-payer in the public affairs of the district in which he lives or works. There is undoubtedly a large public anxious for first-hand information upon which to base intelligent opinion. In the United States a high standard of skill and technique has been achieved in the presentation of reports. The same thing can be done here. It should be the objective of every well-governed district to produce at least one document each year giving essential information about its work for the benefit of the man in the street—a plain unvarnished tale with a popular appeal free from the obscurities and circumlocutions of 'officialese'."

(2) Uniform terminology for all financial transactions, particularly items of expenditure, should be agreed upon prior to any attempt at uniformity of accounts and reports. An effort is made to do this, in some detail, in schedule A (pp.25-34). Reference to: National Committee on Municipal Accounting, *Municipal Accounting Statements*, (1313 East Sixtieth Street, Chicago.), might provide useful supplementary material.

Legal Department

LIABILITY OF COUNCILLORS

The following decision which was handed down in England—Davis V. Cowperwaite (1938 2 All E.R. 685) and which was recently published in the British Columbia *Municipal News*, will also be of interest to municipal officers in the Maritimes.

The Urban District Council of R., England in its meeting of September 9, 1936, resolved to contribute £30 for a march of unemployed men to London. The Council had been warned by the Clerk that such a payment would be illegal and that the members of the Council might be made personally liable for the amount. A citizen aroused about the Council's procedure got an interim injunction from the Court restraining the Council from making the proposed contribution. Thereafter at a special meeting of the Council, it was resolved to rescind the resolution of September 9 by which the contribution of £30 had been authorized and to abide by the injunction; but the Council objected to the payment of the costs incurred. The Court, however, ordered the Council to pay the costs of the proceedings which amounted to £85 2s.

At the next meeting of the Council held December 9, it was resolved that the bills of costs should be paid. When the accounts were audited objection was taken to the allowance of the costs. It was submitted that this payment was expenditure incurred as a result of an illegal act and the auditor was asked to surcharge that amount on the members of the Council responsible for the resolution of September 9 and also on the members of the Council who passed the resolution of December 9 authorizing the payment of the costs. The auditor, having considered the matter, found that the members of the Council who passed the resolution of December 9 had acted legally and properly as the said costs consisted of debts legally and properly due by the Council and that the action of the members who voted in support of the resolution of September 9 was not an act which called for surcharge under the Local Government Act 1933 which imposed a duty on the district auditor—

"to surcharge the amount of any loss or deficiency upon any person by whose negligence or misconduct the loss or deficiency has been incurred."

It was held on appeal that as the members of the Council who passed the resolution of

September 9 did so notwithstanding the advice of the Clerk to the Council that the proposed contribution was illegal, and without disputing the correctness of such advice, they were guilty of misconduct within the meaning of section 228 of the Local Government Act 1933 and as the costs incurred amounted to a loss or deficiency caused by such misconduct the said sum of £85 2s. should be surcharged upon those members who voted for the resolution of September 9.

The above recent decision is quoted to show the responsibility of Municipal Councillors in making payments for purposes not authorized by the Municipal Act. In Nova Scotia there is no statute similar to the Local Government Act, 1933 in England, authorizing a surcharge, but any citizen may sue on behalf of himself and other ratepayers and recover personal judgments against Councillors voting money for unauthorized purposes. This course was followed many years ago when a Halifax citizen sued the Mayor and City Engineer of Halifax to refund expenses incurred by them in attending a convention of the Union of Canadian Municipalities. The case is reported in *McIlreith vs. Hart*, 39 S.C.C. 657. Payment of expenses to the Union of Nova Scotia Municipalities is specially authorized by a Provincial Act.

THE ILLEGITIMATE CHILDREN'S ACT CHAPTER 49 R.S.N.S. 1923.

Recent decisions under this Act are important for Overseers of the Poor to note.

1. A married woman may lay an information under Part I of the Act and can testify as to the parentage of the child. *Pulsifer vs. Town of Hantsport*, 6 M.P.R. 530.

2. Under Part II of the Act a married woman cannot testify as to parentage. *Thomas vs. Ryan*, 12 M.P.R. 498.

3. While proceedings under Part II cannot be taken if proceedings on behalf of the Overseers have been taken under Part I and the order made thereunder fulfilled, and although under that part the maximum order is \$500, nevertheless the taking of proceedings under Part I is not a condition precedent to an action under Part II. So in a recent action, *Manger vs. Arron* (unreported), Mr. Justice Carroll of the Supreme Court of Nova Scotia gave judgment against the defendant for expenses incurred to date of judgment and ordered \$5.00 a week to be paid until the child should become 16 years of age.—R. F. FIELDING, K. C.

Current Public Affairs

Institute of Public Affairs

The Council of the Institute held its annual meeting December 16. The Secretary submitted a report on the activities of the preceding year. The future programme was discussed. The Council recommended that the Institute should undertake an extensive survey of provincial and municipal finance in Nova Scotia. This recommendation has meanwhile been acted upon and work on the survey was started at the beginning of February.

The printed Report about the activities of the Institute may be obtained on request from the Institute's office at Dalhousie University.

The Extension Course for Civil Servants of the Dominion and Provincial governments in the City of Halifax which was held again this year under the auspices of the Institute offers eight classes for which 128 students have registered. The programme also contains lectures given by some distinguished Civil Servants from Ottawa. On January 5th Mr. David Sim, Commissioner of Excise in the Department of National Revenue spoke on the administration of Excise. Mr. J. A. Wilson, Controller of Civil Aviation in the Department of Transport discussed problems of Civil Aviation in Canada on February 10. It is anticipated that Mr. Fraser Elliott, Commissioner of Income Tax will give a lecture late in April.

New Brunswick Budget is Balanced

Operations for the fiscal year ended October 31, 1938, resulted in a surplus on ordinary account of \$59,410, it was announced by the Provincial Secretary-Treasurer in a statement issued on January 23. This is \$42,408 in excess of the surplus estimated by the budget and \$30,320 larger than the surplus reported in the previous year. The re-

ported surplus was achieved after providing \$387,438 for debt retirement. Excluding provision for sinking funds and debt retired out of revenue, there was a surplus of \$446,848, as compared with \$351,780 in the previous year.

Ordinary expenditures totalled \$8,549,782, exceeding budget estimates by \$66,180 and being \$709,390 higher than in 1936-37. The increase in expenditures was due largely to an increase of \$476,238 in debt charges, and increased outlays for old age pensions, public health, education and public works. The increase in actual outlay over estimated expenditure was due mainly to heavier expense incurred in maintaining highways as a result of climatic conditions, and extraordinary expenditure for fire protection.

Revenues reached a new peak—amounting to \$8,609,192. This is an increase of \$739,709 over the previous year and a gain of \$108,588 over the budget estimate. Additional revenue as a result of increase in gasoline and corporation taxes and in motor vehicle fees was largely responsible for the gain in revenue. Returns from the gasoline tax amounted to \$1,846,766. This is an increase of \$369,121 over 1936-37 and \$146,766 over the budget estimate. It should be noted that this increase in the gasoline tax came into effect only on March 20 last. Had it been in effect for the entire twelve months the province would probably have collected another \$100,000. Not all of the increase in gasoline tax revenue is due to the higher tax. A portion is due to greater gasoline consumption arising out of increased traffic on the roads of the province. Altogether, 34 per cent of the total revenue of the province in 1937-38 was derived from the gasoline tax and from motor vehicle fees. However, receipts from most other revenue, with the exception of stumpage fees and succession duties, were above the previous year. Stumpage fees w

down \$27,000 and succession duties \$80,000.

The net debt of the province at October 31, 1938, amounted to \$77,079,831, an increase during the year of \$9,097,560. Bank loans and treasury bills were reduced during the year by \$3,600,000. The increase in net debt is due largely to capital expenditures on roads and bridges. As the government's programme for the completion of the main arteries of traffic is now drawing to a close, it is anticipated that expenditure for this important service will gradually decrease.

Increased Federal Aid to Unemployed

An increase of 10 to 15 per cent in federal grants for direct relief is announced from Ottawa. One of the main features of the new plan is the proposal for civic improvement works, as an alternative to direct relief. In order to reduce the expenditures of the municipalities for material aid to the unemployed, the federal government will contribute dollar for dollar with the province towards absorbing the entire labour cost of municipal improvements up to any amount. The only check provided on the expenditure is the approval of the two governments concerned. How far this plan is to provide a substitute for direct relief is not yet clear. There is no suggestion that the municipality must choose one course or the other. While housing projects are not included under the plan, it is stated that the grants may be employed for the demolition of old buildings as a preliminary to slum clearance projects. In addition most of the plans for self-liquidating work projects rejected under the Municipal Assistance Act will be eligible under the civic improvement scheme.

Other features of the new policy include:

1. Increased federal contributions for direct relief up to 40 per cent of the total cost, with the provincial governments assuming an equal proportion, and the municipalities paying the remaining 20 per cent. Cost of aid to transients will be shared on a fifty-fifty basis with the provinces.

2. Extension of federal and federal-provincial public works including trans-Canada and tourist highways, mining roads, national parks, historic sites, airports, drought rehabilitation, harbour developments, and railway grade crossing elimination.

3. Establishment of the Youth Training Movement on a three year basis with joint federal-provincial outlay continued on at least the present scale of \$3,000,000 a year. Forest conservation projects and other works will be launched to give employment and training to single workless men.

NOTES ON THE CO-OPERATIVES

Municipal councillors who are bothered with these troublesome bills that never seem to get paid, will be interested in the various money-making and money-saving projects that are being sponsored by St. Francis Xavier University in the different towns and municipalities.

The problem of supplying medical care is one that has vexed many councillors who felt the need of doing something for their people. Victoria County farmers, working with Dr. C. L. MacMillan, have indicated one solution in their six-months' trial of co-operative medicine. Where one family alone might not be able to bear the cost of a sudden or lengthy illness, many by pooling their resources can be assured of more adequate care.

Under this plan the yearly rate for single persons is \$5.00; household rate, including all office calls and two home visits, \$12.00; maternity rate, \$10.00. Extra charges are made for more than two visits to the home; minimum, \$1.00 maximum, 10c per mile in summer, 20c. per mile in winter, each way. There are special charges for X-ray—chest \$2.50; bone \$3.50.

Two new groups have recently joined the hospitalization plan in operation at St. Martha's Hospital and other groups are showing an interest. This should mean a saving for some municipalities, whose hospital bills continue to mount.

Handling Wood Co-operatively

A profitable venture, undertaken within the past two years by two rural communities, Red Islands and Irish Vale, have continued to increase the net income of their members. Co-operative saw mills operating in these districts have supplied their members with all the lumber they needed for personal use and have allowed them to take advantage of outside markets.

In the lower end of Richmond County a second order for pulp wood has been received from Germany by two co-operative groups of farmer-fishermen.

Co-operative Burial Association

One of the most recent developments along co-operative lines is in the city of Sydney where plans are being made for the organization of a co-operative burial association. Here it is proposed to reduce "the high cost of dying."

New Co-operative Housing Group

Villa Nova is to be the second co-operative community in Nova Scotia. For more than a year a group of miners in the town of Dominion has been giving intensive study to the question of housing. They are now prepared to carry out their plans and as soon as the frost is out of the ground, the basements of fifteen new homes will be commenced.

Labor Unionists at School

Groups of labor unionists are meeting weekly in Cape Breton under the direction of Dr. T. O'R. Boyle to study current labor problems and to meet the demands which changing economic and social conditions are making upon the workers of that area. The majority of the students in these classes are in their twenties.

The Extension Department of the University is sponsoring also public forums in Cape Breton. Both non-professional and professional men have indicated their willingness to participate. The discussions are being kept on a high plane, with many different points of view receiving an opportunity for expression.

Annual Short Course

The Annual Extension Short Course will be held this year from February 22 to March 22. Adult students from New Brunswick, Prince Edward Island, the Magdellan's, and Nova Scotia have already given notice of their intention to attend. The number will exceed last year's attendance of approximately 135.

Peter Neenig.

Civil Servants' Credit Unions

The issue of PUBLIC AFFAIRS for the spring of 1938 carried a brief account of the organization of Credit Unions among public service employees. It is the intention of this review to report on the progress and growth of these co-operative associations.

Civil service employees account for five of the sixteen Credit Unions in Halifax City.

During the past month these associations held their annual meetings. For three of them, "Civic", "Noscolicom" (Nova Scotia Liquor Commission), and the Halifax Federal C.U. Ltd., it was also their first anniversary. The Postal Employees have the honour of being the pioneers, and celebrated their third birthday, while the Province House Credit Union have two successful years of experience to talk about.

The following table shows the growth in members and savings during 1938.

Credit Union	Members	Savings to date	Loans in 1938
Halifax District Postal	245	\$17,000	\$25,000
Province House	288	10,500	10,550
Halifax Federal	219	5,000	10,550
Halifax Civic	119	3,400	4,350
Noscolicom (N. S. Liquor Comm.)	89	1,500	2,600
Totals	960	\$37,400	\$52,500

From the amount loaned by members it can be seen that there is a great demand for credit for provident and productive purposes. It might be interesting to state the chief causes for seeking this credit.

Medical care, taxes and old debts seem to be easily the greatest burden which the average worker has to bear, and the one he is most anxious to be relieved of. Following, a poor second is the purpose of improving and buying property. Purchasing household furniture, clothing and other goods, for cash, helps a member in his budgeting; and many loans are made for this purpose, usually at a considerable cash saving to the member.

A number of loans are made for various other reasons, including the paying of insurance premiums, vacations, etc. In every case the loan must be in the best interest of the borrower.

Looking at the development during 1938, it is apparent that the civil service employees are making a financial success of their Credit Unions. On the educational side, it is also apparent that progress is being made, and that cooperative principles are becoming better known and developed.

JOE BEED

Nova Scotia at Work¹

The book under the above title which was recently prescribed for the Grade 9 course in the public schools of the province, should fill a long-felt need on the school curriculum. Combining as it does the essential characteristics of a commercial geography, an occupational treatise, and an introduction to economics, the book is designed to provide the pupil with at least an elementary knowledge of the commercial and industrial life of his native province. And considering the deplorable lack of such knowledge evident among school-leavers in the past, the value of the present text is particularly evident.

Chapters 3, 4 and 21 are of a distinctly vocational nature, although considerable information

1. *Nova Scotia at Work*, by H. P. Jenkins. The Ryerson Press, Toronto and Halifax.

on the choice of a life work may be derived from other sections as well. "Choice of Occupations" lists a wide variety of opportunities available to young Nova Scotians, while the chapter on "Women's Work" serves to bring home to prospective homemakers the responsibility of the tasks which lie before them.

The remainder of the book is devoted to descriptions of the major industries of the province and to a treatment of basic economic principles and practices. It is very gratifying that so much space has been devoted to primary industries, since it seems inevitable that so many of our young people will be obliged to turn in future to these fields in search of a livelihood. The chapters appearing under the headings of "The Tourist Trade" and "The Co-operative Movement" are particularly apt.—H. A. WEIR.

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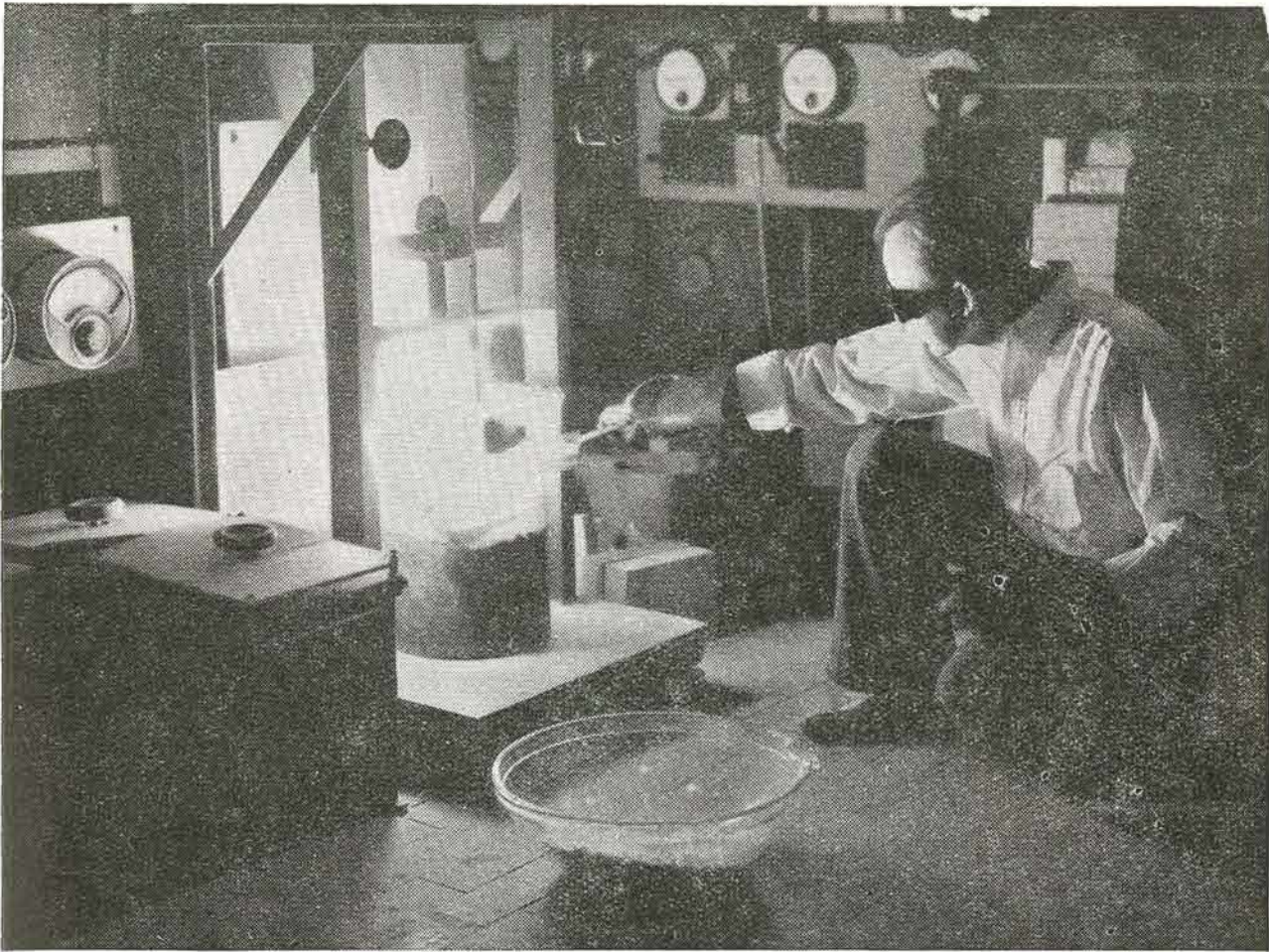


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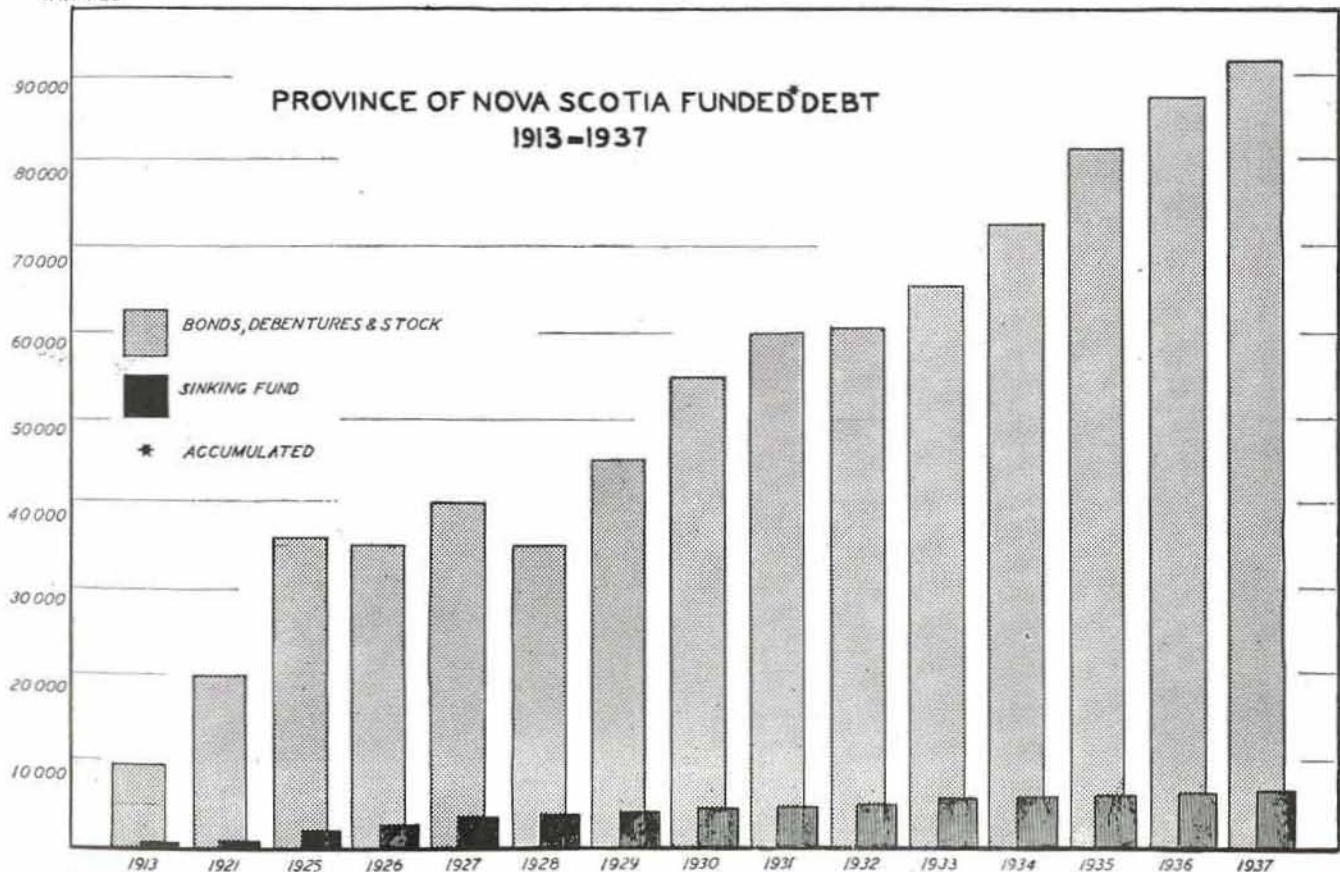
A Maritime Quarterly for Discussion of Public Affairs

Cape Breton A Half Century Ago

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Recent Developments in Processing Fish	- - - -	D. B. Finn
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Preventing Municipal Default	- - - -	Everett Moseley

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OMITTED



See article Provincial Borrowing in Nova Scotia by W. F. Lougheed and W. C. MacKenzie

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Why Canada Lost Her Markets for Dried Fish

By O. F. MacKENZIE

THE oldest industry in Nova Scotia is that of fishing. European vessels fished in Canadian waters before Nova Scotia had any permanent white settlements, and production has been carried on continuously since settlement of our coastal areas began.

Until thirty years ago, the industry was carried on as a cured product. Cod, haddock, hake and pollock were split, salted and dried and exported to foreign markets in Europe, South and Central America, the United States, Cuba and other islands in the Caribbean Sea including the British West Indies. Mackerel, herring and alewives were cured in brine and packed in barrels for the domestic and export trade.

While accurate figures of the early trade are lacking, it is known that in the latter half of the last century, the Nova Scotian catch fluctuated between 400,000 and 700,000 quintals per annum and the total Canadian production must have attained close to 900,000 quintals¹, thus putting Canada in second place only to Newfoundland as a world producer.

With the inception of development of the fresh fish industry in Canada in the first decade of this century some localities began transferring their activities from dried to fresh fish. The Canso district was in the vanguard of this movement, followed by Lockeport, Yarmouth and Digby. It was not until very recent years that Lunenburg producers began marketing their fish in a fresh state on the domestic market, subsequent to the loss of foreign markets for dried fish. While the above changes naturally resulted in some curtailment of production in dried fish, the industry

continued to be fairly prosperous until ten years ago. The period of greatest prosperity was from 1913 to 1922 due partly to wartime high prices but chiefly to the effects of the Underwood tariff in the United States. Under this tariff, fish of Canadian origin were admitted free into the United States and Porto Rico, while imports from other countries such as Newfoundland were subject to high tariffs. This period was one of real boom conditions in our salt fish trade, both dried and pickled. The shore fishermen and boats employed, increased greatly in numbers and the Lunenburg banking fleet was also increased.

Following the war, Norway began the payment of bonuses on exports to Havana, Cuba, in order to displace Canadian fish which for some years had enjoyed a monopoly of that market. Over a period of several years this policy was completely successful and during the past ten years there has never been an occasion when a Canadian exporter could have sold his fish in Havana and recovered initial cost without any provision for overhead. This policy of subsidies by Norway was later extended into a general plan of export subsidies and minimum prices. As a result, Norwegian production has been kept at an artificially high level.

In the post-war years, the French Government inaugurated a bonus of forty francs per quintal which very quickly stimulated France's production to the point where a figure had to be set for maximum production on which subsidies would be paid. It should be stated that the French authorities regard the crews of their fishing fleets as a nucleus for naval forces, and this is the primary reason for Government assistance. Time served in the fishing fleets, is in part counted as time served with the colors under the military and naval service requirements of the Republic.

Perhaps the most disturbing development in the dried fish trade during the

1. A quintal is 112 lbs.

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20's was the appearance of Iceland as a major producer. This country had for years been producing about 250,000 quintals of dried fish per annum. Following the war, backed by a group of London banks, a large number of trawlers that had been used by the admiralty as mine sweepers, were acquired and placed in the Iceland fishery. Production zoomed up spectacularly from 250,000 quintals to a maximum of 1,500,000 quintals reached about five or six years ago. While this production did not receive Government export subsidies, it was nevertheless just as uneconomic, as the companies continued to lose money and were re-organized several times. The operating crews received a living little if any above the subsistence level and the capital investment was lost. Finally in 1935 production fell to 1,000,000 quintals and in 1936 to 500,000 quintals. The disturbing effect of this sudden increase in supplies from Iceland on the import markets can be easily realized.

Newfoundland was particularly hard hit by this increase in Iceland's production. Newfoundland had for years been exporting her so-called "Labrador Slop" codfish to Greece, Genoa and to various markets in Spain, such as Barcelona. Iceland began imitating this cure and selling as "Labrador" style at a price usually several shillings below the price on genuine Labrador quoted by Newfoundland exporters. This in turn caused Newfoundland exporters to turn their attention increasingly to markets in the Caribbean Sea, supplied by Canadian exporters. In 1922 the Fordney-MacCumber tariff in the United States wiped out the preference on fish enjoyed by Canada, and in 1930 the Hawley-Smoot tariff reduced the duty on fish of high moisture content such as "Labrador Slop" from \$1.25 to 75c. per 100 lbs. With this setting, the way was paved on the advent of the depression for ousting Canadian fish from the dominant position enjoyed for so many years on the Porto Rico market.

After indirect assistance for several years, in 1938 the Newfoundland Commis-

sion of Government began a system of subsidies on salt, minimum prices to fishermen and export subsidies to exporters and in 1939 it is believed that this assistance will greatly exceed the three quarters of a million dollars understood to be expended in 1938.

The export bonuses of France and Norway and the uneconomic production in Iceland were bad enough to contend with, but the depression of the 30's brought a wave of economic nationalism in its wake that made conditions even more difficult. With few exceptions importing countries raised import duties to prohibitive levels, instituted exchange restrictions and embargoes, and in some cases quotas on imports. Prior to 1936, Canadian fish from Gaspé were sold in the Naples market in fair quantities at high prices due to their superior quality. The Portuguese market also imported smaller quantities of the best Canadian fish for Christmas trade. Due to government restrictions, shipments to both these markets are impossible at present, and as eating habits change rapidly it is extremely doubtful if any of this trade can be regained on a basis where a premium will be paid for quality.

Spain was for many years the world's largest importer of dried cod. Prior to the civil war imports averaged a million and a quarter quintals annually but for the past two years purchases have dropped to about 600,000 quintals per annum.

The Canada-West India Trade Agreement of 1925 was dangled before Maritime producers as an outlet for a large volume of dried fish. This agreement, unlike the 1920 agreement with Jamaica, extended the same preference to Newfoundland fish. As Newfoundland exporters were crowded out of Mediterranean markets due to curtailed consumption and subsidized competition from European producers, there was an increasing tendency to dump fish in the region of the Caribbean Sea at whatever price they would bring. As a result, Canada has been steadily losing in her percentage of imports of dried fish into the British West Indies.

Another feature of this trade agreement was that by large preferences on raw sugar fixed at \$20.00 per ton Canada's substantial purchases of sugar in Cuba and the Dominican Republic were all transferred to Empire countries and led to retaliations on the part of both these Republics in the form of prohibitive duties. Not only did we fail to maintain our position in British West India markets but we lost other valuable markets as a result of the trade agreement.

Canadian markets for dried fish have always been chiefly in foreign countries. For example, in 1927 exports were 727,000 cwts. Of this quantity Empire countries took only 139,000 cwts. while countries outside the Empire took 588,000 cwts. Another unfortunate aspect of this trade was that foreign markets took our best qualities and paid a handsome premium over the prices received in Empire countries. In view of this situation, it was inevitable that with the development of Empire preferences, the fishing industry of the Atlantic Coast would be the chief sufferer.

Another factor contributing to the decline of Canadian production has been transportation rates. Freight rates on fish from Canada to markets are higher than those from other producing countries in relation to distance carried. The routes to the Caribbean Sea are served by such an excess of tonnage and by such a luxurious type of boat that an effective barrier to normal freight rates is present. It might be noted that a ton of flour is carried from Halifax to British Guiana at \$6.30 per ton while a ton of dry fish pays \$12.88 per ton. In comparison, a ton of either fish or flour is carried from the United Kingdom to British Guiana for approximately \$8.00 per ton.

It is not difficult to see that the task of the Canadian producer of dried fish is a difficult one and that he is deserving of sympathetic treatment. Since 1923 his product has had to compete in the world's market without any preferential tariffs in his favour. Trade agreements have been made by which his interests were sacrificed for the benefit of other

interests or groups of interests. He has had to face bonused competition from more than 75% of the world's producers. he has had to face exchange restrictions, quotas and embargoes which have worked to his disadvantage and to the advantage of his competitors. He has been burdened by freight rates that have more than offset his natural advantages of proximity to prolific sources of supply and to large consuming markets. Last but not least his natural advantages have been further nullified by his having to produce in a country whose fiscal policy has made it a country of high living costs—a system that has been brought about largely to create an artificially high standard of living for other classes, entry to which he has up to the present been denied.

While the task of revealing the causes for the loss of markets for dried fish is a relatively easy one, it becomes more difficult to predict the future. It can however be stated with assurance that if other producers continue bonusing exports, the position of the Canadian producer will be hopeless without similar assistance. This writer does not believe in the principle of bonusing but in this industry it is entirely justified for three important reasons:

1. The Canadian producer of dried fish, as pointed out in the preceding paragraph, is the victim of an artificially high cost of living brought about by high tariffs and taxes, as means whereby, wheat growers, railway workers and coal miners are directly subsidized by the Federal Government. The tariff is an indirect bonus to automobile, textile and other workers. Dried fish are practically all exported and an export bonus is the only way in which the producer can be compensated.

2. The Canadian producer is in direct competition with subsidized exports from other countries which he is unable to meet and at the same time maintain a decent standard of living.

3. Perhaps the greatest justification for a bonus is the depressing effect of the present state of the dried fish industry on all other branches of the fishing

industry. There is a constant transfer of activities to more profitable branches of the industry, thus bringing all branches to the saturation point. This is a situation foreseen by leaders in the industry. As this condition becomes more generally recognized, it is a reasonable assumption that those charged with the responsibility of administering the fishery resources of Canada, will take the necessary steps

to recapture the former trade in dried fish and thus pave the way for profitable operations throughout the entire industry.

No attempt has been made here to deal with the social or human aspects of this problem which so gravely affects the livelihood and welfare of many thousands of our inshore fishermen who have no other means of employment.

Recent Developments in Processing Fish

By D. B. FINN

"And they went down to the sea to fish".

FROM time immemorial men have gone down to the sea to fish with simple gear and simple methods. The years have not brought a great deal of change. Increased effectiveness or radical improvement in catching has been discouraged rather than encouraged because fishermen did not wish to see their gear outmoded and because of legislative restriction in the interests of conservation. Thus, all our more important fisheries depend upon one or other of the methods of spearing, harpooning, single-hooked lining, multi-hooked long lining, gill netting, seining, trapping or trawling, these latter two often being restricted by government regulation.

It is in handling the fish after they come from the water that improvement can most readily be noticed. Naturally the foremost effort is that of preventing of deterioration in this product which spoils so rapidly. Various ways are chosen but nearly all of them depend upon keeping the fish cool by placing them as soon as possible in crushed ice. Sometimes the fish is cleaned before stowing, as with cod and haddock and sometimes, where the time between catching and landing

at the wharf is short as with the Atlantic inshore vessels or with the Pacific salmon boats, they are not cleaned until they are in the fish processing plant where the operation is often done at unbelievable speed by machinery.

Here we must digress for a moment from the sequence of description in order to say something about the factory ship because it is in this rather complex implement that efforts to stabilize quality reaches its zenith. A factory ship is one which not only catches the fish but processes it on board immediately after catching. Several such vessels are operated from European ports. Some countries send them to the Grand Banks for cod and haddock, others to Greenland for halibut and recently the Japanese have sent floating canneries to the Canadian Pacific and Alaskan coasts. These vessels, which are almost the size of a large liner, are equipped with a number of smaller boats which do the actual fishing. The Mother ship is equipped with up-to-date freezing apparatus and well constructed cold stores. All the waste from the processes is gathered and turned into fish meal and oil. Perhaps some of the cargo is salted to be manufactured when the vessel once again reaches port, the period of which is sometimes six months from the beginning of the venture. It may be only a matter of time before this method of handling

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fish is widely adopted, with perhaps serious results upon our export markets. It is certain that the artificial stimulus of economic nationalism is tending in that direction.

Such methods are not quite as necessary particularly for the industry in Eastern Canada because it is fortunate enough to be situated very near to rich fishing areas and can therefore land its fish quickly at the land factories or plants where they can be processed more cheaply than at sea.

This brings us to the shore where the effect of modernization is further noticed, especially in some branches of the industry. Of course the industry has a long way to go before it achieves an adequate measure of improvement. The word improvement is used in the sense of meaning the production of a more uniform product of stable quality at a lower production cost. This of course means that waste through deterioration or non-utilization of the product must be held to the minimum. Only in this way can fish stand up against its chief competitor, other food products.

In North America and indeed many other parts of the world, people have been trained in their food preferences by food industries other than the fish producing industry. These preferences are definitely for packaged foods which can be easily distributed and consumed. The fishing industry finds that it must conform to this preference and follow what has become the modern trend if it is to maintain or increase its markets, which in Canada, at least, are small and capable of further development.

This is largely why the use of machinery is gradually displacing hand labour for it is found that modern machinery rules out the variable human factor, and therefore produces a more uniform product at greater speed. Speed of handling is all essential for fish because it deteriorates so rapidly.

To see the use of machinery one has only to turn one's eyes to the huge Pacific coast canneries. Here the fish are unloaded from the vessels by automatic

conveyers, they are split, cleaned and finned by a machine, the "iron chink",—so-called because it replaces the Chinese labour which was formally used. From this machine they travel on moving belts into a cutting machine and from there to another machine which place them into cans at the rate of one hundred and twenty-five per minute. In this way the canneries are able to produce annually over one million five hundred thousand, forty-eight pound cases during the short fishing season of about three months. On turning to the east we see a machine which cuts fillets from cod and haddock. It can handle fish from 1.5 to 10 pounds, and the yield per fillet per fish is ten per cent higher than when hand methods are used. When fillets are cut by hand, it takes about 270 pounds of round fish to make 100 pounds of fillet, the filleting machine produces 100 pounds of fillet from 208 pounds of round fish, and operates at a speed of about 50 fish per minute. Here we have speed, uniformity, the saving of raw material and lower costs. It is not being used in Canada at the present time but if its use becomes prevalent in countries that are competing with Canada, it is only a matter of time before we shall be forced to use it, or a similar machine.

After the fillets have been cut, they may be marketed without further processing or they may be smoked or frozen. The modern tendency is towards wrapping each fillet individually either by hand or machine. If they are to be sold in the unfrozen state, they are placed in boxes which are surrounded by crushed ice and shipped in cooled express cars to the wholesale center. The percentage of fillets marketed in this way is diminishing, an increasing number of them being frozen first. The freezing of fillets and of packaged products presents another problem to the industry for not only have they to be rapidly frozen by new techniques but they have to be stored at below zero temperatures which must not vary. These necessities have led to the design of freezing machines and the building of special cold storage warehouses.

Such frozen material is shipped in refrigerator cars which are held below the freezing point. A great deal of research has been done by the Fisheries Research Board and the Railways of Canada with the object of improving refrigerator cars. Notable success has been achieved and it is now possible to send frozen fish across the continent without serious deterioration even during the warmest summer months. Of course it is necessary that the wholesale warehouses be similarly equipped with storage space especially designed to hold these low unfluctuating temperatures because one set of wrong conditions will set at naught all the care that has gone before. Progress is being made in this direction although there is still much to be done. Similarly, special low temperature show cases are necessary for retail stores. Show case manufacturers have addressed themselves to this problem and are making headway.

The growing preference for frozen fillet as compared to unfrozen fillet is due to a superiority in the freshness of the former. This in turn is due to the fact that when material is properly frozen and stored its state of freshness is fixed and stabilized at the instant of freezing. Therefore when the consumer gets it, it may be much fresher than the unfrozen fillet which even though it is stored in crushed ice is constantly deteriorating.

The dried salt fish industry which has suffered so much from trade depression and adverse trading conditions quite external to the industry itself, is a good example of one which is entirely dependent upon the vagaries of the weather for the uniformity of its products, and we have good reason to know how extremely variable that is. Ordinarily the salt fish is dried on flakes in the open air. When the wind is cool and dry success attends the venture, but if the air be moist, that is, when the relative humidity is high, or when the sun is too hot, the fish spoil unless they are quickly removed from these adverse conditions. This means that the labour per pound of fish dried is very high and that the

product is anything but uniform in moisture content and quality.

No one has yet been able to control the weather, but so far as drying is concerned, many industries have long been independent of it by using artificially conditioned air in special drying machines. Recently the laboratories of the Fisheries Research Board have succeeded in finding out the air conditions which are necessary for the manufacturing of dried salt fish. Thus it is possible for this industry to become independent of uncertain weather with the concomitant assurance of lower percentage of loss and a uniformity of result. Ultimately the cost of operating such an apparatus, reckoned on the cost per pound of fish dried, will be reduced to the point where the capital investment will be justified wherever, and whenever large quantities of fish are to be treated. Indeed, it gives promise, for certain kinds of fish at least, of lower costs than those realized by old fashioned methods.

The growth of the by-products of the fishing industry is almost entirely due to the invention of certain mechanical devices for turning the waste into something useful and valuable. Thus although the virtue of cod liver oil was known for a long time, it was not until superior refining methods were available that its volume of production increased. The discovery of the high vitamin concentration of halibut, swordfish and tuna liver oil would have been of no avail unless it were for the modern methods of solvent extraction of the oil contained in these livers. This has made valuable products possible from that which was formerly valueless. Work on the chemistry of these oils has made it possible to separate the vitamins themselves from the oil which contained them, and has given rise to the very well known "Vitamin Concentrate Industry".

Other processes have made it possible to turn the trimmings from fresh fillets into a valuable source of protein for the feeding of farm animals. The fillet trimmings and other parts of the fish are cooked with steam under pressure in large cylindrical drums. The cooked

material is then conveyed to another machine which evaporates all the water. The dry material is then ground to the consistency of coarse whole wheat flour, a substance which it somewhat resembles in appearance and colour. This operation usually takes place the same day that the fillets are cut so that the meal is just as fresh as the fillet itself and has none of the unpleasant odour which is usually associated with stale fish scraps. In former days most of this waste was either thrown away or used for fertilizer, and it is the introduction of machinery which has made it possible to eliminate this loss.

Indeed it is safe to say that had it not been for the by-products together with the introduction of modern tech-

nical and mechanical methods the fishing industry would not have survived even to the extent that it has in the world of to-day. It has still a long way to go before it will be on an even competitive footing with other food industries. It has many difficulties to overcome, perhaps difficulties greater than have been faced by the farmer or the meat packer and many another who deals with less perishable material. The solution of these problems will lie largely in the direction of more complete technical control over its manufacturing, storing and distributing methods. This control will come as it mechanizes its processes, a movement which is already under way and which brings in its train a series of social and politico-economic problems.

Nova Scotia Coal Industry and Freight Rate Subvention

By DONALD B. WALLACE

THE mining of coal is one of the oldest and most important of Nova Scotia industries. With a physical plant investment of approximately \$50,000,000, a working force of 13,000 workers, and an annual output valued at \$23,000,000, this industry now produces 45 per cent of the total coal mined in Canada. Also, the combination under one corporate head of the allied productive processes of coal mining and steel production, makes the Cape Breton area the steel centre of Canada.

While coal is a factor of major economic importance in the province, it must also be considered as having a definite correlation with the economy of the nation as a whole. The gradual emergence during the past decade of a national fuel policy has given an added impetus to

the industry, and, at the same time, has created a situation wherein coal and politics have largely become synonymous. Thus the functioning of the Nova Scotia coal industry in recent years constitutes a striking example of the manner in which a basic national industry, situated at the extreme eastern tip of Canada's strip economy, has tended, through the medium of Federal transportation subventions, to equalize burden and advantage as between producer and consumer in the national interest.

Admittedly, the fuel situation in Canada is somewhat anomalous, for, in spite of enormous potential reserves, about 50 per cent of the consumption is imported, largely in the most important consuming centres of Ontario and Quebec, as these two provinces are far removed from the Nova Scotian fields in the East and those of Alberta in the West. Therefore, the Dominion Fuel Board was creat-

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ed in 1928 to provide a permanent body responsible to the Federal Government for a systematic and scientific study of fuel production and marketing problems, for probably no subject presents a problem of greater general public interest in Canada than that of fuel supply.

Thus, in 1928, the Federal Government inaugurated the policy of financial assistance to the coal industry in the form of transportation subventions. Even in that year, a record one for the industry, those fully conversant with the rather unique position occupied by the coal industry in the Canadian economic scene realized its vulnerability to American competition, especially in the central Canadian markets.

While Nova Scotia and New Brunswick have generally been grouped together with respect to the majority of the subsidized rates offered, only 32,305 tons of coal from the latter province moved under assisted rates in 1938 compared with 1,388,519 from Nova Scotia, a differential which is not pleasing to the Minto producers in New Brunswick, and one which they are presently attempting to rectify by requesting greater rate reductions because of their inland position and unavailability of water shipments.

The Alberta producers, while mining approximately the same tonnage annually as Nova Scotia, are removed even further from the central Canadian markets than the latter mines, and, being dependent solely on rail transportation, have not shared to any appreciable extent in the assisted coal movement to the central provinces. In fact, in 1936, Alberta shipped only 66,000 tons to Ontario or 2.5 per cent of Nova Scotia's shipments to the Quebec-Ontario area in that year. The inability of Alberta to share to a greater proportionate extent in the central market is a factor of certain political importance insofar as the practical operation of a national fuel policy is concerned. It is therefore clearly evident that Nova Scotia has definitely been the major beneficiary under the Dominion's coal rate subvention policy.

As early as 1924, tentative provision

was made by the Federal Government to pay part of the existing freight charges in an effort to extend the market for coal mined in Nova Scotia, and thus equalize the price disparity between Nova Scotia and American bituminous coal in central Canada. Further consideration was given the matter in 1926 and again by the Royal Commission, presided over by Sir Andrew Rae Duncan, appointed to consider problems affecting the Maritime Provinces.

1928 action was taken in the form of establishing a maximum temporary test rate of \$3.00 per ton on an all-rail movement of Nova Scotia coal to the Quebec market only during the closed season of navigation on the St. Lawrence. The movement was seasonal and extended over a test period of three years and was formulated primarily to make possible the continued operation of the mines in winter and thus aid the employment situation. In addition, a temporary test rate of one-fifth of a cent per ton mile, but not more than 75 cents per ton less than the rate which would otherwise be applicable, was established on coal mined in Nova Scotia and carried by vessel to St. Lawrence ports and thence transhipped by the railways to points in Ontario and Quebec.

At the conclusion of these tests in 1931, the basic framework of the present subvention policy was developed. It provided for a reduction of one-fifth of a cent per ton mile, or a maximum of 75 cents per ton, on coal transhipped at St. Lawrence ports to move inland by rail in Quebec province. With respect to coal transhipped to Ontario points, the rate was fixed at a reduction of one-third of a cent per ton mile up to a maximum of \$1.50 per ton. The all-rail movement on coal from Nova Scotia to points in both Quebec and Ontario was to be at the rate of one-seventh of a cent per ton mile with a maximum rate of \$2.00 per ton. No provision was made at this date for assistance to coal moving by water west of Montreal.

Rates have been increased, and their application widened since 1931, as shown

in the following analysis of the more important Orders-in-Council since that date:

in such centres as Ottawa, Kingston, Toronto, Windsor, and Northern Ontario. Generally speaking, the greater portion

**Dominion Government Maximum Subventions on Nova Scotia Coal
Moving to Central Canada**

Orders-in-Council	Date Issued	Via Water West of Montreal	Via All Rail	Via Water and Rail		Railway Coal
				To Que.	To Ont.	
P.C. 1300.....	May 30/31	\$.....	\$2.00	\$0.75	\$1.50	\$2.00
P.C. 1119.....	May 28/34	1.00	2.00	0.75	1.50	2.00
P.C. 1862.....	Aug. 4/36	1.50	*To Que. To Ont.1.50	.... †	1.50	2.00
P.C. 2789.....	Nov. 8/38	2.00	*To Que. To Ont.2.00	.... †	2.00	2.50

*Assistance to Quebec points set at 30 per cent of existing freight rates.

†No assistance in Quebec under this rate except to Hull, P. Q.

While assisted rates have been quoted herewith on a maximum lump sum basis, their actual application takes the form of a reduction, such as one-third, one-fifth, or one-seventh of a cent per ton mile from established rates until shipments moving under these special rates equalize the maximum assistance prescribed.

The rates issued November 8, 1938, and designed primarily to further enlarge the Ontario market, provide for a reduction of 4.5 mills per ton mile from existing rates on shipments by rail from Montreal to Ontario points as compared with the previous rate of 3.3 mills. This new rate now means that Nova Scotia coal delivered in Toronto will be about 40 cents a ton cheaper than formerly and thus placed on a favourable competitive basis with the American product. Also, coal moving from Montreal to Ottawa at the former assisted rate of 39 cents per ton is now entitled to aid totalling about 53 cents per ton. While no substantial increases in sales have been recorded since this new rate was announced, due primarily to the fact that the coal year is from May 1st to April 30th, and large contracts do not expire until the latter date, it is generally admitted that, provided business conditions are satisfactory, consumption of Nova Scotia coal should be substantially increased in Ontario during the coming season, especially

of the annual tonnage from Sydney moves via the water route in the summer to points contiguous to the St. Lawrence River, such as Three Rivers and Montreal, where it is stored in stock piles awaiting shipment inland to Quebec points as well as trans-shipment to Ontario. Gradual enlargement of storage facilities at these ports indicates that the time is not far distant when the winter all-rail movement from Sydney will be largely eliminated. Such a condition, however, will have no material effect upon mining operations, as the mines will continue to be operated on a tonnage basis sufficient to meet sales requirements.

The general increase in assisted rates during the past decade reflects, to an unusually large degree, the intense competitive battle which has been waged to improve particularly the competitive position of Nova Scotia coal in the Ontario markets. Technological changes in industry, the substantial use of electrical power in recent years, and the intermittent dumping of American coal on the Canadian market, have brought pressure to bear on the Nova Scotia coal industry, making necessary aid of the type now provided, for Nova Scotia's production of 6,231,923 tons in 1938 only approximates the 6,220,505 mined 32 years earlier. However, since the assisted rates were first granted in 1928, a total of 11,597,266 tons of Nova Scotia

coal has been marketed in Central Canada at a cost to the Federal Government of \$10,327,240, or an average assistance of 88 cents a ton.

In addition, there is a factor of importance, especially as related to the freight aspect of the issue, in the opening in 1932 of the \$130,000,000 toll-free Welland Canal between Lake Erie and Lake Ontario. This inland navigation improvement, by reducing the transport charges on American coal from Pennsylvania, Ohio and West Virginia, has made it increasingly difficult to expand the market for Nova Scotia coal in the Ontario market without added assistance. On this point it is interesting to note that American bituminous coal has, since the canal was enlarged in 1932, become the first commodity in point of tonnage, and in 1938 accounted for 3,071,493 tons out of total canal traffic of 12,633,093 tons, or approximately 25 per cent. Thus the anomalous situation has been created by the Federal Government of using public monies on the one hand for canal construction which has indirectly improved the competitive position of American coal in the Canadian market, while, on the other, it increases the subvention on Nova Scotia coal to allow it to meet some of the very competitive conditions it has materially assisted in creating.

However, despite all adverse factors, Nova Scotia coal largely continues at least to retain its normal competitive position in the central Canadian market. At the present time it enjoys about 80 per cent of the total Quebec market and holds a rather impregnable position in this area despite the fact that assistance is no longer given to shipments into Quebec. The Ontario situation is, unfortunately, not so satisfactory, due to a combination of factors, and only slightly over 1,000,000 tons of Nova Scotia coal are consumed annually compared with approximately 10,000,000 tons of imported American bituminous. Thus, while a large number of important Ontario companies accept the principle of provincial reciprocity trade, and utilize

the Nova Scotian product, there still remains a substantial potential market to be captured, and it is generally admitted that the Federal Government would like to at least double the present volume of Nova Scotia coal sold in Ontario.

In any study of the utilization of domestic coal particular mention should be given to railway purchases of the Canadian product, which, interestingly enough, account for approximately three out of every ten tons produced in Canada. Coal is not only the largest individual commodity bought by Canada's two great railway systems but it also ranks next to wages as an item of operating expenses. At the present time Canadian railways buy approximately 5,000,000 tons of Canadian coal annually, which is about 30 per cent of the total output, and, as there are 27,000 workers employed in Canadian coal mines, it would be fair to state that approximately 8,000 are almost solely dependent on railway coal purchases. Under these circumstances it is obvious that a sound and prosperous railway industry has a direct relationship with the prosperity of the coal industry in both Nova Scotia and Alberta.

Generally speaking, both railways now use Canadian coal in the Maritimes, to a limited extent in Ontario and Quebec, and almost entirely West of Winnipeg. Therefore it is apparent that, without the existing huge volume of annual coal purchases by the two major railway systems, the coal mining industry of Canada would have considerable difficulty in operating on a profitable basis.

It is rather a problematical matter to arrive at a figure which could be termed to represent accurately the actual increased tonnage, or added revenue, directly resulting from the operation of freight rate subventions on coal. Any figure that might be developed of this type would necessarily have to be based on the assumption that the subvention payments have been materially responsible for the increase, for instance, from an output of 4,084,581 tons in 1932 to 6,231,923 tons in 1938. The acceptance

of this point of view naturally suggests that business recovery has been a secondary consideration. While it is admittedly difficult to draw the line of demarcation between these two factors, it is generally admitted that the increased prosperity of the Nova Scotia coal industry in the past few years has been due, in no small measure, to freight rate aid granted by the Federal Government, which, while perhaps not providing for any drastic increase in output, has at least enabled the industry to maintain a degree of stability that would otherwise perhaps have been impossible. The cost of stabilizing this industry in the last decade which, incidentally, has produced coal valued at slightly more than three-quarters of a billion dollars since 1785, has been as follows:

Year	Tons	Amount
1928.....	113,905	\$ 65,600
1929.....	304,276	205,270
1930.....	372,029	214,720
1931.....	401,597	225,138
1932.....	710,449	545,944
1933.....	1,384,268	1,280,223
1934.....	1,748,004	1,687,451
1935.....	1,588,302	1,489,412
1936.....	1,677,096	1,572,780
1937.....	1,908,821	1,785,792
1938.....	1,388,519	1,254,910
	11,597,266	\$10,327,240

This whole question of Federal assistance to outlying economic areas, such as, for instance, the Western wheat bonus and Maritime coal subventions,

raises two important issues. First, how far should the Federal Government go in artificially supporting an industry which, while of basic national importance, apparently cannot successfully meet unaided the full force of foreign competition on a price parity basis. Secondly, admitting the validity of the theory that compensatory treatment is both necessary and justifiable for industries of this type because of their geographical and marketing disabilities, to what extent should the assistance granted be considered as taking the form of a quid pro quo payment for alleged losses suffered by these economic regions as a result of national policies such as the tariff.

Admittedly it is difficult to formulate answers to these questions which would be accepted with any great degree of unanimity. However, it is becoming increasingly obvious that the compromise policy long followed by the Federal Government of attempting to balance assistance between different economic areas and groups is now becoming both administratively complex and politically costly. It would thus seem reasonable to expect that matters of this nature will be given special consideration in the forthcoming Report of the Royal Commission on Dominion-Provincial Relations, not as they relate to the question of provincial fiscal need, but rather as an integral part of the much broader field of the effect of various national policies on the functioning of the component parts of the Canadian economy.

British Co-operatives as Wholesalers and Manufacturers

By R. PEERS

THE story of Co-operation in Great Britain is known, in certain of its aspects, to many thousands of people the world over. It is true that it finds little place in the recognised text-books of Economic History, and that students of Economics in the Universities may complete their courses knowing practically nothing of the co-operative system of economic organisation and the principles which differentiate it from private capitalist enterprise. But there are over seven million co-operators in Britain who, with their families, represent at least half the total population; they spend annually well over £200,000,000 in stores which are owned by themselves, are governed democratically by elected boards, and carry on their vast trading activities without the stimulus of the profit motive. Vigorous co-operative movements in other countries look, equally with the British movement, to Rochdale as the parent society.

This aspect of co-operative expansion—the great increase in membership and in the volume of retail trade—is well understood by all who know anything at all about the co-operative movement. Members are familiar with the facts of expansion in connection with their own societies; and statistics of membership and trade for the country as a whole are easily grasped as an extension of their own experience. But there is another aspect of co-operative expansion which is equally if not more important: side by side with the horizontal growth of the movement, there has taken place, during the past 75 years, a progressive expansion of the movement vertically,

from retail trading to wholesale dealing, and from that to manufacturing. Both this development itself, and the vital necessity for it, have been less clearly understood than the more spectacular growth of co-operative retail trading. Without these necessary foundations, there could, of course, be no prospect of an independent co-operative movement; and this double aspect of expansion is also essential to any coherent theory of Co-operation.

For these reasons, there are many who prefer to date the origin of the modern co-operative system from the foundation of the Co-operative Wholesale Society—C.W.S.—in 1863, rather than from the establishment of the Rochdale Society in 1844. There was little to differentiate the latter from the earlier Owenite Societies; even dividend on purchases was not new. But the C.W.S. marks the beginning of a new conception of co-operative enterprise; and when the Wholesale Society began manufacturing in 1873, the break with Owenism was complete, and the distinction between Consumers' Co-operation and Producers' Co-operation became potentially clear.

In order to measure achievement, it is necessary that principles should be understood. There are two outstanding principles of co-operative practice: ownership and control by the undifferentiated consumer interest, and the elimination of profit. The first is secured, or ought to be secured, by building up from the Retail Societies; and the second by the distribution of the surplus from stage to stage, until it is finally returned to the ultimate purchasers in the co-operative stores. Each Retail Society is formed by consumers coming together to satisfy collectively their day-to-day wants; a further stage is reached when

EDITOR'S NOTE: R. Peers, M.A., is head of the Department of Adult Education at University College, Nottingham. He is a well-known authority on co-operatives and co-author of the book "Consumers Co-operation in Great Britain." (Geo. Allen & Unwin Ltd.) London 1938.

the Societies themselves come together in the formation of a Wholesale Society to supply them with the commodities needed by their members; a still further stage is added when the Wholesale Society undertakes to manufacture the goods which it supplies to the Retail Societies; and the final stage in this process of vertical integration is achieved when the movement, through its wholesale organisation, or through other consumers' co-operative agencies in other countries, is able to secure command over primary products and raw materials.

In an ideal co-operative system, horizontal expansion would be accompanied, step by step, by co-ordinated vertical expansion of the kind indicated. The Retail Societies began by supplying those commodities which are needed every day by everybody. As the number of members increased, goods and services in less regular demand could be added, until, in the largest societies, a complete range of retail services became possible. Then, when the movement in the country as a whole had attained to a certain size, it became possible to embark on wholesaling activities, which were made easier and more economical by the existence of a calculable and assured market. As the demand on the Wholesale Societies for particular commodities reached sufficient proportions, there was little difficulty in passing from wholesale dealing to manufacturing; and it was only the confusion between the ideal of production by sectional bodies of co-operative producers, and the quite different principle of production for use by the associated body of consumers, that prevented an earlier and more rapid development of manufacturing activity on the part of the Wholesale Societies.

Meanwhile, the Retail Societies had also in many cases come together locally to provide certain services, and some of the largest societies have undertaken productive activities on their own account. These activities of local societies or local federations are in part of the kind which can best be handled locally, as for example in the case of federal bakeries or laundries; but in part they

compete with the operations of the Wholesale Societies, as in the case of flour milling, farming and dairy production, furniture making, tailoring, etc. In yet other cases, Retail Societies have interests in local Co-operative Productive Societies, which are again to some extent a rival source of supply to the C.W.S. productive plants.

It will be seen that, in spite of the great progress made by the C.W.S. and Scottish C.W.S. in production, this aspect of co-operative activity is still marked by an absence of logical plan, and this comes out again if the many large gaps in the range of productive activities are considered. The weakest link of all, from the point of view of an integrated system of co-operative organisation, is the slight extent to which the movement is engaged in primary production from the soil, and the very great extent to which it is still dependent on non-co-operative sources for the raw materials which enter into its manufactures. In 1937, the products of the farms, orchards and glasshouses of the C.W.S. amounted in value to only £314,454, out of a total gross value of productive works supplies amounting to just under £41,000,000.

This remarkable total itself needs, however, to be examined with some care. A cursory examination of co-operative statistics suggests a spectacular advance in self-production in modern times. The following figures for selected periods, showing total C.W.S. sales and the values of supplies by C.W.S. productive works, suggest a remarkable increase in the proportion of self-produced goods entering into C.W.S. sales to the Retail Societies:*

SALES TOTAL (53 Weeks)			
1895	1913	1936	1937
£10,139,906	£31,371,976	£107,691,527	£119,851,542
PRODUCTIVE WORKS' SUPPLIES			
963,805	7,264,272	36,346,873	40,994,814

But figures showing the gross value of co-operative productions give little idea of the true state of affairs. There is considerable double counting of materials produced in one factory and enter-

*Abstracted from Redfern: *The New History of the C.W.S.*, p. 534. Allowance must, of course, be made for changes in the general level of prices.

ing into the products of another, and this must obviously increase as the range of productive activities increases. More important still, these figures for gross values make no allowance for the high value of non-co-operatively produced raw materials entering into co-operative products.

In the book *Consumers' Co-operation in Great Britain* (Allen & Unwin, 1938), we attempted an estimate of the *net* values of co-operative products for the year 1933. In that year, the total sales to consumers by Retail Societies in Great Britain amounted to £196,000,000; this amount was stated to be equivalent to £152,000,000 at wholesale prices. Productions from all co-operative sources—Wholesale Societies, Retail Societies, Local Federal Societies, Productive Societies and Foreign Co-operative Organisations—amounted to £77,500,000 gross values or 51% of retail sales at wholesale prices. If, however, the value of raw materials is subtracted, and only the value added by co-operative production is counted, the true new value of all co-operative products entering into Retail Society sales amounted to £29,307,000, or a little over 19%. This leaves room for large possibilities of development, especially in view of the enormous capital resources of the C.W.S., a large proportion of which is at present invested outside the movement.

In contrast to manufacturing and the supply of raw materials, wholesaling

may be said to be very fully integrated into the co-operative system in this country. C.W.S. sales, at retail prices, amounted to under 50% of Retail Society sales in 1912, and to nearly 70% in 1936. If purchases by Retail Societies from all co-operative sources are included, the proportion is much higher—88% in 1935.

Even an examination of the weaknesses of this remarkable structure merely serves to emphasise its enormous possibilities for the future. There is, behind the co-operative retailing organisation, a solid strength which awaits only vision and planning to make it the greatest economic force in the State. The capital and reserves of the C.W.S. alone amounted in 1937 to over £112,000,000. £2,168,956 was returned in dividend to member societies in that year, and wages amounting to £7,543,000 were paid to 56,790 employees. These figures give evidence of the remarkable achievement of which a democratic co-operative system is capable.

I have said nothing of methods of organisation; of the difficulties of maintaining democratic control of the central bodies, combined with the relative inflexibility of the committee system of management. These problems must be solved in relation to the growing complexity and volume of wholesaling and manufacturing operations, since upon their solution depends the escape from those other difficulties which have already been mentioned.

Provincial Borrowing in Nova Scotia

By W. F. LOUGHEED and W. C. MACKENZIE

AT various times in the financial history of the Province, and particularly during periods of economic disturbance the Government has deemed it expedient to spend more money than is available from ordinary revenue collections. In order to acquire the supplementary funds the Province, like the private individual or business organizations, applies to the banks and investment houses for loans. However, unlike the private concerns who usually borrow in the anticipation of future monetary gain, the government borrows in order to maintain or expand public services.

It is not always realized that the Federal and Provincial governments have been assuming a social responsibility far exceeding the notions of governmental functions held even a generation ago. Under the Canadian constitution it happens that the functions which are expanding, namely social and welfare expenditures are those which lie within the Provincial jurisdiction and the municipal governments. However the conception of "social" and "public" services has undergone such changes that, as a result, the local units, with few exceptions are in no position to provide them from either a financial or an administrative point of view.

As a result of the many increased demands the Province has found it necessary to engage in what seems to be an ever widening program of public works. At the present, this program embraces the construction of public buildings, institutions and highways. Some of these "improvements" may be regarded as of a relatively permanent nature, but even a paved highway may

last only two or three years if it is subjected to very heavy traffic. It is, however, significant to consider for purposes of expenditure policy that there is a difference in degree if not in kind in the various disbursements made during the fiscal year.

Governmental expenditures are often classified as *ordinary recurring* and *capital*—*ordinary recurring* being those which are expected each year in the normal discharge of business; *capital*, those which may be considered apart from the regular expenditures. Based on this classification, it is considered a sound business principle to finance *ordinary recurring* expenditures from current revenues (e.g. taxes, fines, fees, etc.) while on the other hand *capital* or *periodic* expenditures may be financed by borrowing. Furthermore, these non-recurring expenditures often require the utilization of equipment and resources beyond the immediate command of the government. The scope as well as the urgency of such a program therefore necessitates the spending of larger sums than are currently available and hence a borrowing policy may be justified.

Emergency financing also falls within the category of *capital* expenditures. In order to alleviate the distress resulting from such emergencies as severe temporary unemployment, storms and fires, funds may be raised by borrowing, either through short or long term loans whichever may be deemed fiscally expedient.

The classification of expenditures is, at best, relatively arbitrary. If such classifications are not utilized with great care in the formulation of fiscal policy, it may result in expenditures falling first into one class and then into another without any change in the technique of financing them. Should a government find that what it has been calling a *capital*

EDITOR'S NOTE: This article is taken from a forthcoming publication of the Institute of Public Affairs entitled *An Introduction to Provincial Finance in Nova Scotia*. The authors are W. F. Lougheed, Research Associate of the Institute of Public Affairs and W. C. MacKenzie, former Research Assistant of the Institute and at present on the research staff of the Economic Council for Nova Scotia.

expenditure, has in reality become an *annual recurring* expenditure, then prudence suggests that the tax structure be revised to finance this expenditure out of current revenues.

The life expectancy of a municipality or province is considered (on this continent) to be greater than that of private individuals and even corporations. Also, large governmental units have, in the main, the power to draw upon wider resources than are available to most firms. Thus there is a great possibility of prudent governmental organizations maintaining a good credit standing. Moreover, it is of vital importance to the people of the Province that this standing should be preserved since governmental action is often the determining factor in the maintenance of social security. Finally, good credit relations enable the government to raise funds at relatively low interest rates thereby saving the taxpayers additional costs.

Many examples of the credit standing of the Province may be cited. Consider, for instance, the \$4,500,000 bond issue of 1936. The Province was required to pay 3 1-4% (nominal) annual interest for the use of the money for a twenty year period. The interest on this debt amounts to approximately \$138,000 each year. Had the Province a less favourable credit standing and as a result been forced to pay 4% as in Alberta, then the taxpayers would have been forced to pay approximately \$185,000 rather than \$138,000. The rates of interest at which the Province has been able to borrow are seen in summary form in Table I, page 000.

By virtue of section 92, subsection 3, of *The British North America Act*, the Province may (among other things) "borrow money on the sole credit of the Province." The utilization of this borrowing power is, in the final analysis, subject to control by the Legislature. Briefly, there are two ways in which the Province is granted the privilege of borrowing. The first and most important is the Legislative sanction provided—(a) in an annual act "To Provide for Defraying Certain Charges and Expenses of the Public Service of the Province", and

(b) by special acts passed to authorize the raising of a loan for a specific purpose. In the former case certain items regularly are chargeable to *capital account*, and funds to meet these charges are raised by borrowing. Authority is given by the Legislature as follows:

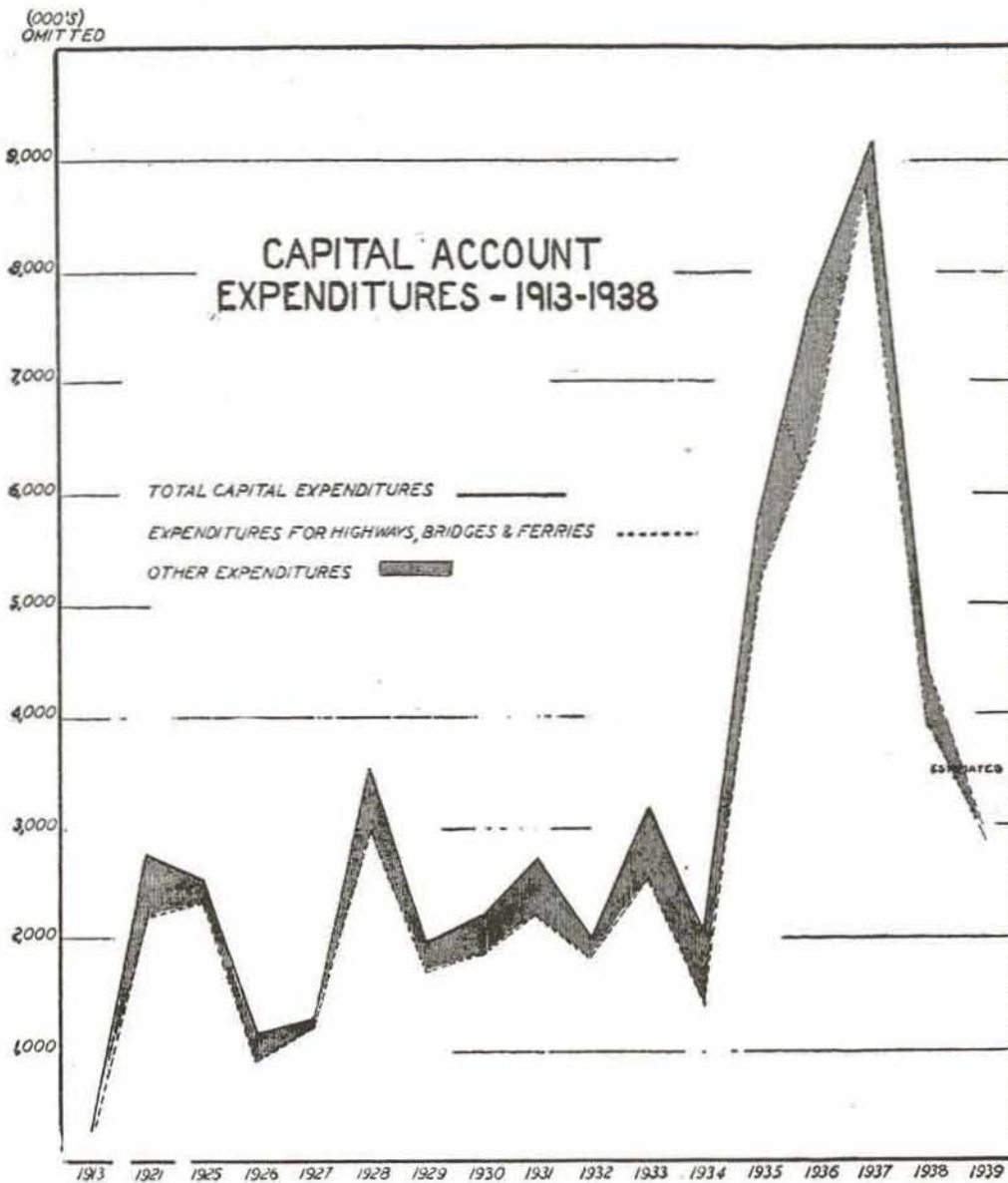
"The Governor-in-Council is authorized to raise by way of loan on the credit of the Province—the several sums of money for the Public Service that are chargeable to capital and granted by this Act."

The second method of granting the Province the right to borrow is through Orders-in-Council. Due to miscalculations in estimated revenues, emergencies, or unanticipated demands, it may be determined that funds are necessary in order to discharge certain obligations. In such cases the minister of the department or departments involved makes a recommendation to the Executive Council which report is carefully examined. Should the recommendations be approved the Provincial Treasurer is authorized by the Governor-in-Council to provide the funds deemed necessary.

When private individuals borrow money from banks or investment houses usually some security is pledged, collateral deposited, or other similar procedures are followed. In the case of the Province, however, public property is not pledged as security for the repayment of the loan. Instead, the Province pledges its ability to collect revenues by virtue of its taxing powers. Although the possibilities of governmental borrowing in theory may seem limitless, the economic resources of the Province, in the final analysis, govern the scope and extent of Provincial indebtedness.

When authority is given by the Legislature to borrow money, it is usually obtained by the issue and sale of Nova Scotia debentures or Nova Scotia stock. (The terms "stock" and "debentures" to all intents and purposes may be considered as synonymous.) The amount deemed necessary having been decided upon, the first act of the Treasurer's Department is to call for tenders or bids from the various investment groups or syndicates (e.g. groups headed by

CHART II
Trend in Expenditures Charged to Capital Accounts 1913-1937



the Royal Securities, the Bank of Nova Scotia or the Bank of Montreal.) These groups offer certain amounts; either par value, less than par or more than par, depending upon market conditions. The bid considered most satisfactory to the Province is accepted. Bonds are printed and signed by the Treasurer and delivered to the investment house for further distribution. The investment house deposits in an accredited banking institution the sum agreed upon to the credit of the Province.

Borrowing has been resorted to by the Province for various purposes for many years. In the early part of the twentieth century debts were incurred largely for development and expansion. Increased demands on the government, as mentioned above, accompanied by relatively little

change in the tax structure, have resulted in an extension of the policy of borrowing. In the past ten or twelve years, as it will have been seen from chart I (see cover), the debt burden has been more than doubled. In the main, borrowing has been resorted to for the following purposes, namely: construction and maintenance of highways (including bridges and ferries) unemployment relief¹ (beginning in 1932) —the erection and equipment of public buildings and the refunding of loans previously contracted for these purposes.

Chart II above presents in graphic form the various expenditures that have

(1) Under "Nova Scotia Unemployment Act 1931", N. S. Statutes, Acts of 1932, Chapter 7, the provincial government was authorized to purchase debentures of cities, towns and municipalities issued to finance unemployment relief in the local units. This virtually amounts to provincial borrowing to aid "the local units."

been charged to capital. The funds to meet these expenditures have been derived from borrowing. The major expenditures have been made either for highways, bridges and ferries (including docks) or for the refunding of bonds sold for these purposes or for a combination of the two above purposes.

At the end of November, 1937, the total of approximately \$95,219,246 re-

in summary form some of the costs of borrowing since 1924. It will be noted that, on an average, for every hundred dollars borrowed, one hundred and two dollars must be paid back to the creditors. Each and every year interest to the amount of nearly three dollars and seventy-five cents is paid for every hundred dollars borrowed by the Province. For the use of a dollar for a

TABLE I
Some Significant Costs of Provincial Borrowing 1924-1937

Date Issued	Term	Amount Borrowed	Discount	Amount Received	Rate of Interest	Amount of Annual Interest
1924	20	\$ 2,530,000	\$ 29,854	\$ 2,500,146	5	\$ 126,500
1927	25	12,370,000	319,418	12,050,582	4½	556,650
1928	25	500,000	32,400	467,600	4½	22,500
1928	20	2,000,000	96,592	1,903,408	4½	90,000
1928	25	500,000	24,906	475,094	4½	22,500
1928	20	3,000,000	144,888	2,855,112	4½	135,000
1928	30	500,000	26,750	473,250	4½	22,500
1929	30	2,560,000	35,200	2,524,800	5	128,000
1929	30	2,028,000	27,885	2,000,115	5	101,400
1929	30	1,500,000	15,000	1,485,000	5	75,000
1930	30	5,054,000	54,280	4,999,720	5	252,700
1930	30	4,043,000	43,422	3,999,578	5	202,150
1930	30	4,404,000	104,331	4,299,669	4½	198,180
1931	30	2,115,000	15,291	2,099,709	4½	95,175
1933	10	2,800,000	114,800	2,685,200	4½	126,000
1933	12	2,000,000	62,400	1,937,600	4½	90,000
1934	5	5,050,000	49,995	5,000,005	3½	176,750
1934	5	3,534,000	24,031	3,509,969	3	106,020
1935	10	2,000,000	41,964	1,958,036	3	60,000
1935	15	1,796,500	55,659	1,740,841	3	53,895
1935	5	3,012,000	11,747	3,000,253	2½	75,300
1935	12	4,140,000	140,346	3,999,654	3	124,200
1936	20	4,579,000	78,896	4,500,104	3¼	160,265
1936	20	2,103,000	103,320	1,999,680	3	63,090
1937	15	5,111,000	110,909	5,000,091	3	153,330
1937	4	1,528,000	27,351	1,500,649	2½	38,200
1937	9	2,549,000	48,176	2,500,824	3½	89,215
Totals..	..	\$83,306,500	\$1,839,811	\$81,466,689	...	\$3,344,520

mained pledged against the credit (i.e. the economic future) of Nova Scotia¹. In its entire history the Province has never repudiated an issue. The debt is now over eight times the revenues annually collected.

Although the credit rating of this Province is higher than in some Canadian provinces, some examination of the cost to the taxpayer of maintaining this record should be made. Table I indicates

(1) Province of Nova Scotia, *Public Accounts*, 1937, P. XXXIV.

twenty-year period the taxpayers are paying approximately seventy-five cents. Also, and of more direct significance, the annual cost to the taxpayer of maintaining this debt burden is approximately three and one-quarter million dollars. Moreover, in order to give not only a complete picture of the debt burden but also an indication of the cost of borrowing to the public, a comparison of the "effective" and nominal rates of interest (graphically presented in Chart III below) is of some significance.

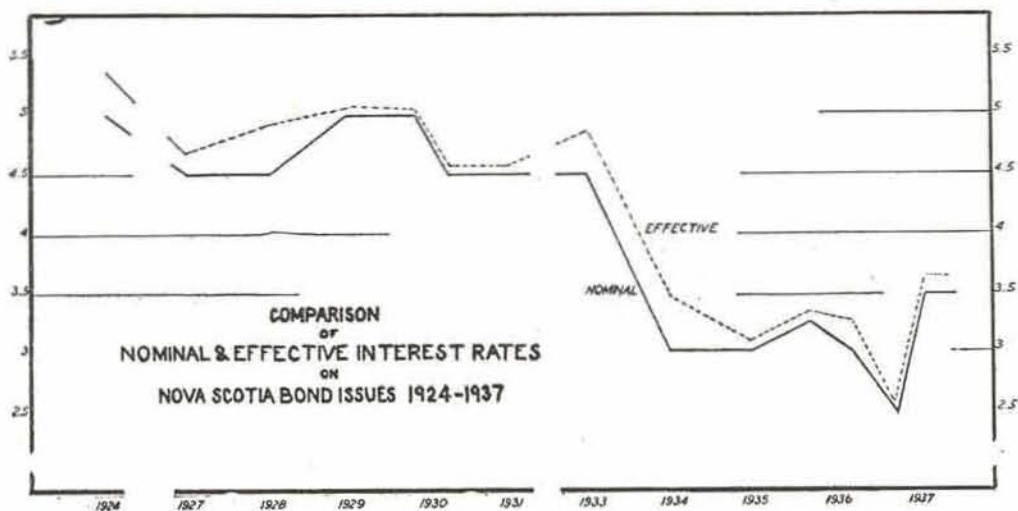
Some people argue that in this Province, and in some municipalities, many "capital" expenditures have become *annual* or *recurring* expenditures. This school of thought says that the effects of borrowing to finance such expenditures should be distinguished from the effects of borrowing to finance periodic *capital* expenditures. If loans are floated year after year to finance continuing expenditures, (even of a capital nature), the indebtedness mounts rapidly. Such a policy if persisted in gradually results in a growth of annual debt and service

cussions from which proposed bond issues are relatively free. Yet, a policy of cash financing properly presented to the voters should be met with considerable interest.

On the other hand many experts regard the above proposals as practically impossible. Since a budget is merely an estimate of expenditures and anticipated revenues, there can be little possibility of achieving a balance under present conditions. Furthermore, it is pointed out that expenditure needs do not coincide with revenues and more often are in inverse proportion. Moreover, in con-

CHART III

Trends in Interest Rates on Provincial Loans 1925-1937.



charges which in time may come to dominate the whole budget. This fact should be clearly recognized and a quota of the annually recurring *capital* expenditures should be financed by taxation. Of course, for those capital projects that recur only periodically, a complete "pay as you go" program is not economically feasible. But, with a long range planning of capital improvements financed by a combined policy of taxation and borrowing—taxes should, so far as economically possible, be levied to finance the annual recurring capital expenditures, with resort to borrowing to cover the *periodic capital* expenditures. Increases in tax levies, however, often give rise to undesirable political reper-

tracting a debt for annual or periodic *capital* expenditures, resources are required that otherwise might remain idle. This school of thought does not regard debt as an evil in itself; it argues that the evil lies in the improper management of debt. According to this view it is considered wise policy to borrow during depressions and to pay off the debts during prosperous periods by expanding the tax rates or adding new levies. Any fiscal policy that increases economic productivity and welfare to a greater degree than if expenditures, either public or private, were not made, presents a major justification for increasing the debt according to this view.

Robert Laird Borden---His Memoirs

By A. R. M. LOWER

THE publication of the memoirs of a Prime Minister is always an important event, and if the Prime Minister has held office at a crucial period, the event becomes doubly important. It was Sir Robert Borden's fate to have been at the head of the government of Canada during an era of tremendous moment for humanity, and therefore anything that he himself set down in writing must be vested with peculiar significance.

The accounts, written by or about the heads of the government of Canada, are of uneven value for the historian. Nearly every political leader, from the days of Howe and Mackenzie on, has had some sort of biography, but while most of these books are useful in one way or another, at least as repositories of information, few are adequate studies of their subject. Many are written in an impossible literary style and are formless in arrangement, their authors showing no power to select the relevant material and reject the unimportant. Few of them contain broad and discerning judgments upon the men they have attempted to describe and the issues that confronted them. It is only since the war that there has arisen in Canada a school of history that has produced students adequate to the task of a genuine interpretation of the national experience, and as yet not much of the skill of the modern historian has gone into the writing of biography. Nevertheless, examples do exist, worthy to be ranked alongside the good biographies that abound in other countries. Thus Dr. O. D. Skelton not only gave us his classic study of one of the great figures of Confederation, Alexander Tilloch Galt, but also wrote the official Life of Sir Wilfred Laurier. Those who know this biography

know that while it is "official", it is at the same time a fair and scholarly presentation of Laurier's career. Professor Wilson's *Robert Baldwin* is another study that will hold its own. Professor Sisson's *Egerton Ryerson*, the latest addition, is lively and scholarly. Of the older books, some of the Lives in the *Makers of Canada* series are quite good; that of Lord Sydenham by the late Adam Shortt is an excellent constitutional study; Lewis's *Brown* and Longley's *Howe* are also very good. Most of the others are mediocre. Of a still older vintage is Joseph Pope's *Memoirs of Sir John A. Macdonald*, written about 1895. It is a sympathetic and readable biography of that great man, but no one would claim that it is impartial. It is, as a matter of fact, pure hero worship and there is no greater lack to-day in our historical scholarship than a new and objective life of the great "John A."

Pope's *Macdonald* is virtually the only biography written before the year 1900 that anyone to-day would read without being compelled to do so. Professional scholars have to plough through the arid wastes of such compilations as Alexander Mackenzie's *Life of George Brown*, or the still duller pages of Buckingham and Ross's *Alexander Mackenzie*, but certainly no ordinary reader would ever pick up these books for an hour's pleasant reading. They, like many another, before or since, are all dull as ditch-water, heavy and humorless—it might hardly be too strong to say with Shakespeare "flat, stale and unprofitable". But unfortunately they are more typical of the average biography or autobiography written by or about Canadians than are the books of Pope or Skelton: the good ones are few, the bad ones many.

The difficulty with nearly everyone who has written a biography in Canada—and this includes even very good

EDITOR'S NOTE: A. R. M. Lower, Ph.D., is Professor of History at Wesley College, Winnipeg, and author of various books on Canadian Economic History and Geography. During the academic term 1938-39 he taught at Dalhousie University.

Robert Laird Borden; His Memoirs. Edited and with a preface by Henry Borden, with an introduction by Arthur Meighen. 2 Volumes, MacMillan's of Canada. Price \$12.50.

examples of the craft, such as some of those named—is that the writer has invariably considered it his duty to eulogize. Canadian biographies have been mainly works of pious memory, literary tombstones, with the glowing epitaphs emblazoned for all to see. *De mortuis nil nisi bonum*, a rather fatuous maxim after all, has been taken much too seriously to heart by our writers. Tombstones are right and proper objects, but as a rule they are not of much interest except to those who were connected with their subject, and they are certainly not the places to which one goes to get the exact truth expressed in good literary form. Quite the opposite. Canadian biography will never be a serious form of writing and will never be worth anything until it gets out of the graveyard. That is to say, the subject of the biography must be regarded as a real human being, with faults as well as virtues, a man who accomplished something, but also made mistakes. What did he mean to the world and to his country, what was his contribution, what were his strengths and weaknesses, private as well as public, what was his philosophy, what inner inspiration kept him pressing on, these are the questions that the biographer must seek to answer.

Autobiographies, such as the one under review, come under a rather different set of rules. Since the war, the presses of the world have simply vomited autobiographies. There is hardly an important figure connected with the war, by sea or by land, who has not confided his justification to the pages of an autobiography. Such books would fill not only libraries but warehouses. Most of them are forgotten as soon as they appear, and deserve to be, but some of them are astonishingly able pieces of work, books that no student of the modern world can afford to neglect. For example, there is Winston Churchill's *World Crisis*, cast in the form of a history, but strongly autobiographical, and the astonishing series of volumes (six already!) put out by Mr. Lloyd George. Mr. Lloyd George's book will rank as a masterpiece, both in literary skill, cleverness of exposition

and intrinsic interest for the historian and student of the war period. It is right at the top of this species of literature.

Nearly all autobiographies have certain features in common. They all, so to speak, put their best foot forward. Nothing else can be expected, and provided that the author does not give the impression that he was never wrong and no one else was ever right (unfortunately both the above books do give just that impression), little exception can be taken to so very human a trait. They are defences, or *apologia*, and must be taken as such. Their authors are naturally at the centre of the events they describe. Their importance must therefore as a rule be somewhat written down. Again, they are usually written by old men, men for whom the haze of memory has softened the harshnesses of the scene. They should therefore be charitable in their judgments, though regrettably, many of them are not, except upon their own authors' conduct. More likely, memory plays tricks and sometimes the other actors in the drama, if they could be heard from, would give accounts differing greatly from those supplied by the narrator.

In the ranks of the post-war autobiographical world one country is conspicuous by its almost complete absence—Canada. With the exception of Sir Robert Borden's book, there has not been a single important autobiography appear in Canada since the war. There have been hundreds in England, Germany and France, scores in the United States. Surely either this must be the most non-literary of countries, or alternatively it must have produced few first rate figures, few men whose memoirs would be of interest. There is reason for believing that both these explanations have a considerable measure of truth, and there is also another, an explanation that stares one in the face if he be acquainted with English autobiography: it is simply that in England and the United States, men do not object to speaking out, to putting information before their public. In Canada we are secretive, we think the things we know

are much more important that they really are, and we seem very much afraid of giving offence. Churchill, Haig, Siddell, Poincare, Lloyd George, and many others, simply could not have written in Canada, still less could they have found publishers, for they indulged in a species of direct, hard hitting quite foreign to Canadian life. It is perhaps not too much to say that Lloyd George revealed more official secrets in a single chapter of one of his volumes than all of our public men have revealed in Canada since the war. And few people in England thought any the worse of him for that—the war was over and done with, why should the truth not have come out? That is not the attitude in Canada.

Sir Robert Borden's book was long looked forward to as probably a significant Canadian contribution to the art of memoir writing and to the history of the war period. Of its total of over one thousand pages, 450 deal with the pre-war period of his life and ministry, the remainder with the war years. The book stops short with his resignation. There are pleasant chapters on his boyhood and his early years in Nova Scotia—they are among the best in the book. The long, ungrateful years spent as leader of the opposition occupy many pages: from them nothing emerges more clearly than that here was a true case of the position seeking the man, for on many occasions Borden, harrassed with intrigues against him from within the party, sought to resign, always to have leadership forced on him once more by men who if they did not relish him, found him indispensable. When he formed his government, his largeness of mind was singularly in evidence: acting on the principle that a leader should never allow personal likes and dislikes to interfere with the good of the cause, he took into his cabinet some of the very men who had been most bitterly opposed to him.

His three years of office before the war broke out were crowded with important events, such as the naval aid bill. All of his measures, whatever may be thought of their wisdom to-day, were inspired by sincerity and a high resolve to live

up to his principles. The friendship which he had early formed with Sir Wilfred Laurier deepened, and it is one of the encouraging things in the Canadian political scene that these two men, of such different backgrounds, while clashing constantly in public, could yet preserve private amenities and a sincere regard for each other's character. That friendship was probably one of the large factors helping to prevent the war-time split between the two races going even further than it did.

The bulk of the book is given over to the war. Apart from the organization and despatch of the first forces, large problems discussed are the question of nickel reaching the enemy (1916-17), the railway situation, conscription, the formation of the union government, the war election of 1917 and of course, the constitutional meetings and the peace conference.

Borden had to his credit vigorously opposed the lunatic railroad expansion of the early years of the century, but it was to be his fate to have the results of it laid on his doorstep. He took over the old Canadian Northern and paved the way for the formation of the Canadian National. He seems to have done his best and makes out a fair case for his actions but this is one of the points where one wishes he had spoken out more freely. The real story of the nationalizing of the Canadian Northern is yet to be written.

One of Borden's war problems was personal—the relationships between himself and his Minister of Militia, Sir Sam. Hughes. Here he does speak out. Hughes—a typical Ontario firebrand—was a neurotic nuisance, badly afflicted with megalomania. Only a man of great patience would have put up with him as long as Borden did.

The chapter dealing with the decision to impose conscription is not overly satisfactory. The author tends to stack the cards against Sir Wilfred Laurier and does not convince his readers that his judgment on the point was infallible. Quebec was alienated and Sir Wilfred knew it would be alienated. Sir Robert

failed to penetrate that situation, and as a result there occurred the most serious rift in the Canadian fabric that has occurred since Confederation. Conscription was not the only war issue that was badly handled in Quebec; while Sir Robert had nothing but the best of intentions and cherished nothing but the warmest feelings for the French-Canadians, he failed badly in the way in which he dealt with them. It is obvious from the *Memoirs* themselves that while he was one of the most reliable and sincere of men, he had little or no imagination. Hence when he got off his own beat, into unfamiliar territory, he was helpless.

The formation of the Union government, by contrast, brings this out strongly. Here in the day-to-day play of politics, seeing this man and placating that, dealing with people who whether they differed from him in views or not, were fundamentally like himself, he was at home, and despite endless discouragements, he kept on, not sparing himself, not at all worried about his own prestige, answering what to him was the clear call of duty, until eventually he succeeded. There would have been no Union government without him.

One of the astonishing things that comes out of the book is the completely subordinate part that Canada played in the war: for the first two or three years,

indeed until his visit to England in 1917, Canada was nothing more than a supply base for men and materials. It was only after the strongest language and a fairly open hint that if things did not change, Canada would have to reconsider its whole position, that Borden succeeded in altering the position to some degree. He was plainly dissatisfied with our relationship to Great Britain and it may be assumed that the constitutional changes beginning in 1917 and running through to the Peace Conference, those moves that went far to making Canada a nation, took their rise in that dissatisfaction. Certain it is that as the war progressed, Borden's psychology progressed with it. When the war began, he was a colonial, when it ended, he was a Canadian.

There is not much in the book that is entirely new. Most of it could have been pieced together from newspaper cuttings and especially from Hansard. There is not much revelation in the English style. It is an important book because it was written by an important man and especially because it is an unconscious revelation of character. It is something to know that at a critical hour Canada had at her helm, a man without personal ambition, sincere, of great honesty, sound in judgment and free from passion.

Cape Breton a Half Century Ago

By M. C. MACLEAN

THERE is a reason for "lighting upon" this particular stage in the history of Cape Breton Island. Whether he knows it or not, the person who was born there fifty or sixty years ago passed his boyhood at a stage which, although passed sometime or other by all countries, seems not to have received the attention it warrants from students of population. This was a time when—except for Cape Breton County—the population was at its maximum. Older men lived in pioneering periods; younger men, during a time when the regular thing was to leave as soon as adolescence was passed. Some people left before this period, but without doubt these contained a large element of adventurers and, at any rate, they were few in number compared with the general exodus of the next fifty years. People have come in since that period, but this was merely part of the present century urban movement—they were not settlers in the true sense of the word. Fifty or sixty years ago, *settlement* was complete in so far as the conditions of the time permitted. Maps 1 and 2 show how far this settlement had pro-

gressed up to 1881 and retrogressed from then to 1931. These maps will bear study. The population density classes (indicated by different degrees of shading) are based upon figures of population for small areas, so that large uninhabited or small very thickly settled areas are in no danger of being confounded, except where a town shows undue influence and this could not be avoided. For convenience of reference, the average densities of population of Canada in 1881 and 1931 are shown as inserts (population referring to areas differing in size at the two censuses and exclusive of vast areas with negligible population). It is seen that by 1881 most parts of Cape Breton Island were more evenly and more thickly settled than the average for Canada, even in 1931. In other words, Cape Breton was given the "once over". Its settlers tried out not only the fertile intervals, the productive sea coast and the strips along lakes and rivers but also what look to us to-day like inaccessible mountain areas. Many a farm house in our boyhood days was familiarly known as "the roost". There is little doubt that this trial of all parts is characteristic of the people who did the settling—Highland Scots, Irish and French, particularly the former two.

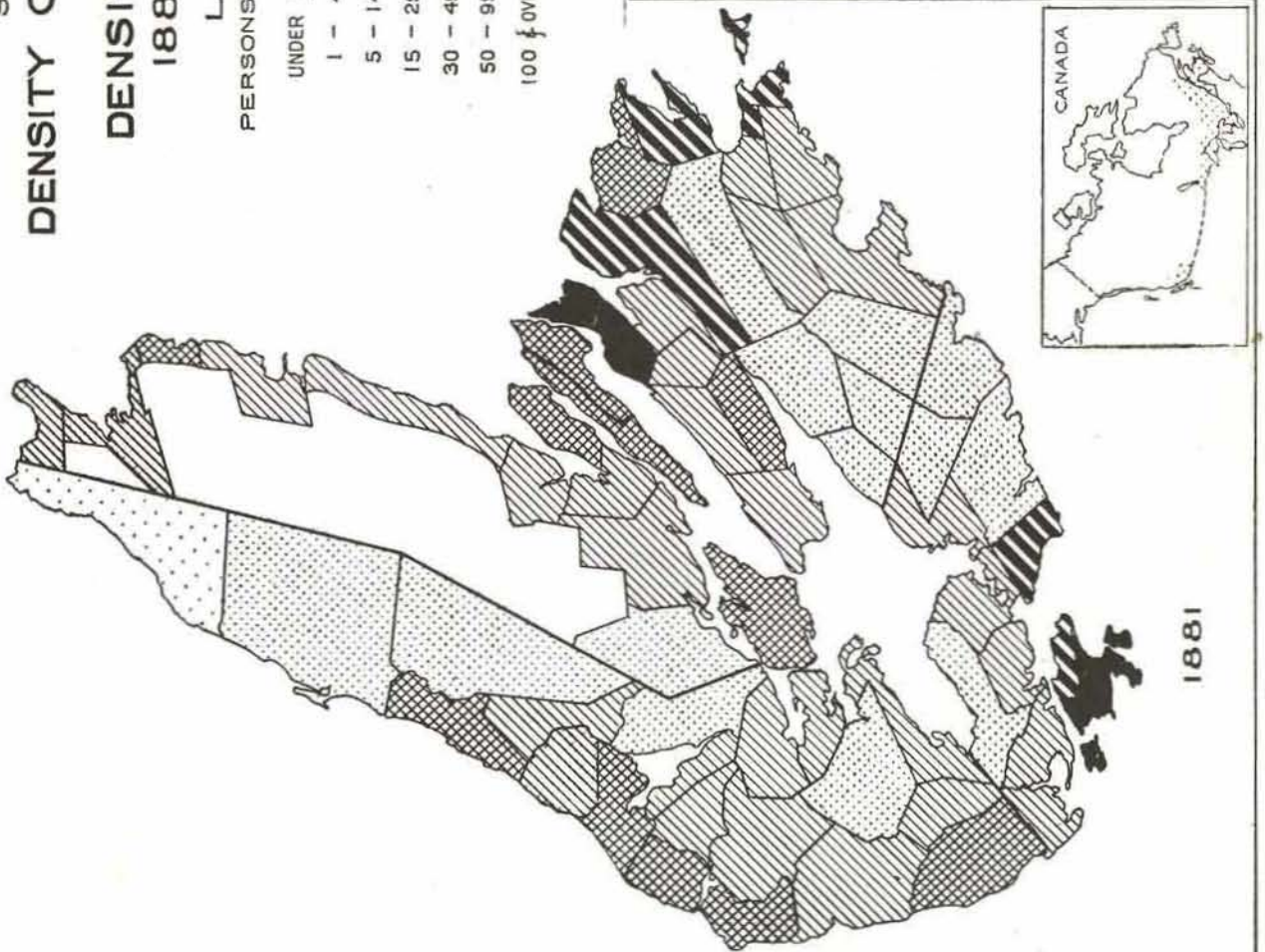
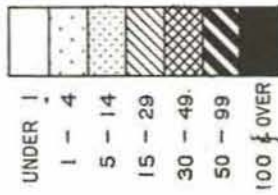
EDITOR'S NOTE: M. C. MacLean, a native of Cape Breton, is one of Canada's most distinguished statisticians. He contributed to this journal last year another valuable article "The Mobile Nova Scotian". *Public Affairs*, II, p. 6.

Table I. Racial and Nativity Composition of the Population of Cape Breton Island, by Counties, Compared with that of Nova Scotia and Canada, 1871.

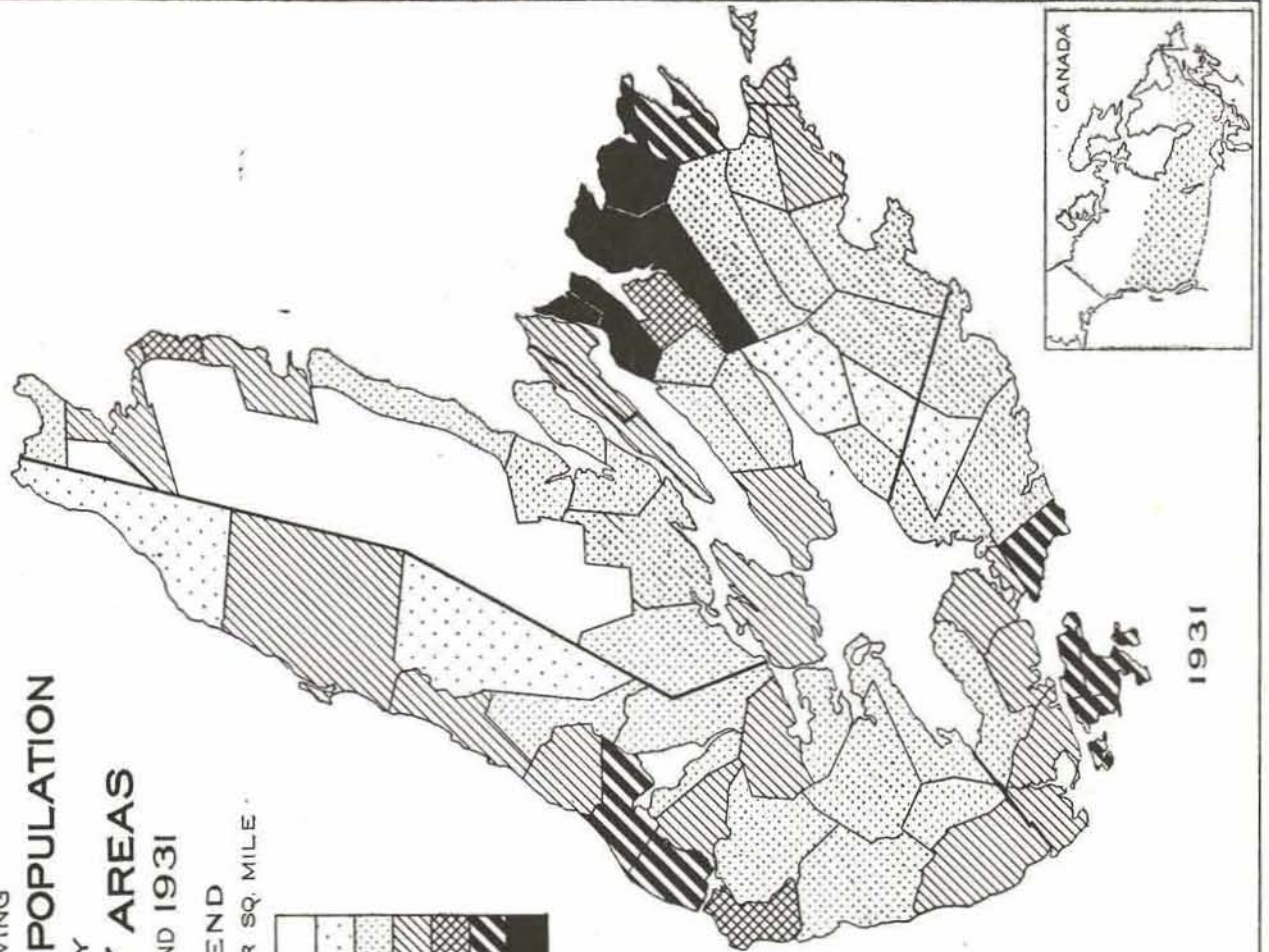
	Total Population	Racial Origin				Number Born in	
		Scottish	Irish	French	Other	Nova Scotia	Scotland
Cape Breton Island....	75,483	50,111	7,311	10,864	7,197	65,343	8,073
Inverness.....	23,415	18,197	1,307	2,682	1,229	20,734	2,322
Victoria.....	11,346	9,751	655	76	854	9,306	1,889
Cape Breton.....	26,454	17,261	3,902	1,141	4,150	22,063	3,150
Richmond.....	14,268	4,902	1,437	6,965	964	13,240	712
Nova Scotia.....	387,800	130,741	62,851	32,883	161,325	351,360	14,316
Canada.....	3,485,761	549,946	846,414	1,082,940	1,006,461	360,832	121,074

MAPS OF CAPE BRETON
SHOWING
DENSITY OF POPULATION
BY
DENSITY AREAS
1881 AND 1931

LEGEND
PERSONS PER SQ. MILE



1881



1931

In other parts of Canada and even of Nova Scotia we find people who settled and remained in narrow strips along the sea coast. Not so Cape Breton.

It should be interesting for those who passed their boyhood in Cape Breton during the stage under observation to see how familiar scenes look when converted into figures and related to Nova Scotia and Canada as a whole. The data to be now considered are for 1871, not for 1881, principally because the census of 1871 went further into detail than the later census. Let us then begin the picture by showing the population and its racial and nativity composition.

If we remember that there must have been some childless families, and particularly that many of the families were still small because of young parents, we realize that the average, 6.27 for the whole island, represents a very large completed family. To-day the average size of family in Nova Scotia (calculated as above, *i.e.*, population per family) is 4.32 and in Canada is 4.28. Let us then examine the next table showing the family size. The coun-

life, religious life and so on. Considerable detail of occupational structure is given in the census, but for a particular reason their detail is not very reliable. An illustration will explain. The number of persons described as "fishermen" under the occupation classification and the number who manned the fishing vessels were as follows:—

	Number of Fishermen	Number Manning Fishing Vessels (shoremen, etc.)
Cape Breton Island.	2,531	5,041
Inverness.....	295	1,363
Victoria.....	440	811
Cape Breton.....	535	1,023
Richmond.....	1,261	1,844
Nova Scotia.....	10,772	18,206
Canada.....	18,362	37,498

The vast difference—say, in Inverness—between the number of "fishermen" and the number who caught the quantities of fish to be mentioned later enables us to realize the impossibility for those days of giving a true picture of occupational structure. The farmer was at the same time a miller, or a tanner, or blacksmith, or a cooper, or

Table II. Number of Families, Unmarried and Children and Inhabited Houses, Cape Breton Island, by Counties, Compared with that of Nova Scotia and Canada, 1871.

	Families	Children and Unmarried	Inhabited Houses
Cape Breton Island.....	12,043	51,859	11,570
Inverness.....	3,457	16,462	3,399
Victoria.....	1,692	7,966	1,654
Cape Breton.....	4,460	18,042	4,319
Richmond.....	2,434	9,389	2,198
Nova Scotia.....	67,811	254,617	62,123
Canada.....	622,719	2,283,003	570,379

try was still in close connection with the Mother Country; for the Canadian-born families of the 8,000 born in Scotland would bring at least the majority of the population within the second generation of Scotland.

The space allowed for this paper does not permit a sequence of tables that would give a full picture of the people, their lives and their occupations, school

even a merchant, teacher or clergyman. Consequently, data on occupational classes in that census are misleading without a great deal of explanation.

Similarly, we are omitting detailed figures of industrial establishments; the number of establishments; the value of raw material; the value of total production; the amounts paid in wages, and the "hands" by which we understand the

number of persons on wage. The yearly amount paid in wages would average for the "hands" \$113 in Inverness; \$121 in Victoria; \$169 in Cape Breton; \$132 in Richmond; \$204 in Nova Scotia, and \$217 in the Dominion.

The great proportion of the occupational classes, particularly in Inverness, were agriculturalists; 72.0 p.c. in Inverness, 66.7 p.c. in Victoria, 42.4 p.c. in Cape Breton and 30.2 p.c. in Richmond as compared with 41.9 p.c. in Nova Scotia and 47.5 p.c. in the Dominion.

The size of farms in that year bears mention. There were 212 farms of 10 acres or less in Inverness, 77 in Victoria, 406 in Cape Breton and 532 in Richmond. The total number of farms was 3,259 in Inverness, 1,578 in Victoria, 3,106 in Cape Breton and 1,817 in Richmond. We are not familiar with the 10-acre farm. A large proportion of these were in Cape Breton and Richmond Counties, principally in Sydney Mines, Little Arichat, Petit de Grat. In Inverness they were principally in Plaister Cove, Cheticamp and Port Hood. Evidently, they were the small holdings of fishermen. The large farms were mostly in Inverness, rather widely distributed but principally in Mabou and Whycomomagh. Since the land here consists of some fertile intervals, these figures would seem to contain a story. One would have expected that the poorer lands required the larger farms.

We must hasten to what appears to us as the only set of data in the 1871 census that really describes the occupation activities of the people, *viz.*, the possessions and products of the year 1870-71. These are given in the census in great detail and, unfortunately, space does not permit a table giving all these details. We must then extract. First, let us mention the products which were found in Nova Scotia or the Dominion but not on Cape Breton Island: timber—elm, black walnut, hickory; minerals—gold (Nova Scotia in that year produced nearly 90 p.c. of the gold in the Dominion), silver, copper, iron, pyrites, manganese, other ore, peat, plumbago, phos-

phate of lime, mica, crude petroleum, marble, roofing slate. Table III gives the possessions and products that showed more per capita in one or other of the Cape Breton counties than in one or both of Nova Scotia and the Dominion. It is a striking fact that out of 111 items or groups of items listed in the census of that year one or other of the Cape Breton counties led in 62. When we remember that the population of the island was only one-fiftieth of that of Canada, we realize the magnitude of this achievement.

Practically every one of the products—those not listed as well as those listed—tells a story of the life of the people. Since Inverness, except for coal and fish, seemed to be the banner county, let us give a more detailed picture of this county. Let us remember the number of families, *viz.*, 3,457, and the size of this family, *viz.*, 6.77, and also that in those days all the members of the family except the very young were engaged in some capacity. Let us also remember that winter nights as well as summer and winter days were utilized. To show the products as they average per family in those days would not be so far wrong as it would be if done for to-day. We are, therefore, showing details as they averaged per family.

First of all, let us take what might be called the man's side of the production and put two and two together by showing the possessions or implements side by side with the products. Each family, then, averaged:—

Products

91.48 bu. grain.
107.06 bu. potatoes and other roots.
8.53 tons hay.
1.20 bu. fruit.
1.89 lb. maple sugar.
0.99 skins of wild animals.
50.11 cu. ft. of some kind of timber.
7.61 logs of some kind.
16.85 cords of firewood.
7.15 qtl. cod, haddock.
5.24 bbl. herring, mackerel, etc.
5.60 gal. fish oil.
0.73 tons coal.
3.37 cu. ft. building stone.
Masts, staves, lathwood (also tanbark in small quantities).

Possessions

- 1.56 horses and colts.
- 1 working ox per 8 families.
- 0.66 light carriages.
- 1.48 vehicles for transport.
- 0.86 ploughs, harrows, rakes (if we take farmers instead of all families we see that there were not nearly enough to go around).
- 1 reaper and mower per 230 families.
- 1 horse rake per 79 families.
- 1 threshing mill per 93 families
- 1 fanning mill per 11 families.

If there is anyone whose sense of humour cannot stand the idea of a fraction of a live horse, let him remember that averages generally show these oddities or express the average as 156 horses per 100 families; likewise, the fact that we are quoting all families instead of farmers' families in matters purely agricultural. The quoting per farm family would raise the share of the family much higher.

Before commenting upon this list, let us look at the products that were largely the share of the women and children.

Products

- 200.44 lb. butter.
- 30.74 lb. home made cheese.
- 4.55 lb. dressed flax.
- 1.83 yd. home made linen.
- 30.05 lb. wool.
- 40.25 yd. home made cloth.

Possessions

- 3.91 milch cows.
- 3.60 other horned cattle.
- 13.18 sheep.
- 1.98 swine.

Coming into the share of both the men and the women and children is the miscellaneous item, animals slaughtered and sold. There were, per capita, 1.15 cattle, 2.76 sheep and 1.25 swine.

Now, while the city man may not be able to visualize how much work so many tons of hay, etc., mean, he can gather from Table III that it was more per capita here than in the rest of Canada, some of the things listed above being considerably more; consequently, he can safely conclude that unless the Inverness man had better equipment, he must have worked very hard. But, on looking at the equipment, he can see that every farmer could not possibly use the mower, nor horse rake, nor fann-

ing mill—much less the threshing mill and not even, in all cases, the plough. The shortage of mowers recalls the old hand scythe; of horse rakes, the hand rake; of threshing mills, the old flail; of fanning mills, the old device for fanning grain, *viz.*, lifting high in the air a peck or more of grain in a vessel known as the grieve but more familiarly as the "greidhear", shaking this and letting the breeze carry away the chaff. To-day this awful method of winnowing, to say nothing of the flail, would make even a strong industrious man run away from work. And then in this list of activities we are not including the stumping, the fencing, the stone picking and the long drives on the springless cart or treks on foot to sell the produce, receiving not cash but kind and sometimes bringing the produce back unsold. In the man's list we are not altogether fair to the woman nor in the woman's list to the man. The woman helped with the raking and fish cleaning and the man took a turn at churning. But the Census of 1871 was more unfair to both in omitting some very important products. Milling, tanning, coopering and so on were important occupations but we have no record of the bags of oatmeal, barley or buckwheat flour, the strips of leather, the tubs and barrels, the home made shoes and suits of clothes and so on.

The share of the women and children must be considered as over and above the regular and more-arduous-than-now duties of the housewife. Let us remember the size of the family and the rearing, dosing and clothing of these families. Furthermore, there is no record of gallons of wild berries picked and preserved, the preparation of many animal products in addition to butter and cheese, the tailoring of the home made cloth, the hens, geese and ducks, the home made soap, the rug hooking, the knitting, etc. Yet, even as it is, the woman's list is a formidable one. The butter and cheese presupposes the calf-feeding, the milking, the dasher churn, the improvised cheese "press"; the linen products recall the cutting of the flax fibre with

a sickle and the interminable processes of drying, bleaching, breaking and so on, a large number of these being carried on during the long winter nights; the home made woollen cloth, the shearing, washing, carding, spinning, weaving, cutting and sewing, all, or mostly all, by the same persons and without any modern machinery. That some of these products, preserved till to-day, should show every indication of artistic taste is astonishing considering the quantities produced and the limited means of production.

It is remarkable that these people picked up a good time as they went along; and, indeed, to the superficial observer, they did not seem to work hard. Were it not for the fact that we see these figures side by side with the rest of Canada, we would not be fully convinced that the production was great, but it was! One explanation is that these people simply would not "putter about". They worked while they worked but when there was nothing particular to do, they hated to pretend to work—they went to a picnic instead. Their social life was very colourful.

If we look at the lists in Table III as income instead of production, we may say that while there are omissions of a certain kind, such as regards flour, poultry, poultry products, etc., there is not much omission as regards cash. The "hands" in industrial establishments in Inverness County brought home an average of \$113 per year (there were 368 hands in all) or about \$12 per family. It is true there were Inverness hands in establishments outside Inverness County but they were not counted in the population of that year.

Some mention should be made of the professional people and the white-collar jobs. In that year there were, on an average, a clergyman, doctor, lawyer, teacher or student to every 16 families, a merchant or clerk to every 18 families—not a very large proportion of white-collar persons. It was after this time that the county became so strongly professionally minded.

Such was the Cape Breton of half a

century ago. Then began a pilgrimage—not more peculiar to Cape Breton than other parts of the world, particularly Eastern Canada. The half century has been one of Nomadism, ever-increasing dependence upon economic opportunities already existing and growing complexities in the social structure. Whether we can call it an "awakening" to higher and higher standards of living or what, we do not know. In any case, a peculiarity of it has been unwillingness to do the best with what we have. It was too easy to move. The "settler" was discouraged with the first signs of depression and moved on. The young moved, first to the cities of the United States, then to the West, then to the cities of Canada. The independent worker exchanged his independence and receipts in kind for cash wages. It is difficult to imagine a real development of a country under such conditions or any real attachment to home and country. There is forever the question as to whether employment creates a population or a population employment, but it would seem that in the past half century the former was really the case while in the true nature of things the latter should be the case. The creative powers function best when there is need of creation. There is every indication that this feverish movement is at an end, at least until something unlooked for turns up—for the simple reason that there is nowhere to go. Necessity will compel us to make the best of what we have.

A year ago it was our privilege to be in a Cape Breton crowd at a fair. Here were statistics in the flesh! The size of the crowd, and the age and sex composition as well as its general demeanour could be compared, first, with a similar crowd, say twenty years ago and, secondly, with a similar crowd a half century ago, before the exodus. The age and sex composition was very dissimilar to that of the twenty-year-ago crowd and quite similar to that of a half century ago; so was the size of the crowd—quite large. The adolescent and early adult

Table III. Possession and Products in which one or other of the C
both of Nova Scotia and the Four Provin

Item	Number				
	Inverness	Victoria	Cape Breton	Richmond	Nova Scotia
Field Products:					
Winter wheat (bu.)	177	43	22	25	3,087
Barley (bu.)	22,408	8,935	13,274	1,968	296,050
Oats (bu.)	276,330	107,707	150,440	30,604	2,190,099
Potatoes (bu.)	360,710	174,563	388,879	94,943	5,560,975
Hay (tons)	29,491	8,937	13,350	6,731	443,732
Grass and clover seed (bu.)	683	143	288	34	8,121
Home Products:					
Butter (lb.)	692,906	313,016	443,001	224,220	7,161,867
Home made cheese (lb.)	106,262	9,423	12,808	3,162	884,853
Flax seed (bu.)	266	50	29	1	2,830
Dressed flax (lb.)	15,739	1,162	2,361	51	111,588
Home made cloth (yds.)	138,996	57,632	81,939	51,158	1,476,003
Other Home Products:					
Wool (lbs.)	103,874	37,907	63,204	31,559	1,132,703
Animals Slaughtered or Sold:					
Cattle	3,974	1,590	1,919	1,049	42,815
Sheep	9,535	5,204	7,607	2,519	139,631
Swine	4,324	1,351	2,493	698	52,788
Fruits:					
Other (2) fruits (bu.)	766	256	553	10	12,736
Tobacco (lb.)	39	4	2	.....	263
Furs:					
Bears	8	8	.....	3	209
Otters	7	13	4	7	267
Martens	51	7	1	5	156
Minks	235	155	78	130	4,269
Foxes	51	27	34	42	828
Moose, caribou, deer	.....	6	.....	41	971
Seals	279	481	11	17	1,938
Muskrats	1,825	800	1,844	464	20,449
Other skins	971	8	319	1,020	12,950
Forest Products:					
Square red pine (cu. ft.)	2,010	6	9,482	1,900	22,020
Birch and maple (cu. ft.)	53,136	3,528	29,086	4,335	518,727
Masts, spars, etc.	831	131	209	38	10,631
Staves (M.)	319	146	283	158	11,811
Lathwood (cds.)	2	25	7	.....	924
Firewood (cds.)	58,243	24,717	34,423	16,258	526,472
Fisheries:					
Cod (qtls.)	22,429	17,665	19,791	30,540	380,308
Haddock, hake, pollock (qtls.)	2,291	800	604	10,756	101,042
Sounds and tongues (bbl.)	17	10	41	45	871
Herrings (bbl.)	7,724	3,855	5,736	12,179	135,266
Gaspereaux (bbl.)	2,757	35	595	650	10,358
Mackerel (bbl.)	6,690	2,371	2,362	5,091	69,647
Halibut (bbl.)	86	78	242	186	2,536
Salmon (bbl.)	272	255	551	93	4,218
Eels (bbl.)	204	151	354	95	1,262
Trout (bbl.)	60	5	10	2	372
Other fish (bbl.)	84	47	34	.....	1,367
Cured roes (bbl.)	139	60	10	68	1,952
Oysters (bbl.)	86	59	39	20	1,257
Cod liver oil (gals.)	1	.....	50	149	1,405
Other fish oil (gals.)	19,356	11,508	15,083	16,037	287,925
Mineral Products:					
Coal (tons)	2,537	446	394,723	.....	657,506
Lump gypsum (tons)	.....	1,200	.....	1,000	96,544
Work Animals:					
Horses	4,324	1,521	3,105	1,268	41,925
Colts and fillies	1,053	266	346	177	7,654
Oxen	515	486	161	284	32,214
Farm Stock:					
Milch cows	13,530	5,225	7,735	3,980	122,688
Other horned cattle	12,431	4,381	4,969	2,898	119,065
Sheep	45,556	16,716	23,649	15,212	398,377
Swine	6,840	2,039	3,473	977	54,162
Vehicles and Farm Implements:					
Light carriages	2,277	754	1,675	749	40,119
Vehicles for transport	5,115	1,686	4,013	1,663	76,151
Ploughs, harrows, cultivators	2,987	1,295	2,091	609	38,700
Fanning mills	301	132	74	21	4,731
Fishing Equipment:					
Boats and vessels	512	423	563	844	8,662
Fathoms of nets	35,382	34,543	52,830	90,748	975,674

(1) Too small p.c. to be of any importance.

(2) Not apples or grapes.

Some of the Breton Island Counties came up to or exceeded one or more of the Dominion, 1871.

Four Provinces	Number per Head of Population					Four Provinces
	Inverness	Victoria	Cape Breton	Richmond	Nova Scotia	
6,367,961	0.008	0.004	0.001	0.002	0.008	1.83
11,496,038	0.96	0.79	0.50	0.14	0.76	3.30
42,489,453	11.80	9.49	5.69	2.14	5.65	12.19
47,330,187	15.41	15.39	14.70	6.65	14.34	13.58
3,818,641	1.26	0.79	0.50	0.47	1.14	1.10
348,605	0.03	0.01	0.01	0.002	0.02	0.10
74,190,584	29.59	27.59	16.75	15.71	18.47	21.28
4,984,843	4.54	0.83	0.48	1.22	2.28	1.43
118,044	0.01	0.004	0.001	(1)	0.007	0.03
2,584,765	0.67	0.10	0.09	0.004	0.29	0.74
7,641,917	5.94	5.08	3.10	3.59	3.81	2.19
11,103,480	4.44	3.34	2.39	2.21	2.92	3.19
507,725	0.17	0.14	0.07	0.07	0.11	0.15
1,557,430	0.41	0.46	0.29	0.18	0.36	0.45
1,216,097	0.18	0.12	0.09	0.05	0.14	0.35
358,963	0.03	0.02	0.02	0.0007	0.03	0.10
1,595,932	0.002	0.0004	(1)	.....	0.0007	0.46
2,553	0.0003	0.0007	.....	0.0002	0.0005	0.0007
6,132	0.0003	0.001	0.0002	0.0005	0.0007	0.002
17,582	0.002	0.0006	(1)	0.0004	0.0004	0.005
49,799	0.01	0.01	0.003	0.01	0.01	0.01
12,861	0.002	0.002	0.001	0.003	0.002	0.004
19,271	.....	0.0005	.....	0.003	0.003	0.006
37,402	0.012	0.04	0.0004	0.001	0.005	0.01
488,182	0.08	0.07	0.07	0.03	0.05	0.14
56,105	0.04	0.0007	0.01	0.07	0.03	0.02
1,954,372	0.09	0.0005	0.36	0.13	0.06	0.56
1,939,357	2.27	0.31	1.10	0.30	1.34	0.56
121,685	0.04	0.01	0.008	0.003	0.03	0.03
34,706	0.01	0.01	0.01	0.01	0.03	0.01
25,657	(1)	0.002	(1)	.....	0.002	0.007
8,713,083	2.49	2.18	1.30	1.14	1.36	2.50
682,631	0.96	1.56	0.75	2.14	0.98	0.20
120,213	0.10	0.07	0.29	0.75	0.26	0.03
1,261	0.0007	0.0009	0.002	0.003	0.002	0.0004
417,300	0.33	0.34	0.22	0.85	0.35	0.12
29,117	0.12	0.003	0.02	0.05	0.03	0.01
77,925	0.29	0.21	0.09	0.36	0.18	0.02
3,560	0.004	0.007	0.009	0.01	0.007	0.001
15,907	0.01	0.02	0.02	0.007	0.01	0.005
7,693	0.009	0.01	0.01	0.007	0.003	0.002
19,729	0.003	0.0004	0.0004	0.0001	0.001	0.006
81,152	0.004	0.004	0.001	.....	0.004	0.02
2,934	0.006	0.005	0.0004	0.005	0.005	0.001
14,500	0.004	0.005	0.001	0.001	0.003	0.004
2,491	(1)	.....	0.002	0.01	0.004	0.001
676,403	0.83	1.01	0.57	1.12	0.74	0.19
671,008	0.11	0.04	14.92	.....	1.70	0.19
114,433	.....	0.11	.....	0.07	0.25	0.03
643,171	0.18	0.13	0.12	0.09	0.11	0.18
193,572	0.04	0.02	0.01	0.01	0.02	0.06
139,635	0.02	0.04	0.0006	0.02	0.08	0.04
1,251,209	0.58	0.46	0.29	0.28	0.32	0.36
1,233,446	0.53	0.39	0.19	0.20	0.31	0.35
3,155,509	1.95	1.47	0.89	1.07	1.03	0.91
1,366,083	0.29	0.18	0.13	0.07	0.14	0.39
514,116	0.10	0.07	0.06	0.05	0.10	0.15
842,514	0.22	0.15	0.15	0.12	0.20	0.24
573,648	0.13	0.11	0.08	0.04	0.10	0.16
167,964	0.01	0.01	0.003	0.001	0.01	0.05
17,867	0.02	0.04	0.02	0.06	0.02	0.01
1,879,435	1.51	3.04	2.00	6.36	2.52	0.54

boys and girls were largely represented whereas twenty years ago they were conspicuously absent. It was a refined crowd—perhaps too refined. Their patience in listening to an avalanche of speeches of unmerciful length—they who had come long distances to dance—was a little uncanny, and in this respect they certainly did not resemble the crowd of fifty years ago. The tongue in which they spoke and their amusements also had kept up only too well with the “wheels of progress”.

If growing up and then “flitting” is no

longer the order of the day, it is clear that upon such a crowd rests the responsibility of creating opportunities instead of going out to look for them. Who knows what the necessity will bring about? If their grandparents with the means at their disposal could produce more than their share of Canadian products and create as described what can modern methods in the hands of people of the same blood bring forth after a period of “seeing the world” and seeing that opportunities are not much better elsewhere than at home?

Rural Dentistry in Nova Scotia

By WARREN C. OXNER

ABOUT thirty years ago Dr. Wm. Hunter a surgeon of London, England, toured both Canada and the United States with the purpose in mind of directing attention to the importance of sound teeth in relation to general health. So impressed were those whose interests lay in the fields of medicine and dentistry that efforts were made towards the education of the public to the vital significance of oral hygiene.

Although Ontario, which has large and well organized professions, led the campaign in Canada, other provinces soon followed suit. In 1906 the Nova Scotia Dental Association appointed an Oral Hygiene Educational Committee which since that date has been active in a campaign designed to include not only urban centres but also the rural areas which for obvious reasons are the most difficult to reach.

During the same year, as a result of a paper read before the Nova Scotia Dental Association on the dental education of public school children, many constructive suggestions were made. It was recommended that steps be taken:

to revise the school books in regard to the care and preservation of the teeth, to appoint dentists in public schools to make periodical examinations of the children's teeth, to distribute booklets to parents and children on the care of teeth, the examination of teachers on oral hygiene and finally to lecture on dental hygiene before the School Teachers' Association.

In 1909, the Canadian Oral Prophylactic Association of Toronto, was appointed to carry on the work as a national movement in Canada. During the following years, educational work proceeded, lectures were given, lantern slides and moving pictures were shown, further examinations through the province were made and school books were revised. Efforts also were made to secure legislation for the establishment of free clinics for the poor. Lectures were given to teachers in training at the Normal School with the expectation that such instruction would be passed on by them to pupils. In many sections of the province dentists were appointed to carry on educational work.

In 1919 dentists were appointed to accompany the Red Cross Rural Health caravan to outlying districts. In this manner valuable operative and educa-

EDITOR'S NOTE: W. C. Oxner, D.D.S., is Professor of Crown and Bridge Work and Ceramics in the Faculty of Dentistry at Dalhousie University and President of the Dominion Dental Council of Canada.

tional services were rendered. By the following year, many health clinics throughout the province had been supplied with army field dental chairs, with the idea of rendering free dentistry to the poor. Also, in a number of towns at odd times, free clinics were held, the expense being met by Service Clubs, as well as women's organizations.

The Canadian Dental Hygiene Council is a national voluntary public health body, composed of both laymen and dentists, organized for the purpose of promoting public dental health. It is endorsed by the Canadian Dental Association and all of the provincial dental associations.

When every person in Canada knows what every physician, dentist and health worker knows—that diseased teeth are one of the most common causes of ill health, and further, when everyone knows what scientific findings declare—that diseased teeth may be prevented through proper diet, careful attention to mouth hygiene and early operative treatment, all of which involves very little financial expenditure,—then the Canadian Dental Hygiene Council will feel that it has fully performed its task, for this is what the Council is striving to teach.

While the Dental Hygiene Council has been successful in this teaching during the last twelve years, its definite objective has been to place the responsibility for dental health educational work upon the provincial departments of health. This it has succeeded in doing. In seven of the nine provinces of the Dominion, permanent programmes of dental health have been established, and during this year a financial grant was included in the budget of all of them for this work. In one of these—Ontario—the Dental Division was established previous to the formation of the Canadian Dental Hygiene Council.

In 1937, with a budget of less than \$10,000, the Council, through expert organizational assistance and with the co-operation of the many interested health groups, promoted an expenditure of \$41,300 for Public Dental Health Educational Services throughout Canada. This multi-

plied every dollar of the budget of the Council by four.

Working through the departments of health and education of the various provinces, and the provincial dental societies, the Canadian Dental Hygiene Council takes the responsibility for dental health education to all school children. There is no other public health organization in Canada doing any dental health educational work.

During the past year a major educational programme has been conducted throughout the province of Nova Scotia, embracing twenty-two towns and cities. On the invitation of the Honourable Dr. Davis, Minister of Health, the Council, in conjunction with the Nova Scotia Dental Society, conducted an intensive four months' health educational programme. The financial arrangements were similar to those made in other provinces, wherein the Council and the provincial dental society each makes a grant, with the provincial department of health contributing dollar for dollar.

The Canadian Dental Hygiene Council is fully aware of the fact that one address on mouth health, delivered to a group of school children, is not going to educate them into a permanent realization of its value, but an attempt is made to present it in such a manner that the child will be impressed with the fact that in order to reach the sphere to which he aspires, whether in sport or any other activity in which he wishes to engage, his success depends on good health, and good health very frequently depends on good teeth. Furthermore, while presenting these addresses to school children, the speakers are at the same time meeting, under official auspices, the school teachers, principals, school board and inspectors, and attempts also are made to impress upon them the importance of mouth health education, stressing the fact that the Canadian Dental Hygiene Council provides the means and methods whereby it can be carried on.

Every province-wide campaign conducted by the Canadian Dental Hygiene Council is carried on directly under the

auspices of the Provincial Minister of Health and his department. In this connection someone has said that public health work is a battle and that every battle must have a commander-in-chief. The Canadian Dental Hygiene Council is convinced that the Provincial Minister of Health should be the commander-in-chief of every public health engagement within his province.

In the Nova Scotia Mouth Health Campaign, the very fullest assistance and co-operation was given by the Departments of Health and Education. These two bodies mapped out the course, prepared the ground work, and indeed, organized whole districts. Letters were sent to every medical officer of health, and every physician directly or indirectly connected with that department, instructing them to give their whole-hearted co-operation to the campaign in their districts. 40,000 copies of Mouth Health literature, consisting of two separate books, one for junior school children, one for senior pupils and adults were distributed. This material had been specially prepared or revised by a literature committee of the Nova Scotia dentists.

For organizational purposes the services of Miss McKenzie, Superintendent of Public Health Nurses, were placed at the disposal of the Committee and the effectiveness of her task was manifested in the number of contacts she established, and in the fact that every nurse in the province appeared to make the campaign her own, while in her district. They spared no pains to ensure that every individual in their community was given an opportunity to hear the story.

The co-operation of the Department of Education was an important factor. Dr. Munro, Superintendent of Education, enlisted the active co-operation of the school inspectors, supervisors and principals. This contact provided a gracious reception and proved invaluable.

The Central Committee situated in Halifax, and the various district chairmen, devoted much time and energy at a personal sacrifice, as a contribution to the success of the campaign.

Meetings were arranged under the auspices of the I.O.D.E., Home and School Clubs, Women's Institutes, Local Council of Women and Men's Service Clubs, under whose auspices addresses on public dental health were delivered. In this province, as in the others the help given by these bodies is a most important factor in our work.

It can be said that in all sections of the province the dentists gave whole-hearted and enthusiastic support and assistance. Through the Nova Scotia Dental Association, 23,000 school children were given a free complete mouth examination and charts of mouth conditions were sent to the homes, as well as records of mouth health conditions, left with the school nurse for her files.

To outline the tangible results of such a campaign is difficult. In any health education movement, the results are not apparent for many years. The assimilation of knowledge, or more particularly the actions growing out of that assimilation, is a matter of time. However, it is possible to enumerate some of the more tangible results as follows:

1. Relations were established between the Department of Health, the Department of Education, the Provincial Government and the profession of dentistry which will enable each of them to render a better health service to the people of the province.

2. A closer co-operation between the voluntary public health and welfare organizations, and the profession of dentistry was achieved.

3. The assurance of the Minister of Health that the work started by the Canadian Dental Hygiene Council and the Nova Scotia Dental Association in this campaign would be continued.

4. The examination by dentists of the mouths of thousands of school children throughout the province. Each child was provided with a record of his mouth condition, to take home, with suggestions for treatment if necessary.

5. Through service clubs, women's organizations and public meetings, address-

(Continued on page 198)

Preventing Municipal Default

By W. EVERETT MOSELEY

THE financial history of municipalities in the Province of Nova Scotia in relation to the payment of their bonded indebtedness has been uniformly of the highest standard. While there appears to be no evidence at the moment of any default either in principal or interest in this Province, the records of some municipalities in other Canadian provinces have not been so favourable. Cases of serious default have arisen which have been dealt with by revision of both principal and interest of the bonded indebtedness of certain Canadian cities and towns. In order to be prepared for any such situation when, as and if it arose in Nova Scotia the Department of Municipal Affairs introduced legislation which was passed at the last Session of the House and is now found in Part V of the Municipal Affairs (Supervision) Act, 1939. At the same time the whole act was consolidated and certain revisions made.

The objective of preventing default by our municipalities (which term in this article is meant to include both towns and municipalities unless otherwise apparent from the context) is a laudable one—provided always that its attainment be by reasonable measures which do not threaten the rights of other municipalities. A careful study of the means proposed to be used, and the machinery set up, however, discloses that the penalty imposed on defaulting municipalities is too severe, that the powers conferred on the Government appear too wide, and that the democratic rights of every municipality in this Province, defaulting or otherwise, would be endangered if some government should take an arbitrary view of its power.

The Act of 1935 was of course approved by the Union of Nova Scotia Municipalities; but the Act of 1939 was introduced without the prior knowledge of that body which consequently had no opportunity to consider the amendments; no public hearing was granted; at least one of the sections had already been disapproved by the municipalities; and the failure of the department to seek the views and criticisms of the municipalities savors considerably of regimentation.

While this article is intended to cover mainly the provisions relating to default, the other revisions, being the features in which the new act differs from the old, may conveniently be dealt with here. The revisions are as follows:

1. slight alteration in the provisions relating to borrowing powers;
2. slight alteration in the provisions relating to audit, bookkeeping and similar systems and returns;
3. drastic change in the provisions relating to sinking funds;
4. the completely new provisions to deal with cases of default.

1.—*Borrowing Powers.*

Borrowing powers have been enlarged by adding to the list of purposes for which money may be borrowed, the clause (i) "generally for any city or town purpose whatsoever" (or in the case of municipalities a similar clause covering "any municipal purpose whatever"). In the case of towns, however, the provisions requiring a vote of ratepayers have been enlarged by making such vote necessary for any borrowing under any other general or special Act of the Legislature of Nova Scotia whether enacted before or after the enactment of this Act: the section excepts current borrowing under Section 134 of the Towns' Incorporation Act. This amendment may prove embarrassing to certain towns,

EDITORIAL NOTE: The writer of this article who is Town Solicitor for Dartmouth, belongs to a group of municipal officers who look at the recently passed Municipal Affairs (Supervision) Act, 1939 with criticism. The article, as all contributions to *Public Affairs*, reflects its author's personal opinion.

The borrowing of \$5,000 a year for water and sewer purposes without a vote of the ratepayers has been changed, and towns are now limited to one-tenth of 1 per cent of their assessment in each year for that purpose.

2.—*Audit, Returns and Bookkeeping Systems.*

This matter is covered under Part IV of the new Act. The powers of the Minister are enlarged to the extent that he can prescribe the forms used by municipalities for estimates, bookkeeping and similar systems. He is also empowered to audit the accounts of any municipality, to prescribe the forms on which returns are to be made, and to require the filing of returns along the lines set out in the Act.

3.—*Sinking Funds.*

The provisions relating to sinking funds of municipalities have undergone drastic amendment. A minor change is found in Section 20, enabling the Minister, when sinking funds are fully paid up prior to the due date of the bond issue, or when they are overpaid, to permit the municipality to stop paying into such sinking fund account. Section 24 (1) (a) enables municipalities to transfer their sinking funds to the Minister. Section 24 (3) enables the Minister to make a charge not to exceed 5% on the income arising from sinking funds held by him. Section 25 enables the Minister to require any municipality or trust company to pay over to him all amounts standing to the credit of any or all sinking funds.

No objection may be voiced to the alterations contained in Section 24, since some municipalities might prefer to have their sinking funds held by a government department. However, it does seem that the provision contained in Section 25 raises issues of a controversial nature. Municipal sinking funds in this Province are in a relatively sound condition; and it is worth noting that the latest figures available show sinking funds of all towns and municipalities and the City of Sydney to the amount of \$7,100,000 as against total bonded debt of only \$19,400,000,

(The City of Halifax is excepted from the provisions of this Act.) In other words, the municipal bonded debt of Nova Scotia is protected by sinking funds to about 36½% of its face value. That condition appears much more favorable if this be compared with the ratio existing between Provincial bonded debt and Provincial sinking funds. Perhaps the Province should be entitled to administer sinking funds which are not being properly administered but no justification is apparent at the present time for claiming the right to manage all sinking funds. The situation of a government having control of \$7,000,000 of municipal sinking funds is filled with dangerous possibilities.

4.—*Default.*

In order to meet the situation arising if a default occurs or is threatened by a municipality, Part V has been enacted. This part comes into operation in any of the following contingencies:

“Where an incorporated town or a municipality of a County or District

- (a) fails, or in the opinion of the Governor-in-Council is about to or may fail, to pay according to the tenour of a debenture the amount due for the principal or any amount due for interest payable thereunder or fails to pay into a sinking fund any amount it is required to pay, or
- (b) fails to pay any of its other debts or liabilities whatsoever when the same are due, or in the opinion of the Governor-in-Council has failed to rate, levy or collect the amount necessary to meet the expenditures required for any year, or
- (c) has passed a resolution requesting the Governor-in-Council so to do” (i.e. to put Part V into operation).

For some reason which does not appear on the surface, this Part does not apply to the City of Sydney.

In such event the Governor-in-Council has power to declare the offices of mayor, (warden) and councillors of such municipality to be vacant and to appoint

persons to fill the offices so vacated. For the purpose of convenience let us refer to the mayor, (warden) and councillors appointed by the Governor-in-Council as the "commission", although that name is not used in the Act. There are to be so appointed a mayor (warden) and not less than three nor more than six councillors. The qualifications and disqualifications provided by The Towns' Incorporation Act and The Municipal Act, for councillors, warden and mayor do not apply to the members of the commission. This commission has all the powers of the regular council together with others. These additional powers may be summarized briefly as follows:—

- (a) to discharge any officers, including those appointed during good behaviour;
- (b) to consolidate and revise the debenture debt of the town or municipality and to vary the terms of the same, including the rate of interest thereon, which powers, however, are only to be exercised with the approval of creditors representing not less than one-half the aggregate indebtedness of the municipality including debenture debt;
- (c) to dispose of any of the assets of a municipality, with the approval mentioned in the preceding paragraph;
- (d) to cancel, increase or decrease the levy of any assessment, rate or tax imposed for the purpose of paying debenture debt, interest or other debt;
- (e) to take complete charge of sinking funds and provide for setting aside portions of the revenue of a municipality for sinking fund and interest;
- (f) to enter into compromises with the creditors including debenture holders;
- (g) to borrow money for current purposes apparently without limit.

When the Governor-in-Council so determines, he shall order an election to

be held, after which the commission shall cease to hold office, and a mayor, (warden) and councillors elected in the usual way shall again have control of the affairs of the municipality. The apparent aim of the legislation is that this commission shall put the accounts of the municipality in order, shall introduce economy into the operation of the municipality, shall prepare proper estimates and collect sufficient taxes to pay the municipality's bills, and shall put it on a sound businesslike foundation. Such an objective cannot be too highly praised.

The machinery set up, however, is open to criticism in the following features:—

1. The members of the Commission require no qualifications and are subject to no disqualifications. If these are necessary in the case of elected representatives, how much more necessary should they be in the case of persons appointed by a government, which must always consider its political supporters, and which for all practical purposes is not answerable at the polls to the residents of the municipality involved.

2. The powers of the Commission are open to abuses. It could, for instance, discharge all existing officials without cause, and make appointments. There is nothing to prevent the members of the Commission from entering into contracts in their personal capacities for supplying goods or services to the municipality at prices and terms to suit themselves. In other words, the Act gives the Commission wide powers but imposes no restrictions. The only consequence of maladministration or of mismanagement is that the individual members may have their appointments revoked.

3. When the Commission is finally replaced by an elected Council, tenure of office of officials becomes as it was previously. This continues in office those persons who were appointed by the Commission. Inasmuch as the rate-payers of the municipality must pay the salaries, it is submitted that they should have some control over who is

to fill such offices after the Commission ceases to exist. Certain officials such as Town Clerks are appointed to hold office during good behaviour; something more than the whim of a political commission should be necessary to discharge them—or in fact to discharge any official who is performing his duty in a capable manner.

4. The Governor-in-Council merely has to determine, for example, that a municipality has failed to estimate enough for its services by even the slightest amount, or has failed to collect sufficient to pay its way by no matter how little, or that it *MAY* fail to pay its debenture interest, in order to put the machinery in motion. This power is unnecessarily wide. The residents of our municipalities have a democratic right to determine who is to govern them and their municipality; this right should not be jeopardized on a mere suspicion—practically all that this Act requires. Even if actual default exists, there should be no possibility of “taxation without representation” except in extreme cases.

The idea behind this scheme has much to commend it if enacted, installed and

operated under proper safeguards. In the drafting of the Act, however, safeguards apparently have not been sufficiently considered. It is not enough to say that care will be taken to prevent abuses—the Act should be drafted so as to ensure that there can be no possibility of abuses. The Minister apparently does not trust the municipalities to attend to their obligations, but the municipalities are required to trust the present and all future Ministers to exercise the rights given by the Act only in a proper case and then only in a wise, judicious and efficient manner. If the machinery is deemed necessary, let it be more strict as to what shall constitute a default, let it contain restrictions as to who shall be members of the Commission, and let it impose much more rigid regulations on the operations of that Commission; for it would seem to be a primary rule of legislation, that laws which encroach on the rights either of persons or of municipalities, should not be wider than absolutely necessary and certainly should not confer more powers than are intended to be exercised.

Rural Dentistry in Nova Scotia

(Continued from page 192)

es and lectures were given to a large number of adults, as well as to 35,000 children in the schools.

6. Through the above, the knowledge of the importance of mouth hygiene was carried to almost every man, woman and child of school age in each section visited, under excellent auspices.

7. In four towns arrangements are being made to provide dental treatment for needy children through some form of school clinics. In three of these towns the financial responsibility for these clinics is being taken by a men's service club.

Other results of this intensive campaign in Nova Scotia have already begun to

be manifest. Inquiries have been received from many districts for dental services. Plans have already been formulated for meeting the needs in some of these districts. In some instances children will be transported to dental offices in their districts, while for the more outlying sections, an adequately equipped dental trailer, supplied with an operator and nurse will be on the road by early spring of this year. The Nova Scotia Dental Council has not been idle and it is the confident hope of the profession, that in the near future, services will be available through the entire province for those unable to provide mouth health for themselves.

What Municipalities are Doing

Contributions from Municipalities to this Column will be most welcome

Halifax County

At the annual session of the Municipal Council of Halifax County, several resolutions were referred to the Union of Nova Scotia Municipalities, the first asking that a portion of certain fines collected through the courts, be paid over to municipalities in order to provide a fund to reimburse poor districts for maintenance of prisoners' families. A second resolution asks for an amendment to the Poor Act to provide that overseers be not liable to doctors for more than fifty cents (50c.) per mile one way travel, providing, nevertheless, a minimum fee of two dollars (\$2.00) and a maximum fee of fifteen dollars (\$15.00), this following the compensation allowed doctors under the Workmen's Compensation Act. A further resolution was passed favoring a provincial audit of certain government offices operating under the fee system.

The council was in general agreement with the distribution of the railway taxes as recommended by the committee of the Union of Nova Scotia Municipalities for the current year but appointed a committee to consider the permanent scheme of distribution and to recommend to the Union a scheme whereby the amount paid should be controlled, not only by total mileage, but some distinction made between main trackage and siding trackage.

Upon the recommendation of the finance Committee, the office of assistant collector was abolished and authority was given to appoint a clerk as an understudy to the municipal clerk and treasurer. Subsequently Mr. George A. Christie of Bedford was appointed by the warden and finance committee to fill this office.

The question of erecting a new county home was probably the most important matter dealt with and was thoroughly discussed. The special committee, appointed a year ago, reported, and the same committee was re-appointed for the current year and authorized to engage an architect and secure plans, specifications and estimates for a fireproof building, also similar information regarding a semi-fireproof building, after which a special meeting of the council is to be called to consider same and to arrange for financing the project when approved.

As some of the boundary lines fixed under the redistribution act of 1937, have proven unsatisfactory, it was agreed to make necessary corrections, and a bill covering these changes

has been enacted by the Provincial Parliament.

The financial statement shows a surplus of eighty-nine dollars and forty-four cents (\$89.44) for the current year and the further sum of forty-nine hundred and eight dollars and twenty-two cents (\$4,908.22) has been added to current surplus, represented largely by the collection of hospital and other institutional accounts for prior years. The capital surplus has also been increased by over one thousand dollars (\$1,000.00) represented largely by interest on investments.—M. ARCHIBALD.

Dartmouth.

Steady progress continues to be made in all branches of civic activities in Dartmouth. The past year was marked by encouraging progress. The program of improvements relating to the water supply, streets, sidewalks, fire, police and all branches of civic management, undertaken last year, is being continued this year.

During the year just closed the collection of current taxes was regarded as quite satisfactory, a total of \$128,000 being received out of an estimated revenue of \$189,000.

The valuation of assessable property for the current year, both real and personal, totals \$5,112,695. The estimated revenue from this source on the basis of the present tax rate of \$3.72 on every \$100 of the assessment, will net \$192,000. Taxes for the current year are due and payable on June 1st when a discount will be allowed.

The estimated expenditures for the year, including expenditures requires for the public schools, totals \$305,000. The tax rate for the year is three points less compared to the rate of \$3.75 for 1938.

The wholesome interest indicated in civic affairs by the ratepayers is reflected in the heavy demand for general improvements, especially for sidewalks and streets. An interesting departure is being made this year in connection with the construction of sidewalk curbs. Heavy creosoted timber is to be used instead of concrete on many streets where the property owners are not able to pay for the concrete curbing. It is claimed that this type of curbing will last for 20 years or even longer. The work is soon to start.

Certain public improvements are being carried out under the Federal-Provincial works' program. The program was started during the winter and will be continued until the full amount of \$17,000 is spent.

Dartmouth ratepayers own the Dartmouth Ferry. The ferry was successfully operated last year, net earnings totalling \$15,939. Revenue for the year 1938 from all sources totalled \$191,926, as against \$187,142 for the previous year. 1930 was the record year when the ferry gross revenue totalled \$199,235.

Since 1935 the ferry has paid into the civic treasury in taxes over \$100,000. In 1938 the ferry made a grant independent of taxes of \$15,000 and for the year previous a grant of \$20,000. The ferry is managed by a commission, with the Mayor as chairman, two councillors appointed by the town council, one appointment by the Chief Justice and one by the Governor-in-Council and another appointment is made by the town council from the citizens at large.

The ferry was taken over by the ratepayers from a private company in 1890.—A. C. PETTIPAS.

"Right Honourables"

The style of "Right Honourable" is not to be conferred upon the Lord Mayor of Cardiff. This is the decision of the Home Secretary, announced in Parliamentary papers in reply to a question by Captain Arthur Evans, M.P. Sir Samuel Hoare states that he would not be justified, consistently with established practice, in recommending the King to grant the Lord Mayor of Cardiff, "as the largest city and virtual capital of Wales", the style of "Right Honourable". It appears that one of the grounds for claiming the distinction is to place Wales on a par with England, Scotland and Ireland, in this respect. The Lord Mayor of London, York, and Belfast, as well as the Lord Provosts of Edinburgh and Glasgow are "Right Honourables". Throughout the British Empire, it is

calculated, there are some 32 cities whose chief magistrates are designated Lord Mayors, or in Scotland, Lord Provosts. Of these 12 are "Right Honourables": London, York, Edinburgh, Glasgow, Belfast, Dublin, Adelaide, Brisbane, Hobart, Melbourne, Perth (Western Australia), and Sydney. The style of "Right Honourable" was also granted to the chairman of the London County Council.—From *Municipal Journal*, London, England.

Municipal Research in Glasgow

An Institute of Municipal Research has been established in Glasgow, Scotland, which is in its constitution and activities very similar to the Institute of Public Affairs at Dalhousie University. The Institute is to be maintained jointly by the University of Glasgow and the city government. The University has arranged that one of its lecturers is devoting all of his time to governmental research work. The University will also provide his accommodations and equipment. The City Corporation is expected to make a substantial grant of funds which will make possible the employment of several research assistants and other miscellaneous expenses. The Glasgow Chamber of Commerce and the Royal Philosophical Society of Glasgow are also to be associated with this new research agency.

The functions of the Institute during its first two or three years will be: (1) to prepare a social history of Glasgow with special reference to municipal affairs from the year 1833 to date; (2) to produce an annual survey of civic progress; and (3) to undertake a series of fact-finding inquiries into particular aspects of municipal affairs. The Institute's work will be directed primarily towards the problems of the City of Glasgow, but will also study relationships between Glasgow and contiguous local authorities, between Glasgow and the Scottish central government departments, and between Glasgow and the national government.

The Book Shelf

Studies of the Institute of Public Affairs

No. 1. *Canada's Unemployment Problem*, edited by L. Richter, Dalhousie University. XIV — 414 pages. The Macmillan Company of Canada. Price \$2.50. The contributors are: S. A. Saunders, Miss Dorothy King, H. A. Weir, W. L. Jacobson, W. M. Jones, A. MacNamara, H. M. Cassidy, L. Richter and Miss Charlotte Whitton.

This study is the first in a series published by the Institute of Public Affairs at Dalhousie University. The Institute has in planning the book made an attempt to pool the resources of those persons throughout the Dominion who as practical administrators, scientists, or teachers, have acquired special experience in the handling or studying of unemployment and unemployment relief. Each was allotted a phase of the problem to which he or she had previously given special attention.

The book had also throughout the valuable co-operation of the Canadian Welfare Council whose material has been used especially for the chapter on "Administration of Unemployment Aid".

The aims of the book are outlined in the Introduction as follows: "The unemployment problem has been so much in the political discussion that for the interested citizen, who cannot make a special study of the question, it has become difficult to form an impartial opinion. To furnish him with the necessary information, to give him facts and figures essential to the understanding of Canada's unemployment problem, to analyse these facts, to acquaint him with the measures taken to relieve distress, and the results obtained in these efforts, is the purpose of this study."

No. 2. *Studies in the Economy of the Maritime Provinces* by S. A. Saunders. X — 202 pages. The Macmillan Company of Canada. Price \$2.00.

This book constitutes a substantial contribution to Canadian economic literature. Its subject matter, though presented in a number of separate studies, ranges over the entire field of the economic history of the Maritime Provinces, from the earliest times to the present, and deals with the basic economic problems of this region and the economic relations of the Maritime Provinces with the rest of the Dominion.

In the Introduction to the book contributed by the distinguished Canadian economist, Dr. H. A. Innes, well known in Nova Scotia as a member of the Jones Commission of 1934, it is stated: "To an observer of cultural life in the

Maritimes, especially in Nova Scotia, since the war, a volume which indicates a passionate and sustained interest in their activities, such as this, reinforces a general impression of a significant renaissance. The revival of studies of a notable past, the immediate concern with the solution of economic problems, and the impressive stirrings in a wide variety of aspects of culture, point to a recapture of the position of leadership which characterized the days of sail. It is pleasant to see such tangible evidences as this book."

No. 3. *The Next Step in Canadian Education: An Account of the Larger Unit of School Administration*, by B. A. Fletcher. XV — 202 pages. The Macmillan Company of Canada. Price \$2.00.

During the last decade there has grown up, in every province of Canada, an increasing volume of opinion that recognizes the inadequacy of a system of educational administration, formulated a century ago, to meet the needs of today. One of the main purposes of Professor Fletcher's book is to tell the story of the work of educational reconstruction which has been begun in various parts of Canada. This work is subjected to a critical analysis against the background of similar work carried out in the United States and Scotland.

Maritime readers will take special interest in the chapters dealing with Nova Scotia and New Brunswick. The plans to establish larger units of school administration in the two provinces are thoroughly discussed. As a member of a Royal Commission appointed to study the larger school unit and from investigations conducted by him in Antigonish County, Professor Fletcher is thoroughly familiar with the problems involved. It is a great loss to the Maritimes that the author who has done so much to promote the idea in Nova Scotia has accepted an appointment at an English university and that his great talent will no longer be available for encouraging educational progress in the Maritimes.

The Management of Public Works by Donald C. Stone. Public Administration Service, Chicago, 1939, \$3.75.

This valuable book makes the experience of modern business management available to municipal officers engaged in the administration of public works. It is based to a large extent upon actual practices in various cities during recent years and contains a wealth of illustrative material, including seventy forms, all of which have been tested by actual use in a number of municipalities. It is a book that should be found in the library of all public works officers.

Industrial Relations and Social Security

Youth Training Programme

In each of the last two years funds have been voted by Parliament for the training of unemployed youth. In order to plan the training measures more carefully over a longer period of time, Parliament before being prorogued has made available an appropriation of \$4,500,000 to be expended over a period of three years beginning with this fiscal year, that is, April 1, 1939.

According to the *Canadian Labour Gazette* the Minister of Labour, Hon. Norman McL. Rogers further announced the inauguration by the Dominion Government of a million dollar national forestry programme as an expansion of the youth training plan. This programme is intended to combine training and employment of young men with protection and development of Canadian forests and wild life conservation.

While the Dominion appropriation stands at \$1,000,000 considerably more than this amount may be expended. Of the \$1,000,000 available, \$600,000 is to be allocated to the provinces on a dollar-for-dollar basis for forest conservation work, subject to Dominion approval of programmes. The remaining \$400,000 will be used for forest conservation work on Dominion national parks and forest experiment stations, under the direct supervision of the Dominion Forest Service, Department of Mines and Resources, as a part of the Youth Training Programme. If provincial allocations are all taken up, work will be provided for a total of at least 4,000 men during a five months' period.

Maritime Telephone and Telegraph Pension Benefit Plan

In 1938 there were 83 cases of sickness cared for by the Benefit Fund. Payments to employees temporarily unable to work amounted to \$9,139.60. At the same time a Death Benefit of \$2,000 was paid. Since the inception of the Plan

in 1917 there have been 1,788 cases of sick benefits and payments have amounted to \$141,560.19. Deaths to employees in that period were 39 and payments to dependents amounted to \$30,003.67. Since the Pension Plan began to function, there have been 39 pensioners and these have received \$123,577.84 in pensions. For the year 1938 the present 27 pensioners received \$16,251.48—From *The Monthly Bulletin*, March, 1939.

New Brunswick Labour and the B. N. A. Act

In a memorandum presented by the New Brunswick Federation of Labour and the New Brunswick Joint Legislative Committee of the Railway Transportation Brotherhoods to the New Brunswick Government, amendments to the British North America Act were suggested on the following basis:

- “(a) To broaden the scope and legislative competence of the Federal Government empowering it to enact social legislation of general interest and welfare to the people of Canada as a whole; and particularly to enable it to implement by legislation the several draft conventions and recommendations of the International Labour Conferences of the League of Nations.
 - “(b) To empower the Federal Government to deal effectively with the regulation of all transport agencies as works for the general advantage of Canada.
 - “(c) To permit Federal control over industrial and commercial activities essential to ensuring the adoption and observance of proper working conditions and living standards and the elimination of unfair and unnecessary competition between provinces.
 - “(d) Restrict the powers of the Senate to veto any bill passed by the House of Commons more than twice; this being in harmony with the present practice of the British Parliament.
 - “(e) Abolish appeals to the Privy Council.”
- From *The Labour Gazette*.

Nova Scotia Trade Union Act

The Maritime Division of the Canadian Manufacturers' Association has submitted to the Nova Scotia Government

a memorandum asking for some important changes in the Nova Scotia Trade Union Act. The memorandum is of particular interest since it compares the Nova Scotian Act with corresponding legislation in other parts of Canada, the United States and Great Britain. Some of the major suggestions made in the memorandum may be briefly outlined.

The Trade Union Act in Sections 6 and 7 contains provisions prohibiting and penalizing the use of unfair means in preventing employees from joining the union of their choice. The Manufacturers' Association is in agreement with the principle involved but feels that it is not impartially applied to both sides. If the employer is to be punished for seeking by intimidation or other unfair means to prevent a worker from joining a trade union, the trade unions, the memorandum declares, should equally be punished for compelling a worker to join. The memorandum refers to the Labour and Industrial Relations Act of New Brunswick and the Strikes and Lockouts Prevention Act of Manitoba in which these principles have been embodied.

The Association further suggests that the term "intimidation" in the Nova Scotia Act should be defined so as to make it clear that employers are not prevented from discussing with their employees their allegiance to a union. Precedent for including such a definition is found in the British Trade Disputes and Trade Union Act of 1927.

Some of the most dramatic chapters in the history of British trade unions are recalled when the memorandum demands that trade unions should be equally responsible with the employers for the fulfilment of their contracts and the consequences of their torts. The Association refers to recent Quebec legislation making it possible to sue in the law courts trade unions, but also mentioning the possibility that incorporation or registration of trade unions may be required by law.

The memorandum finally suggests that strikes and lockouts should be prohibit-

ed until a dispute has been submitted to conciliation and arbitration and an award has been rendered in accordance with the formalities laid down. Legislation of this type should give due consideration to the fact that employers and employees frequently set up their own arbitral machinery as part of a collective labour agreement. It is a recognised principle in Great Britain, the memorandum states, that everything possible should be done to encourage industry to regulate its own employer-employee relations, and it would be highly regrettable in the opinion of the Manufacturers' Association, if an amendment to the Nova Scotia Trade Union Act would have the effect of discouraging the establishment of private arbitration machinery in Nova Scotia.

Health Insurance in Ontario

A voluntary contributory health insurance plan has been put in force in Ontario, through the co-operation of employers, employees, and the medical profession. The plan provides for medical and surgical care and hospitalization for subscribers and their families. The fees amount to \$2 per month for the subscriber, and for dependents range from \$1.75 for the first dependent to \$1 for the fourth and each additional dependent. Subscribers are free to choose their physician from among those participating in the plan. The organization, called "Associated Medical Services, Inc.", was granted a charter by the Ontario Government in 1937 and offices have been established in three of the principal cities of the Province.

Old Age Pensions at 65

On a motion introduced on March 6 by Mr. A. A. Heaps (Winnipeg North) a debate took place in the House of Commons on a proposal to reduce the pensionable age limit under the Old Age Pensions Act.

Mr. Heaps' resolution stated "that this house would welcome a government

declaration of policy that would bring about an immediate lowering of the present pensionable age limit of seventy years, the effect of such being that the older generation would retire from industrial activity, thereby creating opportunities for the younger generation to be usefully and gainfully employed."

In speaking to his resolution Mr. Heaps said in part: "My plea this evening is for economic security for our older population. When men and women have given of the best years of their lives in building up the state and providing for others in the community, I believe they are entitled, when they reach old age, to a measure of economic security which they do not have today until they reach the age of seventy..."

Hon. Charles A. Dunning, Minister of Finance, replied on behalf of the Government, pointing out that approximately fifty per cent of all people in Canada who are seventy years and over are receiving old age pensions at an expense to the Federal Government, amounting to \$28,500,000 last year. These costs will rise considerably during the next twenty years, mainly owing to the fact that the Canadian population has been so largely built up in the generation just past by the immigration of adult persons who will reach the age qualifying them for a pension within that period. In 1941, according to the Minister, the cost to the Dominion will be \$46,300,000. In 1961, \$82,200,000, and in 1971, \$92,800,000.

If the pension age was lowered to sixty-five, the immediate additional cost to the Dominion alone would be \$18,859,000 a year. If the eligible age was reduced to sixty, the immediate cost to the Dominion would be an additional \$44,000,000 more than is being spent at present.

All these figures apply only to the cost for the Dominion, not taking into consideration the contributions made by the provinces to old age pensions.

Wage Rates of Common Labour in the United States

A survey of the entrance wage rates paid to adult male common labourers in the United States, made by the Bureau of Labour Statistics as of July 1, 1938, found that the average hourly rate was 50.8 cents. Of the total number of labourers covered, 3.3 per cent had rates under 25 cents, 8.0 per cent under 30 cents, and 16.6 per cent under 40 cents. Almost a quarter, however, had hourly rates of 57.5 cents or more.

Labour Requirements on Road Construction

Road work has during the last few years in Nova Scotia as well as in New Brunswick been a vital factor in providing employment for men who would have otherwise gone without a job. Its importance has been equally great for the labour market as for the tourist industry. But its possibilities for finding work are often overrated as may be learned from a survey made in the United States, the results of which are reported in the April issue of *The Labour Review*, official organ of the United States Department of Labour.

"Of every million dollars spent for construction on Federal road projects completed between July 1935 and August 1937, financed under the Emergency Relief Appropriation Acts of 1935 and 1936, \$373,000 was paid to workers at the site. Material costs were \$346,000, 16 per cent of which went for iron and steel, 16 per cent for sand, gravel and crushed stone, 16 per cent for petroleum products, 14 per cent for cement, 7 per cent for paving materials and mixtures, 6 per cent for lumber, and 25 per cent for all other materials used. Other costs and profit amounted to \$281,000.

"For every million dollars in contracts awarded, approximately 1,402,000 man-hours of site and off-site labour were worked on roads. Site man-hours accounted for 58 per cent of this total and off-site for 24 per cent.

Legal Department

Recent Decisions of the Supreme Courts of Nova Scotia and New Brunswick of Interest to Municipalities

Two appeal cases of importance to Maritime municipalities have recently been decided in the Supreme Courts of Nova Scotia and New Brunswick. The first deals with the vexing question of pedlars' licenses and the other with the interpretation of the Farmers' Creditors' Arrangement Act.

1. *Rex vs. Veinot*. 14 M.P.R. 27.

Section 134 of the Municipal Corporations Act gives power to a Municipality to make by-laws "Licensing auctioneers, pedlars, hawkers, etc., *provided that such by-law shall not affect the products of the farm, the forest or the sea.*" In pursuance of this authority the Municipality of Lunenburg passed a by-law to license pedlars. The exception in the by-law did not follow the language of the proviso in the Statute, but was as follows: "Nothing however herein contained shall apply to farmers or lumbermen selling the products of *their farms or mills*, or the sale of fish." A Bridgewater merchant took out a license and sent his clerk with a truck of groceries, tea, essences, etc., to sell from door to door in the Municipality. As the clerk had no license he was prosecuted and convicted. He appealed on three proceeds.

- (a) That he was a hawker and not a pedlar, and the by-law only dealt with pedlars,
- (b) That the by-law was void because it did not contain the full exception allowed by the Statute,
- (c) That the merchant's license enabled his clerk to sell the merchant's goods.

The majority judgment decided that under this Act a pedlar includes not only a man with a pack, but one who sells goods from a vehicle.

The Court unanimously agreed that the by-law was not void and prohibited the sale of "tea, oranges, lemons and essences" which were proven to have been sold by the accused.

The Court further decided that a license is personal to the party named in it. Only the licensee personally can sell under it. It does not extend to his clerk.

Note a point raised by Mr. Justice Graham but not decided in this case. He says, "It was further contended that the by-law was *ultra vires* because it exempted only farmers or lumbermen selling the products of *their farms or mills* or to the sale of fish". The intention of the Legislature may well have been that that was to be the effect of the exemption, because when a *farmer, lumberman or fisherman* peddles goods not produced by himself, he *acts as a trader*: and in that capacity, perhaps was not intended to be exempted.

The conviction pronounced by the Judge of the County Court in Bridgewater, Hon. Arthur Roberts, was affirmed by the Supreme Court.

2. In the matter of the Farmers' Creditor's Arrangement Act in re Legace 14 M.P.R. a decision of the Appeal Division of the Supreme Court of New Brunswick holds that Municipal taxes are not affected by that Act and executions issued for outstanding taxes could not be stayed by proceedings under that Act which stayed other secured creditors.

The Farmers' Creditors' Arrangement Act enables farmers to make an arrangement with creditors to postpone payment or compromise debt and bars any other action by creditors. There is no mention of taxes in the Act.—R. M. FIELDING.

Current Public Affairs

Research Work of the Institute of Public Affairs

The Institute has started a comprehensive survey of public finance in Nova Scotia, extending to the province as well as to the municipalities. It will probably take more than a year to complete the survey. Considering the great importance which an investigation of this type will have, the Institute's staff has been strengthened by the appointment of W. F. Lougheed, Prof. of Public Finance at Wayne University, Detroit, as Research Associate. Professor Lougheed, a Torontonian, who attended the McMaster and Chicago Universities, has assisted in surveys of a similar nature when connected with the University of Chicago.

A study on the operation of public boards and commissions in Canada such as Workmen's Compensation Boards, Public Utilities Boards, and the Board of Railway Commissioners, will be undertaken by Professor John Willis of the Dalhousie Law School, in co-operation with various experts throughout the Dominion. It will, so it is hoped, make the fourth volume in the Studies of the Institute of Public Affairs published by the Macmillan Company of Canada.

The development of the Maritime forest industry since the war will be the object of a further study to be undertaken by Professor A. R. M. Lower. Professor Lower is the author of various books and a great many articles on the Canadian lumber industry.

Three stately volumes mostly containing results of the Institute's research work have recently been brought out by the Macmillan Company of Canada. They are: *Canada's Unemployment Problem*, edited by L. Richter, *Studies in the Economy of the Maritime Provinces* by S. A. Saunders and *The Next Step in Canadian Education* by B. A. Fletcher. A short review of the books is published in The Book Shelf on page 201.

In the series Dalhousie University

Bulletins on Public Affairs (25 cents each) two new pamphlets have appeared. Bulletin No. VIII, *Problems of Rural Health Organization* contains a paper which Dr. Warren F. Draper, Assistant Surgeon General of the United States, gave last year before the annual Convention of the Union of Nova Scotia Municipalities. Bulletin No. IX contains the results of *An Educational Survey of Antigonish County*, undertaken by Professor B. A. Fletcher of Dalhousie University in August, 1938. In this survey Professor Fletcher shows on the example of a typical rural district what beneficial results may be anticipated from the introduction of larger units of school administration. Both pamphlets may be obtained from the office of the Institute at Dalhousie University.

Household Budgets in the Maritimes

The smaller the income of a family the larger the proportion spent for the necessities of life, that is, food, housing, fuel and light and clothing. This old experience has again proved to be true for Canada as well as for the Maritimes as a result of a survey of household budgets undertaken by the Dominion Bureau of Statistics and referred to before in these columns¹. Not less than 64 per cent of the total income was spent by wage earner families upon the necessities of life throughout Canada.

In the survey living expenditure records had been collected for the year ending September 30, 1938, from 1,135 families of British origin in eleven cities; from 211 families of French origin in the two Quebec cities which were surveyed (Montreal and Quebec); and in addition 93 records were obtained in Montreal and Winnipeg from families of other racial origins. Both parents and one or more children were present in each home and in some cases a lodger or a domestic

1. See *Public Affairs*, December 1938. p. 95.

also lived with the family. Earnings in the sample ranged from \$450 to \$2500 per annum.

In the Maritimes the expenditure was surveyed of 54 families in Charlottetown, of 70 families in Halifax and of 78 families in Saint John. Originally the samples were of equal size in all three cities, but some families dropped out or their statements did not prove reliable. The following results were obtained in the three cities:

The expenditure for fuel and light is in all three Maritime capitals much higher than in Quebec City (4.5%), Edmonton (5%) and Montreal (5.7%) for British, 5% for French). The climate is evidently not the decisive factor in determining expenditure for fuel.

The proportion of families owning motor cars varies widely according to districts. Of the families under survey, one-third had their own cars in the Maritimes and western centres, nearly

Family Living Expenditures in Charlottetown, Halifax and Saint John
(Group expenditures expressed in percentages of total)

Budget Groups	Charlottetown	Halifax	Saint John
	%	%	%
Food.....	25.3	25.9	30.1
Housing.....	15.1	19.8	17.0
Fuel and Light.....	7.7	7.0	7.3
Clothing.....	11.1	9.7	10.0
Necessities—Total.....	59.2	62.4	64.4
Household Operations and Furnishings.....	9.1	7.6	6.0
Health and Personal Care.....	6.5	6.4	5.9
Education, Community Welfare, Gifts.....	4.2	4.0	5.6
Recreation.....	5.9	5.9	4.3
Savings ¹	10.2	9.6	9.0
Motor Cars.....	4.5	3.0	3.7
Other Transportation.....	0.4	1.1	1.1
	100.0	100.0	100.0

1. Includes life insurance premiums and re-payments on obligations incurred prior to the survey year; amounts still owing on current accounts averaged nearly five per cent of total expenditures.

A few comments on these figures may be made giving special attention to differences between the Maritime cities and other cities in Canada.

While the proportion of the income spent for food in Halifax and Charlottetown is a little below the Canadian average, Saint John shows not only the highest cost in the Maritimes but is in the entire Dominion only surpassed by Montreal and Winnipeg. It seems rather difficult to explain this phenomenon.

The sums spent for housing in Halifax are higher than in any other of the surveyed cities except Ottawa (20.9%): that is in keeping with the reputation that Halifax has throughout the Dominion for high rentals.

one-half in Ontario and only one-tenth in Quebec.

These are only a few preliminary results of the survey which no doubt will reveal a lot of valuable and instructive data. But regret has been expressed before in these columns that owing to shortage of funds the survey had to be restricted to the three Maritime capital cities. It should soon be extended to other parts of the Maritimes, especially to the depressed areas.

Progress of Mining Industry

Canada's mining industry has made marked progress in the past five years, creating new wealth to the extent of \$1,850,000,000. Each of these five years

has seen some spectacular achievement, either in the production of new metals or in the way of new discoveries. During this period Canada has become an important producer of radium, uranium, sulphur, antimony, nepheline syenite, sodium sulphate and rock wool. Gold production has experienced steady growth with the result that the daily tonnage of gold ore milled in Canada has increased from 24,000 in 1934 to 55,000 at the close of 1938. Crude oil production has increased fivefold since 1934 due to the comparatively recent discovery of a crude oil field in Alberta. It is estimated that more than 38,000 new occupations have been directly created by the mining industry during the past five years.—
From *Industrial Canada*.

Decline of Canadian Building Industry

From a list published in the April issue of *The Municipal Review of Canada*, it can be seen that of eighteen important countries whose building activities since 1929 were compared, Canada stands lowest. It is true that conditions have improved to a certain extent. While in 1933 only 9.7% of construction work was done compared with the peak year of 1929, this figure had by 1937 risen to 24%. But Canada still lags badly behind other countries, especially Great Britain, where the construction industry in 1937 had by 50% more orders than in 1929. In the opinion of *The Municipal Review of Canada*, this is due to the fact that the property taxation is too great a burden in Canada and it is imposed on ownership and not on earnings. Such conditions do not attract capital for construction.

Tax Exemptions As A Way Of Stimulating Production

The method of tax exemption has been used for many years by municipalities to encourage the establishment of new industries. It seems that this device will now find its way into the field of Dominion legislation. An amendment to the Income War Tax Act provides credits against corporate income tax levies ac-

ording to the amount of money spent by respective industrial and commercial firms for plant construction or new equipment. By virtue of such credits it is anticipated, by the sponsors of the Bill, that capital expansion will be stimulated resulting in increased investments in the heavy goods industries and that corresponding employment will be created. Germany has, during the depression years, obtained excellent results with a similar method.

At present the section of the Income War Tax relating to business firms provides for annual tax levies on net adjusted incomes. According to the proposed amendment a company will benefit by a reduction of ten per cent of the total cost of *new construction or additions to equipment made before April 1940*. The ten per cent credit is to be spread over a three years period.

Such proposals, on the part of the Government, towards stimulating business are indicative of the interest in general business conditions. There is no question that the heavy goods industries need encouragement. The extent, however, to which this form of stimulation will be effective is, of course, conjectural. Most tenuous of the assumptions upon which the Bill is based is that the smaller companies will make large capital expenditures in order to gain relatively slight reductions in income taxation over a three year period. The small manufacturing and business organisations will have to make relatively heavy capital commitments in order to receive any tangible credits.

Cost of Health Services

According to an article written recently by the Hon. G. M. Weir, Provincial Secretary and Minister of Education for British Columbia, out of her national income in 1937 Canada spent \$165,000,000 on doctors, drugs, hospitals, dentists and other health services, or \$15.00 per person. Canada's national income in 1937 was \$4,576,000,000 in round figures or, to reduce it to a figure which we can all comprehend \$411 per capita.

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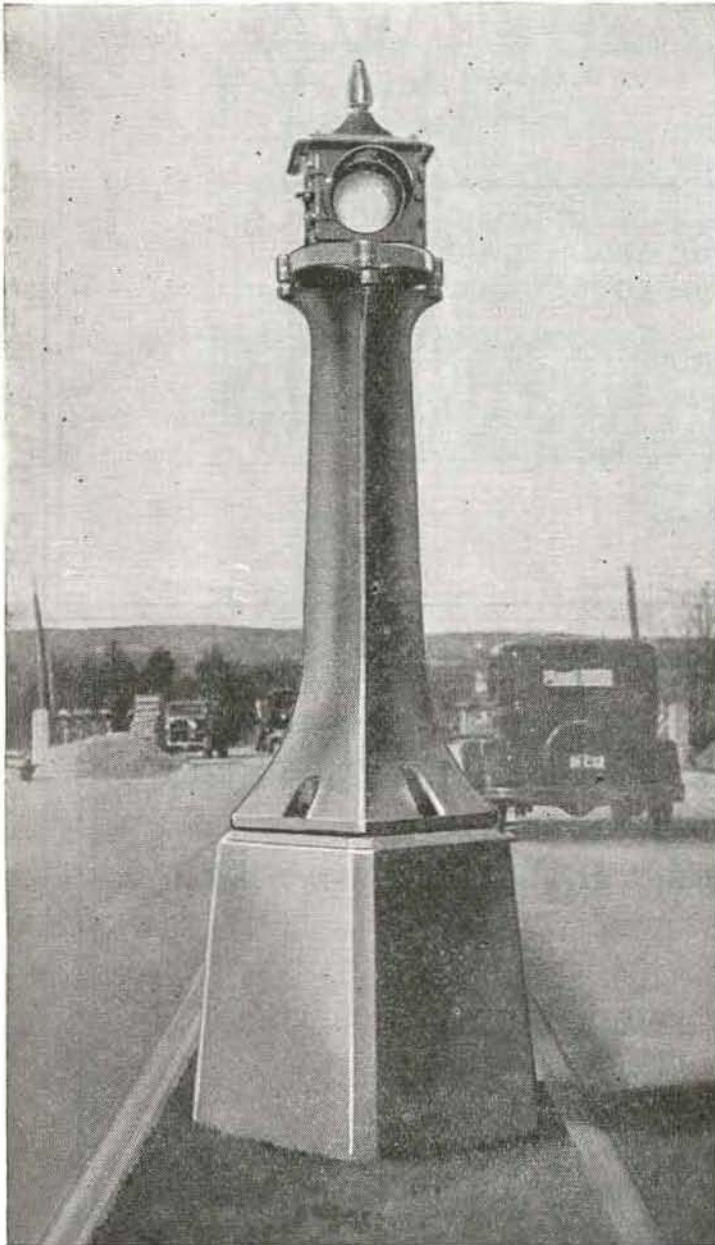
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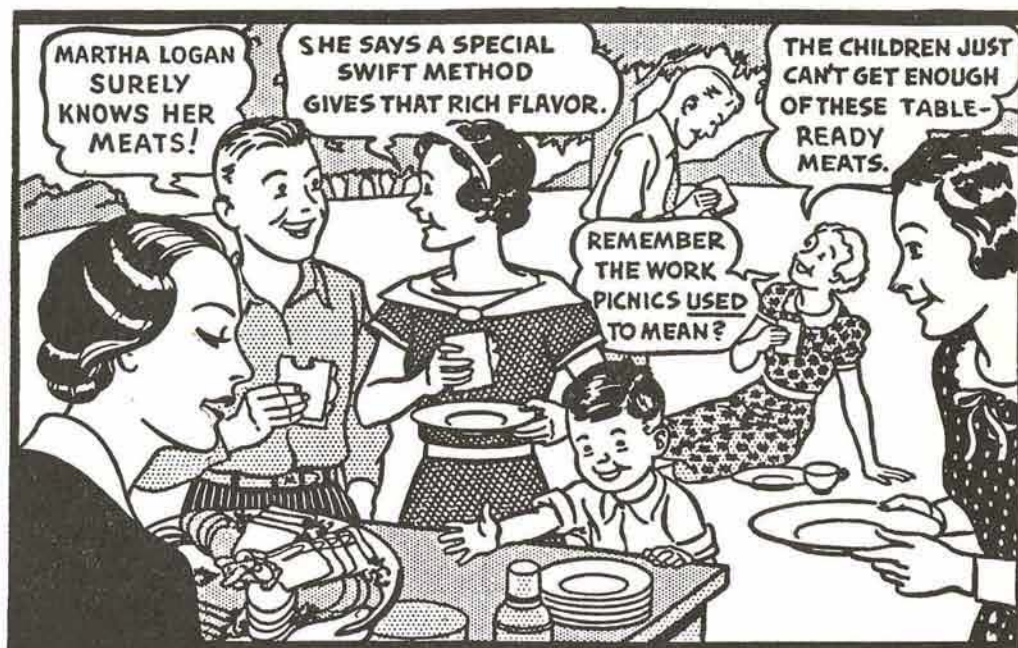
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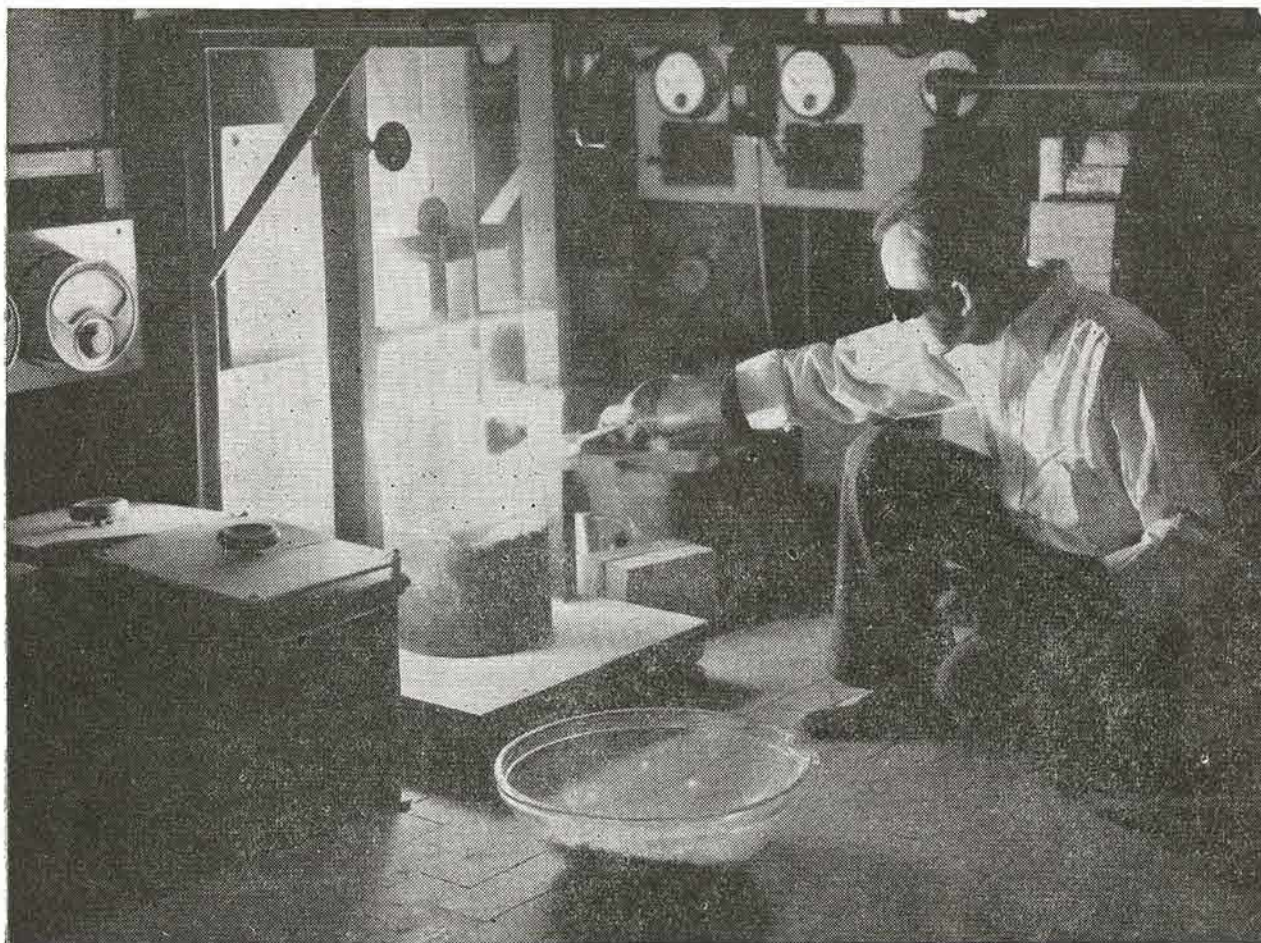
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