permit. The immediate future of the salt codfish trade looks reasonably bright although it would not seem probable that war-time prices will be maintained even through 1946. The better prospect for the salt fish trade is due to a shift from salt fish to frozen fillets in the important salt fish producing countries, Norway, Iceland, and Newfoundland. The two former countries were supplied by Germany and the Allies respectively with freezing equipment, and Iceland has already exported considerable quantities of frozen fish to this continent. With the curtailment of shipping facilities to the West Indies, the Newfoundland processors also entered the frozen fish trade. All are loath to return to what they deem the generally less lucrative salt fish production. Nor can they, equipped as they now are with expensive producing and processing equipment, scale prices down to as low a level as they were able to do previous to the war. Therefore, unless these countries increase production to supply both their frozen fish market and the salt fish trade, prices should to both fishing banks and markets, what can we reasonably hope for in the way of increased sales? An increased annual consumption of east coast fillets from about four pounds to about eight pounds does not seem impossible in view of an annual consumption of meat of 120 to 150 pounds. And the area which can be served, could be increased very materially. Therefore, there is a possibility of increasing the market by as much as 400,000,000 to 500,000,000 pounds of round fish, or about six times the total Canadian pre-war production of fresh fish. While admittedly the above goal is at present simply wishful thinking, whether or not it becomes a reality will depend on the vision and leadership of the industry.

Iceland and Its Sea Fishery

By Keld Christensen

SINCE the sea fishery is an integral part of the economic structure of Nova Scotia it would not seem out of place to present some background material with regard to Iceland, one of the world's major fish producing countries.

It has only been very recently that Icelandic fish began to find a market in the United States, but recent developments seem to indicate that Icelandic fish may soon be shipped to the United States in increasing quantities. That such a practice would be of concern to producers in Nova Scotia may be assumed. Prior to World War II Icelandic exports of fish to the United States were negligible. Icelandic fish at that time found their markets in Portugal, Spain, the United Kingdom, Denmark, Sweden, Germany, and Italy. The war obviously necessitated a completely different trade pattern; the hazards of sea transportation removed Portugal, Spain, and the Scandinavian countries from the list of countries with which Iceland could do business. Great Britain was able, however, to consume during the war the bulk of the Icelandic production. At that time Iceland also began to make shipments to the United States.

It is believed that Iceland's foreign trade is more naturally associated with Europe than with North America, but at the moment it is understood that the producers are anxious to gain an expanding market in the United States in order to obtain the dollars needed to maintain the essential imports from the United States.

I

Iceland is situated close to the Arctic Circle, and is about the same size as Ireland, or about 40,000 square miles in area. The population in 1945 was about 124,000. The warm current of the Gulf

EDITOR'S NOTE: Keld Christensen, a graduate of the University of Minnesota, is at present U. S. Vice Consul at Halifax. During the war he was stationed in Iceland for two years.

Stream encircles the island, and the climate is more moderate than would be expected of a country in such a high latitude. A large proportion of the island, however, is a barren waste devoid of vegetation; a small area is devoted to the growing of vegetables, and the remainder of the habitable land is uncultivated and partly mowed for hay and partly used for pasture. Inland transportation is most difficult; there are no railways, and the chief means of travel is by motor vehicle. Commercial aviation was greatly increased during the war, and there are now two airlines in operation: the *Flugfelag Islands* and the *Loftleider H. F.*, which together flew 386,426 airline kilometers in 1944, or about three times the distance flown in 1943. The development of air transportation has been enhanced by the difficulties of land transportation. It is believed that the aviation industry in Iceland will continue to expand as a result of the war impetus and the airfields constructed by the British and American forces who occupied the island during the war.

The Icelanders are of the Nordic race, and their nearest relations are the Swedes Danes, Norwegians and Faroese. Iceland was colonized during the latter part of the ninth century by the Norwegians, some of whom arrived from the British Isles and brought with them Celtic servant folk; it is believed that about an eighth of the original settlement were from the British Isles. The Celtic element has now been so completely absorbed into the Icelandic nationality that scarcely any trace remains. At present the population consists almost exclusively of *Icelanders* and less than two per cent are foreigners—mostly Danes and Norwegians. Although Iceland has experienced little immigration there was a relatively large emigration to North America during the latter part of the nineteenth century. The majority of the Icelanders who so emigrated settled in Manitoba and Saskatchewan, with a smaller number in North and South Dakota.

In spite of Iceland's comparative isolation, it is a modern country in the full meaning of the word. On June 17, 1944 the political connection with Denmark was dissolved and Iceland became a republic; diplomatic representation abroad however, has been maintained since the German occupation of Denmark in 1940.

The Icelanders are an exceedingly well educated group. Primary and secondary education is compulsory, and is of the highest order. A State University at the capital city, Reykjavik, offers higher education to those who desire it, and in addition many students leave their home land to seek knowledge in the colleges and universities of other countries. During the war there were large numbers who travelled to the United States and enrolled in institutions in every corner of the country. These students on return to Iceland are able to make important contributions in every phase of Icelandic life. The Icelanders are most imaginative and are able to adapt techniques practiced in other countries to their own inherent circumstances, and do in some instances make improvements to fit their own problems.

II

The main industry is fishing and about sixteen per cent of the population derives its income from primary fishing activities; another eight per cent of the population is connected with other enterprises based on fishing. The fishing fleet in 1945 consisted of almost 1,000 units of which there were 31 trawlers, six having been lost as a result of the war. Orders have been placed in Sweden for fifteen vessels of 50 tons, and thirty vessels of about 80 tons; and it is understood that an additional order of fifty vessels is also contemplated. No sailing vessels are now used by the Icelanders.

The development of the sea fishery during the last thirty years influenced the distribution of population, and there was a migration to the coastal villages. This redistribution was particularly noticeable during the war years, and at

present Reykjavik has a population of almost 40,000, or about 32 per cent of the total population.

The great bulk of the Icelandic fish production is prepared with a view to foreign markets. Prior to 1936 the fish were mainly exported fully cured, half cured, and wet-salted, and at about this time a number of plants for artificial fish curing were erected near Reykjavik. Icelandic producers, however, have been quick to convert to the fresh fish trade, and at the present time fresh and frozen fish have replaced the dried and salted fish in the Icelandic export classifications. Fish exports in 1943 and 1944 are illustrated in the following table. ($0.1702, Canadian currency, equals one Icelandic crown):

***Exports of Fish and Fish Products 1943 and 1944**

(Value f.o.b. in thousands of crowns)

	1943	1944
Clipfish	1,534	163
Salted fish, uncured	2,008	1,609
Fresh fish, on ice and frozen	141,069	166,743
Stockfish	906	1,133
Canned fish	480	789
Herring, cured	4,825	3,651
Cod liver oil	20,189	21,988
Herring oil	27,153	26,052
Herring and other fish meal	6,549	13,655
Roes, salted	606	1,127
Total	205,319	236,910

Of the total 1944 exports 90 per cent went to the United Kingdom and most of the remaining 10 per cent went to the United States. Of the total imports into Iceland the United States supplied 67 per cent, the United Kingdom 21 per cent, and Canada 11 per cent. Total exports in 1944 amounted to 253,845,000 crowns of which 205,319,000 crowns were products of the fishery.

The fishing seasons vary; the trawlers and most of the larger motor vessels operate the year around. The operations in the inshore fishery are of course dependent on the weather, and according to the locality along the coast. Spring herring is caught in the inshore fisheries in April and May, and in mid-July the seasonal herring fishing begins in earnest off the north coast, and lasts until about mid-September. It is estimated that from 140 to 150 decked vessels are annually engaged in this operation. In connection with the herring fisheries aircraft are used to locate the schools of fish.

The cod fisheries off the south coast are prosecuted by the entire fleet during the winter fishing season—the first four or five months of the year—and generally this operation yields about three-fifths of the total annual catch. The total catch of cod and cod-like species has been steadily increasing during the last thirty years.

III

Experiments in the development of a quick-frozen fish fillet industry were started in 1929; the depression years, however, retarded this development, and it was not until 1935 that a renewed interest was shown in these activities. activities. In 1939 nineteen quick-freezing plants were established, and by the end of 1944 this number had increased to sixty-two with a total processing capacity of 630 metric tons (1,388,898 pounds) per 24 hour day. New methods for the improvement of processing are continually being sought; automatic equipment is being installed in the plants, and another improvement is the dipping of the fish in brine to preserve the flavor. Experiments are also being made in the packaging of fish products in cellophane sheets in one, two, and five pound sizes instead of the conventional parchment wrapping. The producers are optimistic and feel that they can increase the attractiveness of their products.

No recent statistics are available to the writer in connection with the Icelandic production of fish liver oil. It is known, however, that shark-liver-oil production ceased in 1930, and since that time increased attention has been paid to cod-liver-oil production. In 1928 Ice-

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landic trawlers began cooking their liver catches fresh on board by live steam of high pressure with the result that a higher vitamin content was obtained, and the medicinal oil production increased considerably. Prior to 1930 Icelandic cod-liver-oil was handled by Norwegian merchants, but fish oil producers then formed themselves into associations, and at Reykjavik the Icelandic Steam Trawlers Cod Liver Oil Union was formed. Direct sale of oil was then made to the United States. During the war Iceland was one of the principal sources of cod-liver-oil to the allies, and production was accelerated accordingly..

IV

The Icelandic Ministry of Industry and Communications has supervision over all matters connected with the fishing industry, including the inspection of vessels for seaworthiness, the construction of harbors, the sorting of fish and fish products, et cetera. The Government is also interested in enhancing the sale of fish products, and Icelandic representatives are resident in certain foreign countries for the purpose of obtaining market news, and the extension of markets. With the exception of small shipments made to places outside the usual markets, no fish may be offered for sale, sold or exported without the sanction of the Minister of Industry and Communications.

In 1934 a Fish Industry Board was established for the purpose of finding new markets, effecting experimental sales of fish, and in general encouraging such measures as may be likely to benefit the industry. The members of the Board are appointed by the following: The Minister of Industry and Communications, the Workers Central Union, the Association of Trawler Owners, the Union of Icelandic Co-operative Societies, the *Landsbanki* (National Bank of Iceland), and the *Utvegsbanki* (The Fisheries Bank)

Other aids to the industry include a Fisheries Association of Iceland, which was established in 1911 for the purpose purpose of encouraging the salt and fresh water fisheries. In various activities this organization represents the government and receives an annual state financial grant to carry on its work. It is also interested in education and gives short courses in navigation. A law enacted in 1905 providing for a fisheries fund was replaced in 1930 by additional legislation, the object of the fund being to aid the owners of small boats by granting them loans on favorable terms. Loans are made for the purpose of buying boats and for the building of fish processing plants. The fund is managed by the *Utvegsbanki* and the loans are divided between the various parts of the country in proportion to the number of boats in each district.

V

In summarizing, it is believed that Icelandic fish producers are capable of exerting considerable influence in markets within their reach. Iceland has a huge fish processing capacity, and modern techniques have indicated that fresh and frozen fish can be transported farther than heretofore believed possible. The personalities connected with the Icelandic fish industry are highly intelligent and keen. They are fully cognizant of the latest developments and are not only capable of applying them to their own needs but also of experimenting on their own initiative and evolving new techniques. The fishing industry is the veritable backbone of the Icelandic economy, and under such circumstances it is not surprising that the Icelandic Government is ever vigilent of its welfare. It appears that the industry is adequately capitalized, and consists of cohesive units capable of exerting pressure and presenting a united front.

It remains to be seen to what extent Iceland will continue its activities in the United States markets. It does not now possess the isolation it had prior to the war, and as North America becomes more cognizant of Iceland, so Iceland will also experience increased commercial and related activity with the American

continent. More efficient transport facilities bring once distant supply areas closer to consuming regions, and increase the number of active groups in a given market. It is believed that low production costs as a result of efficient production methods will permit Icelandic fish to be shipped far afield at competitive prices.

Iceland also occupies an extremely strategic geopolitical situation, and would appear to be in a strong bargaining position. Such a consideration though worthy of comment is only mentioned here, however, since it does not come within the purview of the writer's objective in this instance.

Social Security and Health Benefits in New Zealand

By Hon. David Wilson

THE fundamental principle underlying New Zealand's Social Security legislation and administration is the assertion that society is responsible for the well-being of all citizens from the day of their birth until the day of their death.

In no other country, so far as I am aware, has the principle been so universally accepted by the people nor so comprehensively and generously put into effect as in New Zealand. It has to be gladly admitted however that this lead is being speedily reduced as the principle is becoming more and more accepted throughout the world, and it is possible that Great Britain will be running neck and neck with New Zealand if indeed they do not take the lead after the Social Security legislation now before the British Parliament becomes effective in 1948.

The progress made towards the objective in Canada, particularly during the last few years, is also encouraging as evidenced by the improved provision for unemployment and children's allowances and it must be remembered that in New Zealand, once the principle has received the approval of the electors, the law becomes effective after the passing of the Act without reference to Provincial Parliaments.

It would not be fair to convey the impression that all the credit for Social Security legislation belongs entirely to the New Zealand Labour Government, which was first elected in 1935 and re-elected in 1938 and 1943, but it is true that the present Government is responsible for vastly increasing the scope and the number of the benefits until to-day they cover every vicissitude of life and also for greatly increasing the monetary value of the benefits to the extent that every citizen is now assured of a decent livelihood from the cradle to the grave.

Although the present Social Security system was not placed upon the Statute book without considerable violent opposition in Parliament and in the country, yet experience of the legislation passed in 1938 has been such that it is now accepted by the overwhelming majority of the people and no political party now opposes the principle or operation of the Act nor could they hope to be successful at an election if they did so.

For the outside world the importance of New Zealand's social legislation lies in the fact that here, for the first time, an almost complete system of social and economic security has been in operation for some years and other nations may now learn how it has worked, what the difficulties were and how they may be overcome.

The Social Security Act 1938 had two main objectives:

(1) To substitute for the previous system of non-contributory pensions a system of monetary benefits on a contributory basis.

EDITOR'S NOTE: Honourable David Wilson, a former member of the New Zealand Cabinet, is now the Dominion's High Commissioner in Canada.