

PUBLIC AFFAIRS

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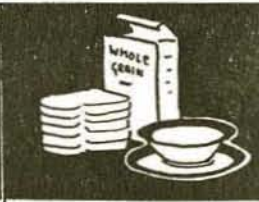

Human Relations In Industry

Two Voices on Nutrition:

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CANADA'S OFFICIAL FOOD RULES

Eat these Health-Protective Foods Every Day

				
MILK Adults - ½ Pint. Children - more than 1 Pint. and some Cheese.	FRUITS 1 serving of Tomatoes or Citrus Fruit. 1 serving of Other Fruits.	VEGETABLES 1 serving of Potatoes. 1 serving of Other Vegetables.	CEREALS 1 serving of Whole Grain Cereal. 4-6 slices Bread Canada Approved.	MEAT - FISH EGGS 1 serving of Meat or Fish. 3 or 4 Eggs Weekly.

Use More If You Can

KNOW THE RIGHT FOODS - EAT THE RIGHT FOODS

See Articles on Nutrition pages 1 and 2

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PUBLIC AFFAIRS

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Two Voices on Nutrition

By L. B. PETT and ALICE WILLARD

I CANADA'S OFFICIAL FOOD RULES

By L. B. PETT

THE whole civilian population is important in this war, not just the fighting forces, because adequate production of machines for a modern army is going to be the chief factor in winning the war. This production of machines, and the transportation for them, is the job of the whole civilian population, directly or indirectly. Adequate production calls for stamina, courage, efficiency and general well-being, and all these qualities can be influenced by food. Here we are not so much concerned with the *amount* of food, important as that can be; here we are concerned with the *kind* of food.

Malnutrition, especially related to the *kind* of food selected and how it is prepared, is right now sapping the strength of the Canadian public, and of other peoples in the world. It is characterized by various deficiency diseases such as rickets, scurvy, or even pellagra. More commonly it shows itself in lowered resistance to infections, digestive disturbances, fatigue and other evidences of lowered health. This malnutrition in Canada is caused by a lack of information by faulty food habits (fads, etc.) by indifference, and by economic circumstances. These factors are keeping thousands of Canadians from the health they could have if they were eating the right kind of food, prepared in the right way. All this makes it difficult for Canada to attain or to maintain the desired war production. It will also have an effect on future generations.

If everywhere in Canada food were adequately produced, properly handled,

wisely selected, and prepared so as to be appetizing and attractive and also full of its original nutritive value, then food and nutrition would write a new story in health and happiness for all our people.

Canadian Surveys

How do we know that this subtle type of malnutrition is serious in Canada? There are several points of evidence. In 1936 Sir John Orr said of Great Britain: "It thus appears that the diets of 50% of the population of the United Kingdom fall short of the desirable standard. . . ." In 1941 the U.S. Department of Agriculture Misc. Pub. 430 said: "About one-fourth of the families in the United States have diets that could be rated as good; more than a third, diets that might be considered fair; another third or more, diets that should be classed as poor." In 1939-40 the Canadian Council on Nutrition sponsored a series of surveys all across Canada, to find out exactly what representative families were eating and whether it was what they should be eating. Other surveys of a less detailed nature have been carried out in Canada, but the results are all very similar.

Only about 40% of the people studied could be considered adequately nourished. Another 40% were considered to be in a "border-line" condition. The remaining 20% were seriously undernourished.

These Canadian surveys show the exact dietary constituents that were lacking in the food eaten by these representative families. These are, beginning with the most serious and in descending order (1) the B vitamins, (2) Vitamin C, (3) Calcium, (4) Iron, (5) Vitamin A, (6) Protein. Nutritionists, dietitians and doctors can interpret such terms, but the homemaker must get them translated into terms of food.

Canadian Nutrition Programme

In order to give the Canadian people proper information on nutrition there is

EDITOR'S NOTE: L. B. Pett, Ph.D., M.D., F.G.I.C., is Director of Nutrition Services in the Department of Pensions and National Health, Ottawa.

now being organized the Canadian Nutrition Programme. Material and advice come from the central federal office for nutritional work (Nutrition Services). Provincial Nutrition Committees are being formed to coordinate the work of various groups in each province. Interested people are urged to form Community Nutrition Programmes. All this structure is designed to bring reliable information into the home. A printed outline of the Programme is available from the Provincial Departments of Health.

This printed outline also mentions the nutritional principles to be emphasized in the Canadian Nutrition Programme, and these nutritional principles are quite simple. These are the things that any housekeeper should try to remember. These are the things that everyone, whether eating at home or in restaurants, or out of lunch pails, should try to remember and follow because they mean better health and more happiness. They are summed up in what are known as "Canada's Official Food Rules," and are pictured on the cover of this issue.

These simple rules for daily healthful eating are the foundation stone of the educational work planned for the Nutrition Programme. There can be no doubt that their use by everyone in Canada, every day would make a great difference in health and happiness.

Causes of Malnutrition

Some people doubt whether lack of information is really fundamental to the malnutrition found in Canada. It is pointed out that various economic surveys show better-nourished families as the income rises. It is also true that as food expenditures rise there is a tendency to be better-nourished.

On the other hand all these surveys show some families who are adequately nourished on quite low food expenditures, and also other families who are very poorly nourished on rather high food expenditures. It is clear from these cases that where some information has been intelligently applied, more efficient expenditure of the food money results. Furthermore,

welfare workers often point out that when a family's income rises the extra money is usually spent on other things before food, and that when food is finally included in the extra expenditure, the articles purchased in many cases are not Protective Foods.

There can be no doubt, therefore, of the value of trying to get everyone in Canada eating more of the Protective Foods, as outlined in Canada's Official Food Rules. Aside from health, there may also be opened up a whole new field of agricultural development in response to the suggestions of nutritionists and the demands of the public. In this way Canadian Nutrition is moving forward today.

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THE SPUR TO BETTER NUTRITION

By ALICE C. WILLARD

THE very widespread and general interest in nutrition which has developed since the opening of the war owes its awakening to many factors. Among the most important of these a few may be mentioned. In the first place the number of rejections necessary among young men enlisting for active service presented a most unflattering picture and it is generally conceded that inadequate nutrition has played an important role in producing this situation. Argument in support of such causal relationship is furnished by dietary surveys which have demonstrated that food intake among Canadians does not measure up to generally accepted standards. In the third place knowledge of actual human nutritional needs has developed very rapidly in the last few years. This has been possible largely as the result of notable successes in synthesizing many of the vitamins, thus permitting vastly better controlled and more convincing experimental procedures both with laboratory animals and with human beings. Perhaps a fourth asset should be added. Methods of analysis for the

EDITOR'S NOTE: Alice C. Willard, Ph.D., is Assistant Professor of Household Science at the University of Toronto.

vitamin content of foods have developed very extensively as have also tests for the quantitative estimation of human needs. Consequently increased confidence can be placed in the validity of certain rule of thumb means for securing these needs from common foods. *Food and Health in Peace and War* published under the auspices of the Canadian Medical Association lists the foods and amounts that will provide all essentials.

In arranging a dietary the foods to be stressed are milk and cheese; whole grain cereals and bread; vegetables, especially green or yellow; fruits, particularly citrus types and tomatoes; meat, with emphasis on the value of liver; eggs and butter. In goiterous regions iodized salt has proved of great value. These are the so-called "protective foods" and all should be used every day. It would be quite possible to construct the entire dietary from them. The use of other fats and sweets in moderation will provide greater variety and may lessen cost. The cheapness and high food values of dried legumes such as beans, peas and lentils would justify a much more extensive use of these foods.

In addition to the assurance of nutritional adequacy aimed at in using the protective foods in generous proportions, a consideration of relative costs of food essentials from these various sources is interesting. Grains are the cheapest sources of calories and protein. Milk and cheese provide calcium and phosphorus at lowest cost, while vegetables are the best investment for iron. These are commodities of relatively stable price. There is more fluctuation in the cost of ascorbic acid from various sources. Citrus fruits, tomatoes, potatoes and cabbage vie for first place here, but occasionally strawberries can claim the honour. Local conditions and tariff regulations exert powerful influences. Entire grain products are also probably the best bargain for thiamin, milk for riboflavin and green leafy vegetables for vitamin A. It is thus apparent that variety in food stuffs not only safeguards nutritional adequacy

but tends also toward economy in the cost of a truly adequate dietary.

One influence that is acting as a drag on improving the nutritional status of Canadians is the insistence on the part of many that dietary habits are nearly as unalterable as the laws of the Medes and Persians. How illogical such an attitude really is becomes evident when these same people express hearty approval of efforts to disseminate information concerning nutritional needs and methods for assuring these requirements. The fundamental basis of education in any field includes the assumption that habits can be modified by an appeal to intelligence. That our own dietary habits have changed radically is evident from a number of considerations. For instance the consumption of fresh fruits and vegetables has increased enormously in the last two decades. Not so good is it that during the same period a dangerously greater use of highly refined wheat and sugar has developed. Any advertizing concern could bear witness to the efficacy of appeal when adequately presented.

It seems strange that in a land where a great variety of food is available in great quantities malnutrition should be as extensive as surveys have proved to be the case. The solution of this problem lays a share of responsibility upon all who have to do with food.

Producers should be encouraged and enabled to raise the vegetable and animal foods necessary for adequate nutrition.

Methods of processing and distribution should conserve values.

Eating certainly should prove a pleasurable experience, and to provide adequate, satisfying meals day in day out, year in year out, demands intelligence, skill, artistic ability, understanding of people and plenty of hard work. This lays a heavy, but stimulating, burden upon those responsible for the planning, preparation and serving of the meals.

Another point all too easily overlooked by more fortunate groups is the inescapable fact that the money cost of adequate food can never be forced below an irre-

ducible minimum. This minimum will, of course, be determined by such factors as locality and season but it is futile, it is really adding insult to injury, to teach mothers what their children must have and at the same time prove that it is impossible for them to secure these essentials. This is to say that the community as a whole must assume responsibility for making it possible for every member to get enough food of the proper kind to provide all requirements.

Finally it is up to the eater to apply himself with good appetite and appreciation to the ample provision for nutritional needs afforded by the bounties of Canada. None of the food restrictions made ad-

visable by war conditions have lessened the adequacy of the supply and some have even enhanced its value.

In general it can be said the problem of nourishing people adequately never has been and never will be a simple one. The diets of most Canadians could be improved. At all stages from production to consumption it should be recognized that the first requirement of food is to supply the essential demands of the body. Some agency for coordinating the various interests would seem a logical development in the near future. Producers must be enabled to supply essential foods and these essentials must be made available to all.

Wings for a Railway

By D. B. WALLACE

EDITOR'S NOTE: In the Spring issue an article on the progress of Trans-Canada Air Lines written by Captain J. R. K. Main was published. This is now followed by a discussion of recent developments in Canada's second air line system, Canadian Pacific Air Lines. The author, D. B. Wallace, a native of the Maritimes and graduate of Acadia and Toronto Universities, is Special Representative of the Canadian Pacific Railway Company, Montreal, and Assistant to the general manager of the air lines. He recently was on loan to the Royal Air Force Ferry Command as Administration Manager.

CANADA, long mooted as the pivotal point in the world airline map of the future, moved a step closer to this goal when the Canadian Pacific recently acquired a widespread aerial network stretching throughout Canada and particularly in the north and northwest regions.

While certain observers have referred to the recent entrance of the Canadian Pacific into large scale air operations as a new phase of the Company's transport services, it is interesting to note that the railway secured a charter from the Dominion Parliament in March 1919, giving it the right to own and operate aircraft

within and without Canada; a fact that definitely focused the public eye at that time on the future possibilities of the civilian air industry. In 1930 the Company acquired an investment interest in the Canadian Airways, and in 1940-41 secured control of the ten lines listed below which now comprise its air system:

Arrow Airways Limited
 Canadian Airways Limited
 Dominion Skyways Limited
 Ginger Coote Airways Limited
 Mackenzie Air Service Limited
 Prairie Airways Limited
 Quebec Airways Limited
 Starratt Airways & Transportation Limited.
 Wings Limited
 Yukon Southern Air Transport Limited.

These lines can be classified as north-south feeder services connecting, in many cases, with the east-west main line trans-continental publicly owned Trans-Canada Air Lines. Because of the geographical location of the routes of the two railway-controlled air lines in Canada there is no competitive mileage or overlapping ser-

vices between T.C.A. and C.P.A. (See map on page 7).

The ten constituent companies now in the process of being organized into Canadian Pacific Air Lines Limited own and operate approximately 100 planes, fly about 5,000,000 plane miles annually and are capitalized at approximately \$3.5 millions. In normal years the value of air traffic in Northern Canada amounts to about \$3 millions.

The breakdown of revenues on these northern lines is the key to the trend of their growth. At first about 75% came from freight, the balance from passengers and mail. Now that the mining areas are largely established the ratio have been almost reversed and about 65% of the traffic dollars come from passengers and the balance is chalked up to express and mail. The mining traffic has recently declined but this loss has been more than offset by the great increase in defence business and now more than 90% of all traffic carried is connected with war work.

Northern air business is now a real industry standing on its own feet and accounted for about 20 million pounds of freight last year. The amount of air freight has grown rapidly, soaring from 2.3 million pounds in 1931 to a record figure of 26.2 million pounds in 1939. Much of Canada's half billion dollar mineral output owes its existence to the air services operating through northern mid-western areas.

These aerial supply lines to the North Country are forever rolling back the map of Canada. Most Canadians, accustomed to peering East-West, are usually amazed to learn the distances separating many northern points covered solely by air travel. For instance, from Vancouver to Whitehorse, via Fort St. John, a heavy traffic leg now that defence supplies and military personnel are being rushed north to defend Alaska, is about 1,400 miles. Likewise it is roughly 1,500 miles as the plane flies from Edmonton to the air terminus on the rim of the Arctic circle at Aklavik from which it is a relatively short distance to the oilfield development at

Fort Norman. The following are a few approximate distances between main points served by Canadian Pacific air routes:

	Miles
Whitehorse-Edmonton	1,000
Edmonton-Aklavik.....	1,570
Vancouver-Fort St. John.....	1,400
Edmonton-Coppermine.....	1,225
Prince Albert-Goldfields.....	485
Winnipeg-God's Lake	425
Winnipeg-Pickle Crow.....	285
Montreal-Quebec.....	150
Rimouski-Harrington Harbour.....	700

Operations of the different lines taken over by the C.P.R. fall into five main divisions.

On the west coast there are the operations of Ginger Coote and Yukon Southern connecting Vancouver and Victoria and running northward through British Columbia to Whitehorse and Dawson in the Yukon.

The second division lies in the area north of Edmonton, to Aklavik, covering northern Alberta and the North West Territories.

In the central area are the operations of Prairie Airways, which links up the northern prairie towns with T.C.A.

To the East, in Manitoba and around the Great Lakes, are the operations of Starratt, Wings and Canadian Airways.

Still further east in Quebec are the operations of Quebec Airways and Dominion Skyways.

On the main routes twin engine planes are the rule although single engine planes are largely used for certain types of flights, especially spot charter services to outlying points. The majority of northern planes are convertible three ways—skiis, wheels, and floats. Passenger equipment varies widely in size from planes carrying fourteen passengers to small units holding four people. In the freight field the Junkers 52—flying box car—has handled the amazing record load on one trip of 6,700 pounds of freight.

The planes on these northern feeder lines fly a mileage of about 15,000 miles per day. Many of these services, particularly those out of Edmonton and Van-

couver to the Yukon, a route pioneered by the Yukon Southern Air Transport, are now vital links in the defence chain on the Pacific Coast. The companies controlled by the Canadian Pacific own large repair shops, hangars, ground radio facilities and the like, and included in the operating personnel are many of the most famous flying names in Canadian air history. At a critical time like the present the knowledge of these experienced air operators is of decided value in connection with the country's air defence.

While the air companies controlled by the Canadian Pacific have interesting possibilities in the light of the expected post-war boom in air transport, the major stress in present operations is being directed almost solely to the enlargement of the Company's training and repair facilities for the British Commonwealth Air Training Scheme. Already the company is the largest single trainer of observer-navigators in the Dominion operating six out of the total of nine Air Observer Schools, all on a non-profit basis, and there are more than five times as many employees in the training and repair branch as in the transport section of Canadian Pacific Air Lines.

In addition to the six Air Observer Schools the company also operates one Elementary Flying and Training School, five aircraft and engine repair plants making it by far the largest civilian organization engaged in the Empire Air Training Scheme.

Another aspect of the Canadian Pacific's war air services was the formation in August, 1940 of the Canadian Pacific Air Services, a special department organized to assist in the delivery of bombers to Britain. From a modest start, the Atlantic ferry service, which was pioneered through the experimental stage by the Canadian Pacific, and later greatly expanded by the Ministry of Aircraft Production, was finally turned over as a going concern to the R.A.F. Ferry Command a year later in August, 1941. It has now grown into one of the most amazing air delivery systems in the history of aviation. Canada has played a vital role in

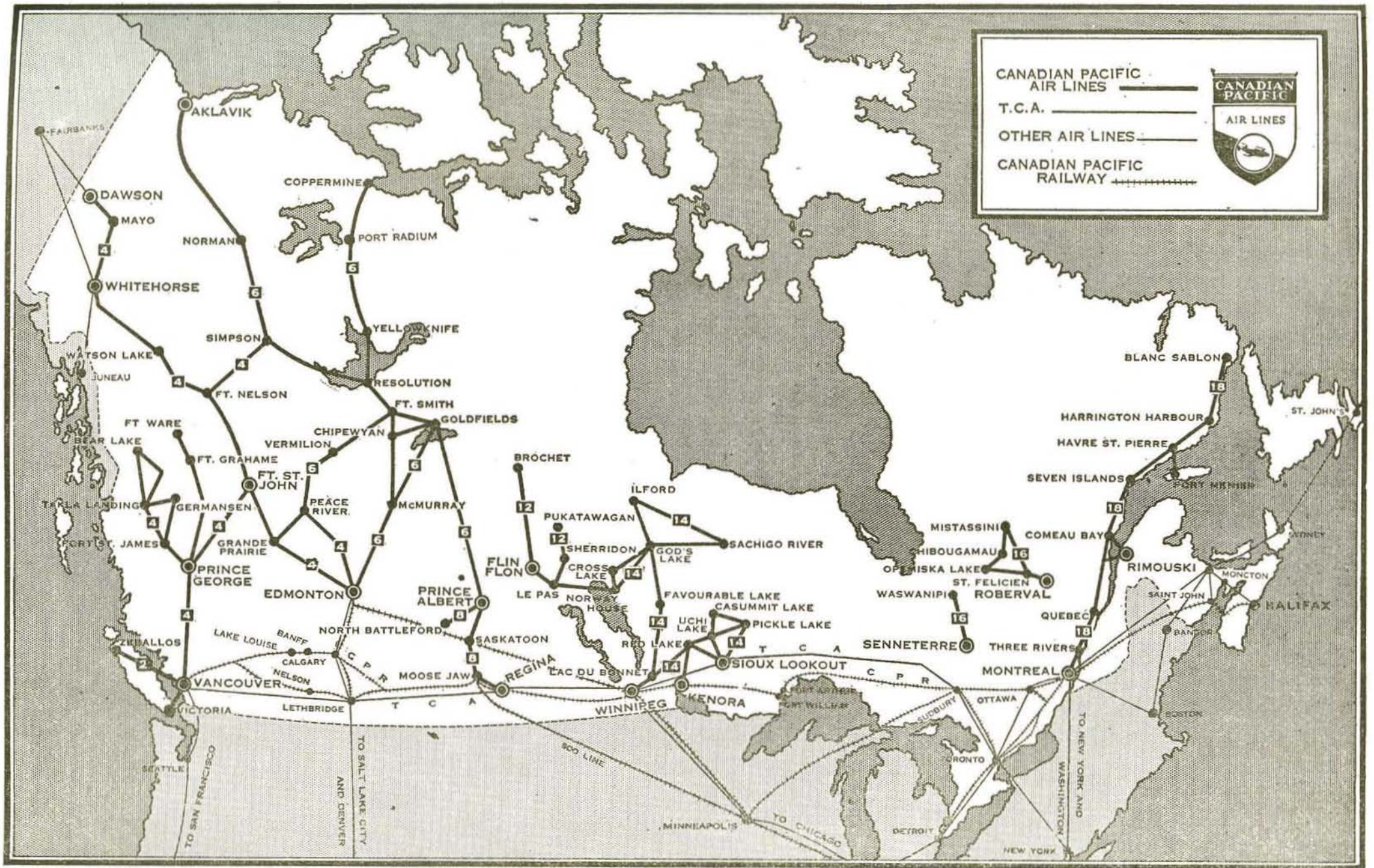
this air transport saga and the Dominion may well be proud, as Sir Frederick Bowhill has so often mentioned, of the civilian air operators and Canadian business leaders who laid the groundwork of the Atlantic ferry service.

The flying equipment and ground facilities, together with qualified personnel in these acquired air companies, give the Canadian Pacific a most valuable backlog of aviation experience to draw upon for the future. Already the controlled transport companies have around 1,000 employees and another 2,500 in the aircraft repair plants and air observer schools connected with the B.C.A.T.P.

Another interesting feature of the new organization is the stabilizing effect which rationalized schedules will have on northern mail routes and general services to these off-line points. It is no secret that cut-throat competition has been the order of the day for many of these air companies in the north. In fact, rivalry has been so keen that small profit margins have been largely wiped out. As a result re-organizations have been a popular pastime for certain operators struggling against heavy financial odds to keep their ships in the air. With the entry of the railway into the picture it is planned to eliminate uneconomic and duplicate services, stabilize the rate structure, and generally place the industry on a sound financial basis, a condition of real importance when present military freighting duties of these northern air lines are considered.

The lines acquired are those pioneered by northern pilots who have brought fame to Canada for unheralded Arctic flying feats and general colonization work. They are the men who laid the groundwork for Canadian northern aerial development which has made the Dominion the world's greatest carrier of commercial air freight and helped so greatly to make possible expansion of the mining business and now to aid in northern defence flying.

Already these air operators are taking their place in the new set-up. C. H. "Punch" Dickins, O.B.E., D.F.C., long one of the north's greatest flyers, and highly successful operating manager in 1941



of the R.A.F. Ferry Command in Montreal, is now Vice-President and General Manager of Canadian Pacific Air Lines. In the West he is assisted by Grant McConnachie, pioneering President of Yukon Southern and one of Canada's most popular and progressive airline administrators, who is in charge of the Company's air services north and west of the Great Lakes in his capacity as General Manager of Western lines at Edmonton.

It is of particular interest to note that one of the major companies controlled by the Canadian Pacific is the Yukon Southern Air Transport operating from Edmonton and Vancouver via Fort St. John to Whitehorse and Dawson. This company pioneered the Yukon route which was later laid out with airports by the Canadian Department of Transport and is to-day the aerial artery to Alaska and other vital Pacific defence routes.

In fact, in the case of the area north of Edmonton which is served by the Company's lines radiating to the Yukon and the North West Territories, its planes are now performing one of the most vital war area transport jobs in the world. Planes are flying a record number of hours freighting men and materials for the Alaska highway, the surveying parties locating the route for the proposed pipe line, and in connection with the surveys of the new railway line which is to run northward from Prince George to Alaska.

Looking to the future, air freight will likely become much larger when the war

is over as it has been hampered by certain restrictions in the past, and the experience being gained by military freight ferrying services now will stand us in good stead in the future. At this point it is interesting to note that air freight now represents less than 3% of the gross earnings of United States air lines while cargo has always accounted for around 80% of the other transportations systems. Admittedly the air carrier has a relatively small carrying capacity but its speed spells the answer to volume in frequency of service. In other words, what counts is not how much freight is delivered in a trip, but in a year.

Thus we find Canada occupying a key position in the world air map of the future and a vital link in Empire and world air routes. It is well to remember that immediately after the last war the major over-water commercial air development was the establishment of the English Channel air ferry route by disbanded R.A.F. flyers and converted military machines. Now, almost a quarter of a century later the Atlantic has become a mere routine hop, and air transport has come of age. The ground facilities and experienced personnel will be available for commercial transport once the war ends. Planes will certainly be no problem except perhaps for a short period while the plants re-tool from military to commercial types. In the last analysis the payload—which is simply profit—will be the deciding factor in the growth of tomorrow's airlines.

Buy War Savings Stamps Regularly

The National Resources Planning Board in the United States

By L. G. ROCKWELL

DURING the last decade political action in the United States—particularly at the Federal level—has been profoundly influenced by the conviction that modern society can no longer be left to function without guidance. The National Resources Planning Board is one of the many products of this conviction. The several lines of activity of this agency constitute a new function—a planning function—in the operations of the Federal government. This planning function no longer approaches problems in terms of area only; it is concerned with the adjustment of resources and activities to the changing needs of the population. Alone among government agencies the planning body is responsible for studies and recommendations designed to point the way to a better balancing of government activities related to the development of the national resources. Alone among government agencies the planning body is responsible for presenting an over-all picture of these development policies and the *relation* of these policies to the national economy.

The responsibilities of the Board involve three general categories: (1) to make plans and recommendations to the President (and through the President to Congress) concerning the wise use and fullest development of the national resources, (2) to report periodically to the President on employment trends and business activity, and (3) to prepare six-year advance programs of public works designed not only to bring about a better adjustment of public works to public needs but also to promote employment stabilization by building up a reserve shelf of public works projects which the Federal government can utilize to help offset unemploy-

ment trends during periods of economic depression. The Board is also directed to act as a clearing house and means of coordination for planning activities among the various fields and levels of planning.

The Board itself is composed of three part-time men: Mr. Frederick A. Delano of Washington, D.C., Mr. Charles E. Merriam of Chicago, and Mr. George Y. Yantis of Olympia, Washington. The professional staff in charge of a Director and three Assistant Directors numbers approximately two hundred employees—both full-time and part-time. This staff includes a large panel of expert planning consultants who work on a per diem basis. There are also a varying number of technical committees appointed by the Board to deal with special planning and research problems. Annual appropriations for the Board have run between \$700,000 and \$1,000,000.

A brief analysis of the activities of the Board will suggest the nature and extent of the planning function which it, as the only comprehensive planning agency in the Federal government, is exercising. The Board is directed to make plans and recommendations concerning the use of the national resources. The phrase "national resources" is sweeping and inclusive. Implicitly it embraces all the resources of the nation—physical, social, and cultural. Despite the almost limitless ramifications inherent in this phrase national resources planning has fallen into four clearly defined although closely related categories:

- (1) Planning for the development, use and conservation of *natural* resources such as land, water, mineral, and energy resources.
- (2) Planning of *man-made* resources or *facilities* resources. This category

EDITOR'S NOTE: Landon G. Rockwell, on the staff of the Department of Political Science of the University of Cincinnati, has recently undertaken a special study of the National Resources Planning Board.

includes primarily the planning of public works.

- (3) *Human* resources — population studies, migration trends, etc.
- (4) *Institutional* resources — primarily economic and governmental.

Early planning and research activities of the Board were concerned largely with the first category—natural resources. Technical committees on Land and Water were the first appointed by the Board to conduct planning studies. To-day they are still among the most active of the several technical committees. Under the aegis of the Land Committee over a dozen reports have been published dealing with basic matters such as land classification, criteria for public land acquisition, and various aspects of land use. The Water Resources Committee has also published a number of reports dealing with analogous problems in the field of water resources. An Energy Resources Committee has published a study dealing with energy resources and national policy. These planning and research activities which are concerned with *natural* resources are carried on by one of the three divisions into which the staff is organized.

Planning activities of the Board concerned with *facilities* resources involve largely the formulation of six-year programs of public works construction. Responsibility for this work was originally vested in an Employment Stabilization Board which was created by Congress in 1931. This agency, however, ceased to operate in 1936 and its activities were transferred to the National Resources Planning Board. Briefly the planning of public works as it is now handled by the Board involves this general procedure: all Federal construction agencies are required, by executive order, to prepare a six-year advance construction program indicating specific projects allotted to each year. Each construction agency is required to keep its six-year plans up-to-date by annual revision and by new annual plans for an additional year. These plans must be submitted every year to the Board for review and evalua-

tion. Programs of construction submitted by one agency are correlated with programs of construction submitted by another agency operating in a related area. Evaluation is made in terms of the conformance of projects to lines of development which have been recommended by technical committees, or regional, State, or local planning bodies. After these construction programs are reviewed, recommendations concerning any changes in programs are made by the Board to the Bureau of the Budget in the fall of the year coincidental with the preparation of the annual budget. During this time the staffs of the Board and the Bureau of the Budget work in close cooperation. Although the Board's recommendations are in no way binding on the Bureau of the Budget, a recent ruling promulgated jointly by the Board and the Bureau of the Budget stipulates that the Bureau will not include in the annual budget any request for funds for a construction project unless plans and estimates for that project have been submitted to the Board for review and evaluation. There are of course special exemptions for defense construction and routine maintenance work.

This aspect of the public works planning program relates to construction carried on by *Federal* agencies only. However, during the last two or three years the Board has set up a special staff section to work closely with State and local jurisdictions, in an advisory capacity only, to assist them in developing tested public works planning procedures. Thus by encouraging programs of planned public works by all governmental jurisdictions within the nation the Board hopes to promote a better balance between public construction and public need. Also, by having carefully worked out six-year advance programs for all over the nation, it would be possible for each governmental jurisdiction to retard or accelerate public works construction as economic conditions required, thus helping to stabilize employment. The public works planning activities of the Board are carried on largely by an administrative division under one

of the three Assistant Directors of the staff.

Planning activities of the Board in the fields of *human* and *institutional* resources consist mainly of research and reports concerning important problems involved in the development and utilization of these resources. These resource fields are so broad that the Board has thus far been able to touch only on certain general aspects. Certain population studies have been made dealing with the problems of a changing population. A special group has recently completed a comprehensive study on "*Research—A National Resource*." Another committee conducted an elaborate study on the *Structure of the American Economy* which was published two years ago. This committee also published a series of searching studies dealing with consumer and family incomes and expenditures. Aspects of the housing problem have also been the concern of this committee. Still another committee has conducted a careful survey of the relief policies followed by the local, state and Federal jurisdictions. This research work dealing with institutional and human resources has been carried on mainly within the third administrative division which operates under one of the three Assistant Directors of the staff.

National resources and matters that concern the national resources are not touched exclusively by the Federal government; the states and localities have their responsibilities, too. Hence, for effective national resources planning there must be planning activities within sub-national areas and sub-Federal jurisdictions. Regional, State, and local planning are necessary to make national resources planning effective. Accordingly, the National Resources Planning Board from the beginning has promoted the development of State planning bodies. As a result more than forty states now have active planning boards. The Board has provided assistance to the State planning bodies in the form of free consultant service from the Board's own panel of expert planning consultants.

Since many planning problems extend

beyond the boundaries of a single State yet embrace only a portion of the entire nation the Board has actively promoted regional as well as State planning. Since regional coordination of planning activities proved to be necessary for effective State and national resources planning the Board has delimited ten planning regions which cover continental United States and Alaska. The Board maintains a field office within each region. These offices are primarily for administrative convenience in handling aid to the State planning boards as well as planning or research projects which originate in the Washington office of the Board. In a few of these planning regions there have been set up locally sponsored Regional Planning Commissions—usually consisting of a representative from each State planning body in the region plus a representative of the Board—which have done much to coordinate and stimulate State planning as well as to administer projects of the National Resources Planning Board in terms of the regional focus.

In addition to these activities which constitute the regular and long term responsibilities of the Board it is, of course, concerned with war and post-war planning. For example, the Board has made a number of industrial location studies for the Defense Plant Corporation and the United States Maritime Commission. It has also appointed a special consultant and staff to effect an administrative correlation of post-war planning activities throughout the Federal administration.

Inherent in all these planning activities of the Board is the function of serving as a clearing house of planning interests. The Board is a coordinating body for national resources planning activities that extend horizontally through the Federal departments and vertically down through regional and State endeavors. This involves close cooperation with departmental, State and local agencies and frequent use of the Board's good offices to see that planning decisions are not made by one group in ignorance of relevant

undertakings elsewhere. Obviously most of this kind of responsibility is a matter of informal liaison and active interest rather than of legal authority.

In terms of legal status, the Board does not have the security it would like to have. Originally set up in 1933 as the National Planning Board of the Public Works Administration it was made an independent agency by executive order in 1934. It retained that status until 1939 when the President's Reorganization Plan No. 1 (authorized by the Reorganization Act of 1939) established the Board as one of the management arms within the Executive Office of the President. Thus there is no direct legislative authority for the Board, although it possesses certain indirect legislative status by virtue of the fact that the President has directed it to perform the functions of the defunct Employment Stabilization Board, an agency authorized by law in 1933.

All through its brief ten year history the President has been a vigorous advocate of the planning function in general and the Board in particular. He has constantly recommended a permanent legislative status for it but Congress has refused to grant it. The attitude of Congress toward the planning agency has varied from lukewarm to one of hostility. On one or two occasions Congress has all but denied funds to the Board. Generally speaking, this opposition has been due to political considerations and to the fact that Congress has not understood the full implications of the planning function. War and post-war problems, however, have apparently eased this situation and convinced Congress of the value of the planning agency; appropriations for the Board have gone through unchallenged for the past two years. It would appear, therefore, that Congress has accepted the planning function.

The planning function of the Board fits into the process of government because it is primarily an important implementation of the executive office. Planning is an *executive* function. The

executive has become the spearhead of national policy and planning is an advisory service concerning the substance and direction of certain aspects of national policy. Until the middle of the nineteen thirties the executive was without a staff arm to shoulder the responsibilities of planning and research. The establishment of a planning body as part of the Executive Office of the President in 1939 offered an excellent example of administrative adjustment to changed conditions and new needs.

The implementation of the executive office by a planning body reflects the expanded scope of governmental activities in the twentieth century world. The provision of certain basic facilities has always been recognized as an appropriate public function. With the increasing complexity of our society, however, and with our increasing dependence on continuity of economic activity, there has been an extension of all public activity. Planning in general, and the National Resources Planning Board in particular, has been a product of this trend. The concern of the government for the welfare of its citizens under changed conditions and the growing realization of the necessity for conservation and fuller utilization of all the resources of the nation have been the fountainheads of the broad planning activities of the Board. This is not to say that there has not been a need for planning before now; we as a nation would be far better off if the planning function had germinated in the eighteen thirties instead of the nineteen thirties. But although the need for planning has existed for decades, the degree of urgency and the increased sense of public responsibility due to modern economic and social complexities have developed only during the past ten years.

The problem of size alone requires the application of systematic planning to many problems of government. In a nation as large as the United States, miscalculations concerning the use and development of the national resources assume serious proportions. Our political experience has finally taught us that we

cannot afford the gigantic waste that attends the unplanned development of the national resources.

Because of the close relation of the political process to the national economy, government has become more responsible than ever for a knowledge of the social and economic problems of its people. Accordingly, the role of the research

expert has become a vital one in the political process. Specifically, the executive must have access to the findings of the research expert and planning technician in order to provide intelligent guidance of many aspects of national policy. The research and advisory role of planning is therefore indispensable to the executive.

Post-War Prospects for Canadian Newsprint

By J. A. GUTHRIE

THE tremendous growth in newsprint production which Canada has experienced during the last three decades has been one of the most sensational developments of the economic life of the Dominion. The manufacture of newsprint paper has increased rapidly and steadily since the beginning of the present century until it now occupies a position of the first magnitude among the manufacturing industries of the Dominion. In 1939, the pulp and paper industry, which is dominated by newsprint, ranked first in net value of production manufactured, capital invested, and salaries and wages paid.

Even more sensational has been the rise in importance of newsprint as an export commodity. At the beginning of the twentieth century no exports of this paper were recorded in the Canadian trade figures. By 1910 exports to the value of \$2,600,000 had made their appearance. Newsprint, however, was still relatively unimportant in the trade of the country, ranking nineteenth in value of commodities shipped abroad. Exports of wheat in that year amounted to \$52,600,000 and of planks and boards to \$33,100,000. A tremendous expansion in the production and shipment of news-

print occurred during the World War, and by 1920 value of newsprint exported from Canada had risen to \$53,600,000. Wheat, however, still maintained a substantial lead, the exports of that commodity amounting to \$185,000,000 in 1920. Newsprint continued to gain in importance relatively to wheat and other commodities until in 1939, the value of newsprint exported from Canada exceeded that of any other commodity and amounted to \$115,600,000. Thus, in a period of three decades newsprint has risen in importance from nineteenth to first place among Canadian exports.

Numerous factors have contributed to this remarkable development. The consumption of newsprint in the United States increased enormously during and after the first World War. The intense interest of the public in war news was reflected in rapidly increased circulations and sizes of newspapers. Furthermore, businessmen became keenly aware of the importance of newspaper advertising in stimulating consumer purchasing. Between 1915 and 1929 expenditure on newspaper advertising in the United States increased more than threefold. Technological developments in printing also contributed to increased consumption of paper by lowering the cost and increasing the attractiveness of newspapers. Sport, society, and comic pages were expanded into sections, and many special

EDITOR'S NOTE: J. A. Guthrie, Ph.D., a Canadian, is Assistant Professor of Economics at the State College of Washington in Pullman, Washington, and author of a recent book on *The Newsprint Paper Industry* that was published by the Harvard University Press.

features were added. Per capita consumption of newsprint in the United States rose from 25 pounds in 1910 to 62 pounds in 1929.

This tremendous increase in the demand for newsprint paper taxed to the limit the productive capacity of American forests and mills. Consequently, when the politically powerful press of the United States succeeded in 1913 in having newsprint put unconditionally on the free import list, most American newsprint companies found it desirable to build mills in Canada.

There were numerous advantages in doing this. Most important of these were a plentiful supply of cheap wood, ready access to low-cost power, and cheap means of transportation. The spruce and balsam forests of Quebec, Ontario, and the Maritimes provided an abundant supply of cheap and relatively accessible pulpwood. The numerous rivers and streams which drained these forests were a source of cheap power and also provided an easy method of transporting logs from forest to mill. Proximity of the Canadian pulpwood stands to the large cities of the United States also gave Canadian newsprint producers the advantage of low transportation costs between mill and market.

The expanding needs of the American newsprint market were reflected in relatively high prices during most of the period of the twenties. A marked scarcity of newsprint during 1919 sent the price skyrocketing in that year. The contract price rose to \$130 a ton, and the spot price went much higher. Prices continued relatively high during most of that decade, but gradually fell as more and more mills were built, and old mills were increased in size. By 1929 the New York price of newsprint had fallen to \$65; considered at that time a lamentably low figure. But the downward sweep in price had still some distance to go. The optimism of the twenties had resulted in the construction of much additional capacity, and new mills continued to come into operation even after 1930. The depression, which started in 1929, caught the newsprint industry in a

vulnerable position. Strenuous attempts were made to prevent further price drops, first by the industry and later by the provincial governments of Ontario and Quebec. The price of newsprint continued downwards, however, until it reached a figure of \$40, where it remained from April 1, 1933, until the end of 1935. As a result of these conditions a large number of the Canadian companies were forced into receivership and virtually none of them made any profits for several years. The improvement in business conditions in 1937 and a price rise of \$7.50 a ton the following year provided some much-needed relief to the industry, but rising labor and other costs have done much to offset the more favorable conditions in the industry since 1937. With the advent of World War II and the elimination of competition from the Scandinavian countries, conditions in the industry have improved somewhat. But costs have continued to rise and price-freezing by the O. P. A. has prevented, as yet, an anticipated \$3.00 increase in the price of newsprint. Manufacturers are, therefore, still forced to sell their product at \$50 a ton, and have received no increase in price since 1938, despite a sharp increase in the costs of labor, materials, and transportation. Furthermore, with the entry of the United States into the war, the demand for newsprint for advertising purposes appears to have fallen off. The danger to ocean shipping and lack of shipping space have also curtailed overseas shipments. Hence, the immediate prospects for the Canadian industry are not particularly promising.

The long-run prospects for newsprint in the post-war period, however, are of much greater importance to the Canadian economy. To attempt to make any estimate of the future development of the industry is both difficult and dangerous. But certain of the factors determining future trends can be seen, in part at least. Per-capita consumption in the United States, the principal market for Canadian paper, cannot be expected to increase much. It has averaged about 55 pounds over the last fifteen years, and in the future will probably not exceed

this figure by very much, for the radio has become a more and more serious competitor of the newspaper as an advertising medium. Expenditure on radio advertising has increased greatly since 1929, whereas expenditure on newspaper advertising has declined since that year. According to a recent estimate, the population of the United States will increase about seven per cent between 1940 and 1960. Newsprint consumption in the United States, therefore, may be expected to increase by about the same percentage. Future consumption in overseas markets—Europe, South America, Australia, and the Orient—is more difficult to foresee. When trade conditions return more nearly to normal in the post-war period, Canadian exports of paper can reasonably be expected to be about the same or somewhat larger than they were in the ten-year period preceding World War II. In any case, overseas shipments have not been a large percentage of total Canadian exports. Between 1930 and 1939 they averaged only 16 per cent of total Canadian production. During that same period, exports to the United States amounted to 77 per cent of the Canadian production. The American market, therefore, is by far the most important outlet for Canadian newsprint.

Will Canadian newsprint manufacturers be able to hold their share of the American market? What of the competition from mills in the Southern States, in Alaska, and in the Scandinavian countries? Newsprint is now being made on a commercial scale in Texas from southern yellow pine, and the industry is likely to expand in the southern states. Canadian newsprint producers, however, will probably have a competitive advantage over those located in that area if Southern manufacturers should attempt to sell their paper in the large cities north of the Mason and Dixon Line.¹ Southern producers will doubtless supply most of the needs of Southern newspaper publishers, but this

additional American production may be offset by a reduction in production in high-cost areas of the United States.

Alaska also is a potential source of newsprint. Paper manufactured there could compete in eastern American markets with the Canadian output. The distance it would have to be transported, however, would put Alaskan manufacturers at a serious disadvantage. The timber stands of Alaska will likely remain as a reserve supply until such time as the Pacific Coast or Oriental markets require additional newsprint.

The Scandinavian countries will also probably re-enter the American newsprint market when international trade is again restored. Scandinavian newsprint, however, has never competed seriously with Canadian paper in the American market. Prior to 1940, the European imports of newsprint into the United States were rarely more than one-tenth of the Canadian imports. For a few years immediately preceding the present war Finland was the largest European seller of newsprint in the United States.

Another factor which will naturally affect the future of the Canadian newsprint industry is the supply of Canadian pulpwood. There is, at present, insufficient information available on the rates of growth and depletion of Canadian timber stands to allow an accurate appraisal of the extent and possible duration of the pulpwood resources of the Dominion. From the best available information, however, it would appear that the pulpwood supply suitable for making newsprint is not being seriously depleted. The supply of pulpwood controlled by, or accessible to, most of the large newsprint companies is also sufficient to meet their present requirements in perpetuity.¹ Thus, provided no great expansion occurs in present newsprint producing capacity Canadian firms will, in general, have sufficient pulpwood to supply their requirements. This situation, of course, differs considerably by regions.

1. Guthrie, John A. *The Newsprint Paper Industry*. Harvard University Press. Cambridge, Massachusetts. Chapter XIV.

1. Guthrie. *Op. cit.* p. 26-29.

The post-war outlook for the Canadian newsprint industry, therefore, is relatively favorable, considered both from the standpoint of future market possibilities and future sources of pulpwood supply.

What is the outlook for the industry in the Maritime Provinces? The production of lumber and wood pulp has been important there for many years, but the manufacture of newsprint paper is of comparatively recent origin. One relatively small mill commenced producing newsprint in Nova Scotia about 1923, but until 1929 its output averaged only about 20,000 tons per year. By 1930, however, two other large mills had come into production, and in 1931, the output of the three mills in New Brunswick and Nova Scotia amounted to about 225,000 tons—roughly 10 per cent of the total Canadian supply. Since then the Maritime production has averaged about 250,000 tons annually, and in one year almost equalled 300,000 tons.

The competitive position of the Maritime mills compares favorably, in general, with that of other newsprint mills in eastern Canada. Wood costs are, on

the average, at least as low as those in Ontario and Quebec, and power and other costs do not differ appreciably from the averages in the other two provinces. An advantage which the Maritime mills enjoy is their location on tidewater. All three mills are situated on navigable deep water, and therefore, can be reached by ocean vessels, and one of the three is the only Canadian newsprint mill east of the Rockies which can utilize year-round water transportation. This advantage of location results in a considerable saving to the mills, for the cost of transporting newsprint from mill to market is relatively large.

On the whole, therefore, the Maritime mills appear to occupy a favorable position in the Canadian industry. The most serious difficulty they may encounter in the future is a shortage of pulpwood. At present, however, they seem to have a sufficient supply for a long time to come provided that, in the post-war era, there is no great expansion in newsprint production such as that which followed the last World War.

The Canadian Excess Profits Tax

EDITOR'S NOTE: The tax on excess profits is one of the most widely discussed measures of Canadian war finance. On account of its complicated nature it is often misinterpreted and still oftener misunderstood. PUBLIC AFFAIRS has therefore asked two well known experts to discuss in its columns some important aspects of the tax, namely its administration and its effects on Canadian companies.

THE EFFECT OF THE TAX ON 80 CANADIAN CORPORATIONS

By LUCY MORGAN¹

1

WITH every month Canada's war economy gathers momentum. Trade totals soar to new heights, production figures climb steadily, business indicators rise. With the same dizzy speed the costs of war mount daily, an ever increas-

ing percentage of the national output is diverted to war, and with each succeeding budget the government's tax needs dig deeper into the Canadian pocket.

The net result of war stimulation and war taxation on Canadian business has provoked speculation and controversy. Has the increased activity due to the war meant higher profits? Does available evidence bear out the extremist contention that huge profits are being made out of the war, or the equally extremist but opposite contention that business is being choked by the Excess Profits Tax? An analysis of the 1939 and 1940 annual statements of a group of eighty corporations both large and small, representing widely diverse aspects of Canadian business, suggests at least a tentative answer to these questions

1. See Editor's Note on p. 20.

and provides a basis for speculating about future trends as the war speeds up business still further.

Perhaps the most striking fact emerging from the analysis is that in 1939 and 1940 the aggregate net profits of these eighty companies were identical to within a fraction of one per cent. Though their net income increased by nearly one-third, they devoted a much larger percentage of it to taxes—40% in 1940 as compared with about 20% in 1939—the net effect being just to drain off the increased profits resulting from war stimulation.

Over the range of companies, however, wide divergencies from this general picture existed. Taxes which just, in the aggregate, siphoned off increased income, sharply reduced the net profits of some companies and groups of companies, and left others with larger profits than in 1939.

Such a result might well have been expected from the altered tax structure. The minimum corporation tax in 1940 was 30%. In addition to the regular corporation income tax, raised after the outbreak of war from 15% to 18%, corporations were assessed under the Excess Profits Tax Act either 12% on their total profits, or 75% on the excess over a pre-war standard, whichever tax was the larger. It will be noted that, because of the alternative rate on total profits, the excess profits tax is not, as its name would seem to imply, a tax on excess profits. It is, rather, a war tax on business whether or not there be an excess of profits over the pre-war period. Naturally, therefore, the profits of companies with decreased, stationary, or only moderately increased incomes were sharply curtailed, while companies with considerably increased incomes were left with larger amounts of profit than in 1939. More than half the companies found their net profits reduced in 1940 as compared with 1939, some had maintained or only moderately increased them, and a small group showed very considerable increases. The effect on the rate of profit was to reduce the number of companies with very low rates of profit or no profit at all, and also the number of those with

extremely high rates of profit. The aggregate rate of profit, that is the rate of profit of the whole group considered as a single unit, remained approximately the same.

An analysis of the companies by industrial groups throws further light on the initial effects of war taxation. All eleven of the groups into which the sample was divided showed increases in earnings in 1940, but these varied from less than 10% in the utilities and the consumer industries to well over 100% in the electrical equipment and machinery groups. Only four groups, however, namely the two just mentioned, and in addition the transportation group, and the paper companies, which rallied from their pre-war state of depression, reaped increased profits. All others found their profits reduced by percentages varying from 3% for the iron and steel group to 23% for textiles and apparel. Increases in the tax burden corresponded in general to the varying increases in earnings. While, for most groups, the percentage of net income devoted to taxes was doubled in 1940, for the highly stimulated machinery, electrical equipment and paper groups it was approximately tripled.

To recapitulate: in the aggregate, war taxation had just drained off the increased profits resulting from war stimulation. Businesses with decreased, stationary, or moderately increased incomes had suffered a cut in profits. On the other hand, most of the businesses with considerably increased incomes had not only preserved their previous profits intact, but were increasing them, though at a diminishing rate, as their volume increased. In 1940 these two sets of factors were just sufficient to offset each other.

The 1941 profit situation of the group is bound to have been affected by the complex forces at work in the Canadian war economy. Certain factors tended to restrict profits. Shortages of labour and basic materials grew steadily more serious during 1941 culminating towards the end of the year in a spate of government orders curtailing civilian production in most fields. Towards the end of the year

also came the price ceiling, the "squeeze" from which has probably operated to restrict profits; the Minister of Finance has stated in this regard, "It now appears likely that profits will decline rather than increase". The change in the corporation tax which became effective in 1941—it will be remembered that the flat rate on total profits was raised from 12% to 22%, thus making the minimum corporation tax 40% instead of 30%—must have cut still further into the profits of the industries which had not been accelerated. This raising of the minimum tax could not, however, close off the avenue to increased profits open to those highly stimulated businesses paying the 75% rate, many of which, published reports indicate, definitely and substantially increased their profits in 1941. Such businesses, in increasing their volume benefited by the lower unit costs consequent upon greater utilization of plant capacity up to the point at which such factors as the difficulty of getting high quality labour began to work in the opposite direction. Moreover, the continued wartime acceleration of business may have increased significantly both the number of companies in this group and the aggregate amount of their profits, for, as we have seen, beyond a certain point, though the *percentage* of total profits retained by the taxpayer decreased as profits rose, it has been possible for the *amount* of profit to increase—considerably if the business was sharply accelerated. The *Financial Post* for January 17th, 1942, quotes "a member of a group of highly trained Toronto men" discussing the outlook for stocks in 1942, as follows: "Excess profits taxes are now known and proving less unpleasant than at first feared. They have removed the possibility of extra high profits but increased volume of business has demonstrated that it will not be an entirely profitless war for Canadian industry." It is therefore, not strictly true to say that the excess profits tax has meant that there is no profit incentive in increased output. There has been first of all the incentive of increasing business sufficiently to maintain the pre-war level of profits, and

secondly the incentive of reaping the increased amount of profit possible even under 1941 schedules. Under the 1942 budget, in which the tax on excess profits has been raised to 100% with a 20% tax credit to be refunded after the war, the incentive will take the form of building up this post-war credit.

Nevertheless, uncertainty about the future, fear of post-war dislocation, the spectre of catastrophically falling prices and glutted inventories undoubtedly condition business policies at this juncture. One obvious instance is the conservative dividend policy being generally pursued by Canadian companies. Frequently even when profits per share have been doubled or more than doubled, only the normal dividend rate is being paid. Dividend payments in Canada in 1940, according to the *Financial Post Business Year Book*, were about \$305 millions, slightly less than in 1939. In 1941 they were somewhat under \$317 millions, an increase of less than 4%. And it must be remembered that in both 1940 and 1941 a number of companies whose dividend payments had lapsed resumed payment.

The increased working capital necessary for a larger volume of business and greater plant capacity partly explains this reluctance to increase dividends. Cash requirements have expanded with heavy inventories, enlarged output, and higher taxes. Companies are seeking to do their own financing to avoid the large bank loans with which many of them were caught at the end of the last war. In other words, increased profits, when they exist, are for the most part being ploughed back into the business to strengthen its financial position, instead of being disbursed as dividends.

Business would like to cushion itself still further against the future by obtaining a more liberal interpretation of the inventory reserve provision than the Income Tax Division has seen fit to grant. The authorities, however, have remained adamant in their decision not to allow protection for heavily expanded war-war-inventories due to extended hours or

speeded methods of production of pre-war machinery.

In a letter to the Secretary of the Dominion Association of Chartered Accountants, published in *The Canadian Chartered Accountant* for December, 1941 the Commissioner of Income Tax observes, "If . . . a reserve against increasing amount of inventory were to be allowed, it would be an invitation to the companies to say: 'Rather than handing a substantial portion of our profits to the Crown, let us buy yet more inventory'—perhaps having in mind yet further increases in cost, and thus create claims for greater and greater reserves, and thereby enforce the Crown to invest its substantial portion of the profits in inventory and thus risk the Crown's money in a precipitous decline of inventory . . . The denial of such reserve certainly requires all businesses to be very cautious and not over-extend their inventory, because they realize that they are risking their own money."

That some businesses would also like to put themselves in a more favourable financial position by getting concessions in the matter of "standard profits", the yardstick against which excess profits are measured, is shown in certain remarks of Mr. Justice Harrison, Chairman of the Board of Referees, speaking before the Ontario Division of the Canadian Bar Association. An argument advanced by some taxpayers applying for a standard profit higher than that actually earned in the years 1936 to 1939 is "the claim to recoup out of profits the amounts necessary to compensate for past lean years and possible future lean years". This argument, the speaker stressed, is considered irrelevant by the Board. Remembering that the vast majority of taxpayers have not the opportunity to come before them, they consider it their duty to set the standard profit at a figure that could actually have been earned under the business conditions prevailing in 1936-39 if the taxpayer had been in business or had not been suffering from special difficulties, so that all taxpayers may feel that their standard profits

represent an amount that was actually earned or could have been earned in 1936-39.

High depreciation allowances, which permit industry to write off old equipment at an accelerated pace and to pay for new plant and equipment out of untaxed wartime profits may work to its considerable advantage. Depreciation allowances for plants working two and three shifts are sharply increased and new plant erected purely for war needs may be written off in two, three, or four years, depending on its type and later usability. If the war should end just when the new assets have been written off, the companies will be the gainers by these generous depreciation allowances to the extent that the assets continue to be usable, since they will have had heavy exemptions during a period of high tax rates. On the other hand, if the war and war taxation continue after the assets have been written off, the companies will then be at the disadvantage of having no depreciation deduction from their net taxable income.

Comparisons have often been drawn between the British 100% Excess Profits Tax and the 75% Canadian tax. Those who made such comparisons were not always aware that 20% of the British tax is in the form of a tax credit, to be returned to the taxpayer after the war. The discrepancy between the two was, therefore, more apparent than real and since the imposition of the new budget even the apparent discrepancy has disappeared. The Canadian tax has been heavy and its application rigorous. If, however, as evidence seems to indicate, aggregate profits and the rate of profit have declined little if at all, business surely can have no complaint. While profiteering has so far been prevented and profits restricted though by no means stopped, little actual sacrifice has yet been asked of business. An article in the *Financial Post* for January 17th, 1942, discussing investment trends, says, "To date it must be admitted there is little evidence from published reports that payment of taxes has weakened the working capital strength of Canadian companies." The

natural desire of private enterprise is to emerge from the conflict in a sound financial position. Whether the realization of this desire is compatible with the effort necessary to defeat totalitarianism in a world-wide war is, to say the least, problematical.

THE ADMINISTRATION OF THE TAX AND THE BOARD OF REFEREES

By COURTLAND ELLIOTT

2

THE Board of Referees has a limited although important role in the administration of the Excess Profits Tax. The duties of deciding liability for tax, determining assessments, adjusting the base for capital changes and calendar year apportionments, and even authorizing eligibility for a reference to the Board rest with the Minister of National Revenue acting through the Income Tax Division. The Board deals only with establishing a base for calculating tax liability.

Unlike most types of taxation which can be levied upon some clearly ascertainable and immediate base, the Canadian excess profits tax relies for its computation upon the increase in profits above the average realized in a defined pre-war period.

It is not, however, the pre-war profits that are to be taxed. They are merely the standard by which tax liability is to be measured and because the incidence of the tax falls in a later period there is a need for assurance that the base is equitable.

EDITOR'S NOTE: Dr. Lucy Morgan is on the research staff of the Bank of Nova Scotia in Toronto. The article is a summary of a paper presented at the Annual Meeting of the Canadian Political Science Association which will be published in full, with the addition of later data, in a forthcoming issue of the *Canadian Journal of Economics and Political Science*. Courtland Elliott, with the Toronto Investment house of E. A. Ames and Co., is economic adviser for the Board of Referees.

The Excess Profits Tax Act is founded on the assumption that pre-war profits were representative of peacetime earning capacity and a fair base for calculation of wartime profits. For the most part this assumption is valid and in its general application no difficulties are encountered in the calculation of the base, the computation of the tax and the several adjustments that may be necessary to assure uniformity in assessment.

On the other hand it is equally evident that the tax on the excess would be inequitable if the pre-war profits of a taxpayer were unusually depressed or if the enlarged wartime profits of a new business were accepted as the bases of taxation. In the one case the excess profits tax would be relatively high; in the other it would be relatively low.

It is the broad duty of the Board of Referees to equalize the base of taxation for new and depressed taxpayers in order that they shall occupy relatively the same position as the generality of taxpayers who have no recourse to the Board because their actual pre-war profits are a just standard.

This does not mean that taxpayers showing the same account of total taxable profits will pay the same *amount* of taxes. It does mean that all taxpayers who have, for example, doubled their profits will pay the same *rate* of taxation. In other words, if the base of taxation is equalized, proportionate increases in profits result in identical rates of total taxation.

For the moment it should be recalled that the base for the excess profits tax is the average net taxable profits in the four calendar years from 1936 to 1939, subject to the elimination of one year's financial results under certain circumstances. The tax is levied on the increase in profits above these "standard profits" in the "standard period". The tax itself is imposed at a rate of 100% of the increase in profits less a deduction for the 18% corporation income tax and 12% flat tax already imposed on total net profits.

The effect of combining the special tax on excess profits with the combined taxes of 30% on total profits is to intro-

duce a highly progressive tax. Furthermore, the progression starts at 40% of total profits because it is provided that if a 10% tax on total profits is larger than a 100% tax on excess profits, the former tax will be imposed.

The progressive nature of the rates of tax imposed on the total income of a company with standard profits of \$100,000 is illustrated in the following table.

Taxable Profits	Income Tax at 18%	Flat Tax at 12%	Excess Profits Tax	Total Taxes	1942* Rate of Total Taxes	1941 Rate of Total Taxes
\$ 50,000	\$ 9,000	\$ 6,000	\$ 5,000	\$ 20,000	40.0%	40.0%
100,000	18,000	12,000	10,000	40,000	40.0	40.0
150,000	27,000	18,000	35,000	80,000	53.3	40.0
200,000	36,000	24,000	70,000	130,000	65.0	48.7
250,000	45,000	30,000	105,000	180,000	72.0	54.9
300,000	54,000	36,000	140,000	230,000	76.6	59.0
350,000	63,000	42,000	175,000	280,000	80.0	61.0
400,000	72,000	48,000	210,000	330,000	82.5	64.1
450,000	81,000	54,000	245,000	380,000	84.4	65.8
500,000	90,000	60,000	280,000	430,000	86.0	67.2
600,000	108,000	72,000	350,000	530,000	88.3	69.2
700,000	126,000	84,000	420,000	630,000	90.0	70.7
800,000	144,000	96,000	490,000	730,000	90.2	71.8
900,000	162,000	108,000	560,000	830,000	92.2	2.6
\$1,000,000	\$180,000	\$120,000	\$630,000	\$930,000	93.0	73.3

*Rates do not show credit for post-war tax refunds.

It is quite apparent that two taxpayers with exactly similar taxable profits could be subject to different tax levies and rate of total tax, depending on the amount of standard profits and the growth of taxable profits. If one concern earned 12% on its capital in the standard period and 24% in the taxation period its taxes would be 65% of its income; the total tax rate would be the same for another company which increased its rate of return on capital from 6% to 12%.

It cannot be overemphasized, therefore, that the excess profits tax is an impost upon the *increase* in profits. If the base is equalized the resulting tax rate depends solely upon the acceleration of the growth of profits in the taxation period. It is of the essence of the Canadian system that if one taxpayer trebles his profits he will pay a total rate of taxation higher than that of a taxpayer who doubles his profits.

The Board of Referees has naturally concentrated its attention upon the base of taxation rather than upon the amount of taxation itself. The latter is purely a consequence of profits behaviour in the taxation period and the Board has no power to change the amount of taxation directly in the sense of recommending a reduction in the taxes payable. Changes in tax liability may follow from its ascer-

tainment of standard profits but claims for tax reduction as such are not entertained by the Board.

In effect, the Excess Profits Tax Act assumes that the average profits in the standard period were representative of the earning capacity of each taxpayer under the economic conditions then prevailing. That is the rule and for the great majority of taxpayers the taxable increase in profits is measured against this base. There is no recourse to the Board of Referees unless there is evidence that the standard profits were non-existent or abnormally low.

There is, however, little uniformity in business experience as far as individual firms are concerned. It is readily apparent that the pre-war profits of some companies might not be representative of their earning capacity, judged either by their own performance in some previous period or

by reference to the showing of their competitors in the immediate pre-war period. Profits of some taxpayers might have been unusually depressed owing to exceptional circumstances. To measure the increase in profits against this low base would be obviously inequitable and result in relatively unjust taxation.

It was to modify these inequities that in November, 1940, the Board of Referees comprising Hon. Mr. Justice W. H. Harrison, Chairman, of Saint John, N.B., K. W. Dalglish, C.A., of Montreal and C. P. Fell of Toronto was appointed. Its duties are to ascertain standard profits for depressed taxpayers and new businesses, i.e., those which commenced operations subsequent to December 31st, 1937.

Where facilities for revision of a tax base are provided it is only to be expected that taxpayers will claim for relief if any justifiable grounds are present. Unless conditions were imposed in the Act which made it clear that only exceptional depression in a particular concern and not general depression in business could make claims eligible for consideration, there would be a prospect that so many taxpayers would consider themselves depressed that the Board would be inundated with claims. This was particularly true because the years 1936-39 were not a period of peak business generally, both volume or sales and prices being lower than in some previous prosperity years.

It can be inferred, therefore, that in fixing rates of not less than 5% or more than 10% on invested capital as the standard profits to be ascertained by the Board it was hoped that frivolous claims would be avoided and awards would be restricted to socially fair earnings rates.

Earning power is, however, not the result of any innate productivity of capital and certainly not of the equity capital defined in the Excess Profits Tax Act. In most cases the 5% to 10% limitation imposed on the Board of Referees gives ample scope to ascertain realistic standard profits and correct the adverse effects of

unusual disabilities in the standard period. In other cases, however, personal talents and skills are such that capital is relatively unimportant in the earning of profits and a 10% award on the meagre capital would be far from correcting the effects of temporary depression. Conversely in cases where physical assets are ample and the management capable the capital as defined might, by accounting standards, be abnormally impaired or abnormally low due to extraordinary circumstances. In these cases too a 10% award would fail to remove or substantially modify the inequity. Where these conditions of low capital and low standard profits exist the Board is empowered to depart from the capital standard and "ascertain the standard profits on such basis as the Board thinks just, having regard to the standard profits of taxpayers in similar circumstances engaged in the same or an analogous class of business". Naturally the Board is reluctant to depart from the capital standard unless there is ample justification.

This outline of the Excess Profits Tax Act and the place of the Board of Referees makes it clear that for the most part the administration of the Act is where it should be, viz., within the Income Tax Division. The existence of the Board, however, is an assurance that where inequities are sustained they can be substantially corrected and that new businesses will not be handicapped by unjustifiable tax liabilities.

The Board is hardly to be regarded as an agency for tax relief in the sense that it reduces taxes. Its upward revisions of standard profits have that effect but they are made to assure that there will be comparability in the tax bases of all taxpayers.

While there are statutory limitations imposed on the Board there is also considerable latitude and discretion. On the whole the restrictions have not prevented the Board from devising policies which have allowed a generally consistent attitude in meeting the claims of widely diversified taxpayers.

Sectional Representation in Maritime Provincial Cabinets Since 1867

by EUGENE FORSEY

IDEALLY, a Cabinet should be made up of the best men available, regardless of race, creed or place of residence. But in a country like Canada this is a counsel of perfection. The immense distances, the wide diversity of economic interest, the existence of provinces with strong local traditions and loyalties, the deep religious and racial cleavages, make the "federalization" of the Dominion Cabinet inevitable. Dunkin, in the debates on Confederation, had foretold this with singular accuracy. Macdonald felt its full force in 1867, when the competing claims of Irish Roman Catholics, French-Canadians, and Quebec Protestants, nearly wrecked his attempt to form an Administration and forced the exclusion of Tupper and McGee, two of the ablest of the Fathers of Confederation. Macdonald and some of his colleagues and successors hopefully professed to regard sectional representation in the Cabinet as a merely temporary necessity, and to look forward to a day when the Canadian Prime Minister could choose his colleagues as the British Prime Minister chooses his. But no Canadian Prime Minister has ever yet found himself in this (relatively) happy position, and probably none ever will. French-Canadians simply will not be represented by English-speaking Protestants, or English-speaking Protestants by French-Canadians, or Irish Roman Catholics by French Catholics or English Protestants, or British Columbians by gentlemen from Montreal, Toronto or Halifax. Least of all, perhaps, would the Maritime Provinces tolerate a Cabinet made up exclusively of people from the other provinces, even with a liberal sprinkling of such Maritimers *in partibus infidelium* as Mr. Bennett, Mr. Cahan

or Mr. Ralston. Sectional representation in the Dominion Cabinet is here to stay. If anything, it is more firmly entrenched than in 1867. Representation of Prince Edward Island and the Quebec Protestants is no longer an invariable rule, but representation of French-Canadians from outside Quebec is fast becoming so; and the tendency to earmark certain portfolios for certain parts of the country, and either the Post Office or Public Works for French Canada, is as strong as ever.

To what extent has this sectional representation any counterpart in the provincial Cabinets of Nova Scotia, New Brunswick and Prince Edward Island? Representation of the French-Canadian and Irish Roman Catholic groups is of course easy enough to trace. Regional representation is a more difficult matter. Any division of each province for this purpose is bound to be somewhat arbitrary (though the grouping of counties for the Dominion House of Commons may presumably be taken as offering some guidance); and there is perhaps a certain temerity in undertaking it at all without a more profound local knowledge than I possess. However, a rough sketch with no pretensions to exactness, and offered in a spirit of tentative inquiry, may perhaps have some value, if only as a stimulus to others to improve upon it.

Subject to the considerations just noted, Nova Scotia may be divided into six regions: Halifax (city and county), Cape Breton Island, the South Shore (Lunenburg, Queens, Shelburne and Yarmouth), the Annapolis Valley (Digby, Annapolis, Hants, and Kings), Cumberland-Colchester-Pictou, and Antigonish-Guysborough. New Brunswick, similarly, may be divided into six regions also: Saint John-Albert, the northern and northeastern counties (Madawaska, Res-

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tigouche, Gloucester, Northumberland and Kent), Carleton-Victoria, Charlotte, the central counties (York, Sunbury, Queens and Kings), and Westmoreland. In Prince Edward Island, the only definable "regions" would appear to be the three counties: Queen's, King's and Prince.

Assuming that these divisions will serve the purpose, what results emerge from a review of the various provincial Cabinets since 1867?

In Nova Scotia, most of the "regions" have usually had representation in the Cabinet. Halifax has ordinarily had one to three Ministers, Cape Breton Island the same, the Annapolis Valley one to four, the South Shore one to three, Cumberland-Colchester-Pictou one to three, and Antigonish-Guysborough one or two (the only notable exceptions being the Rhodes and Harrington Governments). Halifax tended to have a rather larger representation in the earlier Cabinets than in recent ones. The French-speaking population has usually had a Minister without portfolio, since 1882. The Irish Roman Catholics ordinarily had a Minister, sometimes with portfolio, sometimes without, from 1867 to 1875, and this has usually been true also since 1918. There is no indication that in Nova Scotia any particular portfolio has been regarded as the preserve of any particular part of the province, or of any group.

In New Brunswick, Saint John-Albert has practically always had at least one Minister (though occasionally he has sat for some outside constituency), often two, sometimes three. The northern and northeastern counties have had from one to four Ministers, usually two or three. Carleton-Victoria had two Ministers without portfolio in the first Government after Confederation (1867-1871), and one with portfolio in the King Government (1872-1878) and again (except for a short interval) from 1905 to 1921, and from 1935 to 1939. In the present Government, the Premier and one Minister with portfolio sit for Victoria, but the Premier found a seat there only after being defeated in

York. Charlotte had a Minister with portfolio in the first three Governments (1867-1878), and again in the Blair and Mitchell Governments (1883-1897). Except for about three years under the Tweedie Government, when it had a Minister without portfolio, it appears to have been without Cabinet representation from 1897 to 1908. It had a Minister with portfolio from 1908 to 1917, and again from 1925 to 1933; two Ministers from 1933 to 1935; and one since 1940. The central counties have ordinarily had from one to three Ministers, often two or three. Westmoreland has usually had one or two Ministers, though occasionally its representative has sat for an outside constituency. Under the Hazen, Fleming and Clarke Governments (1908-1917), and again under the Murray Government (1917), it appears to have been without a Minister, except for a short time in 1916, which ended when it defeated the newly appointed Minister of Public Works. In subsequent Governments, it has usually had two Ministers,

The New Brunswick French-speaking population has had at least one Minister ever since 1878; from 1917 to 1923, and again since 1939, two. In striking contrast to Nova Scotia, where no French-speaking Minister seems ever to have held a portfolio, New Brunswick French-Canadians have often held important portfolios: Public Works (1878-1882, 1900-1908, 1917-1925), Provincial Secretary or Secretary-Treasurer (1882-1883, 1914-1917, 1925-1939), Agriculture (1897-1900, 1908-1914), Health and Labour (1939-). From 1923 to 1925 there was a French-speaking Premier.

New Brunswick Irish Roman Catholics have almost always had a Minister, except in the last two Governments. They have usually held a portfolio, not seldom that of Public Works.

In Prince Edward Island, the three counties have usually been represented about equally. The French-speaking population had a Minister without portfolio from Confederation till 1876, and again from 1879 to 1889. Since early in this

Industrial Relations and Social Security

Human Relations in Industry

By F. ALEXANDER MAGOUN

DIFFICULTIES arising out of human relations in industry go all the way back to Cain and Abel. Furthermore, despite obvious superficial differences, all these difficulties seem to stem from about the same fundamental causes.

Cain was a tiller of the soil who consequently brought the fruits of the ground as his offering. Abel was a keeper of sheep. He offered the firstlings of his flock. Here, to begin with, were two different points of view with the opportunity for misunderstanding which always lurks behind different points of view. Both men were workmen. Both wanted recognition. Though brothers, they were also competitors, and competition is always cruel. Naturally the man who thought he was most appreciated did the best job; naturally the other became jealous and vengeful.

Some thousands of years later a group of professors set out to make a scientifically controlled study of what makes the workman want to work. Their experiments were carried out in the Hawthorne plant of the Western Electric Company which at the time had shown unmistakable signs of industrial unrest.

Among other things the investigators made a study of the influence of lighting on work output. Everybody assumed that the better the lighting the greater the output would be. To check this scientifically two groups of employees were chosen. The "control group" worked under the same old conditions without any change in illumination, but their output was continuously recorded. The "experimental group" worked under varying conditions of lighting and their corresponding production carefully measured.

At first the experimental group were given improved illumination. Their out-

put went up as expected. But to everybody's astonishment the output of the control group went up too. There wasn't any explanation for that! The experimental group got still more candle power. Production went up again. Then they went back to the original illumination. Still production went up. After that the lighting was made worse than at the beginning. Once more the output increased. So had that of the control group. Such results seemed illogical and absurd.

But the scientist does not throw away data just because he happens to think it is cock-eyed. He sets about examining it by comparison with some new experiment. So the original results were checked in other ways, such as the introduction of rest periods which were first lengthened and finally removed altogether. Still production kept going up. Why? It wasn't any change in machinery or tools. It wasn't any change in materials. It didn't seem to be any change in method.

Years went by before the professors found the answer—which they should have known before the experiments even started had they studied human relations as carefully as they had studied work simplification or cost accounting or machine operation.

Let's go back to the fundamentals. Every human being is born with certain physical desires which must be satisfied or he will die. The desire for air, the desire for liquid, the desire for food, the desire for sleep. No one of them can be denied for long. Deprived of one, a man will soon fight and fight savagely to satisfy his need.

There are also psychological desires, equally important and equally undeniable; the desire for self-expression, the desire for security, the desire for recognition. Unfulfilled they will not bring physical death, but slow, psychological death. Consider security, for example. This does not mean assured food, shelter, and clothing. If that is your idea of

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security, it is most easily to be found in prison. The only real security you will ever know is your own belief in yourself, in your ability to meet adequately and satisfactorily the vicissitudes of life. Without such security one gradually becomes at least neurotic if not insane.

We have to have adequate air, food, liquid, and sleep to remain physically well. We must have adequate security, suitable self-expression, satisfactory recognition to keep mentally balanced. Deprived of physical nourishment a hungry man will, at long last, attempt to eat the leather in his shoes. Denied reasonable self-expression — as for example, being held in the wrong job—proper recognition, or adequate security, a man will do equally desperate psychological things.

What had happened to the test employees at the Hawthorne Works? By being selected out of the thousands employed there, these particular people had been given recognition. They felt important because the investigators had asked *them* for help and cooperation. Those in the control group were important too, because they had been chosen to act as a standard. They were set apart from the rest of the factory. Management treated the others more or less impersonally. But these two groups—they were something special!

Of course they worked faster. Life had new meaning because now they were important. They were individuals, not just super machines built of protoplasm instead of iron. Emotions not only counted more than lighting or hours of labor in making the worker want to work; emotions counted more than wages. It was so with Cain and Abel. It is so with us.

You will recall that in the Bible story Cain killed Abel. One of the modern substitutes for such violence is joining the union, which an employee often does more as a means of expressing resentment against the impersonal way the boss treats him, than as anything else.

If an employee hates his employer, it is because of disappointment. We hate

only where we fear but would have liked to love. The employee wants to do a good job, would like to deserve and to receive recognition for doing a good job, but is disappointed and psychologically starved by being ignored. So he hates where he would like to have loved and to have been loved. And the greater his disappointment, the more he hates. Nobody consciously intended that industry should become so impersonal, but it has happened to our sorrow.

Now to approach this same problem from an entirely different angle. After more than a decade of work on why we behave the way we behave, the Institute of Human Relations at Yale University has reached agreement on one point: frustration always leads to some form of aggression, and contrarywise, all aggression is the result of some previous frustration. That explains why Cain murdered his brother. It makes clear the changed attitude of the workers at the Hawthorne plant. It even throws considerable light on the behavior of the Germans in these years of terror. It most certainly explains the reason for many strikes.

At the Guesswhat Mill in Connecticut, Antonio was a loom fixer. He was a competent loom fixer with energy and the ambition to become a foreman. But he was a foreigner who spoke only broken English, and a conservative, New England management couldn't see Tony as one of their foremen no matter how competent or ambitious he was. They did the expedient thing—a sure-fire symptom of poor thinking and poor planning which is why it so often leads to trouble.

Tony was frustrated, which, according to the hypothesis just laid down, made some form of aggression inevitable. What happened after that depended on several things. How badly was Tony frustrated? What substitute satisfactions were available? What were the possible outlets for his aggression and the probably punishments which these would involve?

If he punched the Superintendent in the nose after telling him what he thought of him by tracing his ancestry, Tony would perhaps land in jail. In short,

many forms of direct aggression are suppressed because of the certainty of subsequent punishment. If he were something of a coward, Tony would probably have gone on at the mill sullenly repairing looms, and transferred his administrative ambitions to his home where the wife and children would have been made miserable by his dictatorial unreasonableness. It would have been only a substitute for what he really wanted, but when you can't have cake, bread is much better than nothing. Don't forget that these fundamental desires insist on some sort of satisfaction, and aggression is often directed at some innocent bystander when fear of punishment prevents it from being expressed directly against whoever is doing the frustrating.

What actually happened was that Tony started a union. If he couldn't lead the men during working hours as part of the management, after working hours he would organize them against the management. In the end he led a disastrous strike which nearly wrecked the town, caused bitterness to everyone, and cost Tony his job.

The strike was so unnecessary. It would never have happened if an understanding management Abel had realized what frustration would do to a loom-fixing Cain.

At a certain chemical company things were different. The personnel director observed that two men were continuously finding fault on the least provocation. Pete worked on one of the machines, but his machine was never adjusted to please him. He complained about working hours. He was dissatisfied with wages. He didn't have a good word to say for the company. But he talked with the salesman whenever he could make an opportunity, asking them about customers, competitors, and new territories.

Pete was frustrated because his form of self-expression was wrong. He wasn't a machine operator, he was a salesman. In time the personnel director perceived this, started the boy on some night school courses, and later put him on the

road. Last year Pete sold more chemicals than any other salesman on the force.

Joe's trouble was like Tony's; he wanted to be a foreman. Most executives would have answered Joe with the old adage about not being fit to command until you learn to obey—but not this personnel director. He knew that the old adage was only a superficial truth. The more fundamental truth is that no one with frustrations to work off is fit to command, not so much because he doesn't want to obey, (which incidentally is true), but because he has the desire to shine and to reassure his own ego instead of the desire to serve. He wants to bolster up his self-esteem instead of to do a job well no matter who gets the credit. Obeying someone else is never an outlet for the aggressions which frustration produces. Bossing someone else can be an outlet for aggression, but it is always a kind of bossing which produces new frustration in the people taking the orders. The underlying truth is that no one who has much aggression to work off is fit to command.

The first task, then, was to remove Joe's frustrations. Then the aggression would go, and perhaps Joe would have the makings of a foreman.

So the personnel director took Joe off his machine, and as a beginning, set him to work gathering accident records. With a suggestion here and a correction there the director shaped and moulded outlets to encourage Joe's growth until pretty soon the man was a foreman and a good one at that.

How do you suppose Tony feels and talks now about the mill he used to work for? How do you suppose Pete and Joe feel and talk now about the company they still do work for? On the surface self-preservation and self-sacrifice have opposite meanings. After thinking about Tony and Pete and Joe, I am not so sure.

Be that as it may, one fundamental of all human relations is clear; every one of us wants suitable self-expression, adequate security, satisfactory recognition. Denied them we are frustrated and frustration leads to some form of aggres-

sion, not always overt (though this is the most satisfying), but inevitably expressed. A sufficiently frustrated person, like Cain, will throw caution to the winds and attack the frustrating agent with violence in spite of severe punishment to follow, for the strength of the impulse to aggression varies directly with the amount of frustration experienced.

An intelligent management will spend as much earnest effort to understand this as to grasp the mechanical principles of a new machine or the consequences of the latest tax bill. Having understood it, an intelligent management will try to keep frustrations at a minimum. Only thus are the human friction losses to be kept down. For in human relations nothing is really any good until it has gotten down to the level of individual understanding and individual feeling.

Groups do not think; they only share common strong desires. When these desires are aggressive because of some common frustration, the individual desires tend to stimulate each other to the point where intelligent individual thought ceases. Then people merely repeat slogans, adopt common symbols, and strive to vindicate their desires. All reasoning and reasonableness is gone. In such a group it is easy for a common frustration to trigger off into a common aggression which seeks an outlet, often illogical, sometimes illegal, perhaps immoral, regardless of reason or ultimate consequences.

Strikes are often of this nature. But don't forget that the cause goes all the way back to the individual understanding and to the individual feeling in the group.

Human relations in industry—as everywhere else — take place between individuals. When this is forgotten, a result earnestly desired by both sides often cannot be realized because of mutual misunderstanding arising from the suspicion, distrust, and jealousy which are so easy between groups, the individuals of which are comparative strangers.

It is only possible to hate or to ridicule someone you do not understand. Learning to run the human relations part

of a business is largely a matter of learning to understand, first ourselves, and our own frustrations; then those who are different, or who differ from ourselves, and their frustrations. Keep these frustrations at a minimum and men will gladly acknowledge your leadership.

Job Instructor Training for War Industries

An interesting new experiment designed to increase the efficiency of workers in war industries has been inaugurated a short time ago by the Department of Labour in Ottawa. Special courses will provide war industries with instructors equipped to train more rapidly the workers at the bench and the machine on the job they are doing. The plan which is gradually to cover the whole country will expand somewhat the principle of the chain letter. A group of twelve key men chosen from the principal war production areas by officials of the Training Branch were trained as institute conductors in the inaugural course which began in Montreal. They were instructed by Clifton H. Cox, loaned to the Department of Labour by the Training Within Industry Division of the United States War Production Board.

After a week of intensive training the twelve men returned to their home cities—Vancouver, Winnipeg, Hamilton, Toronto, Kingston and Montreal and opened 12 training institutes to which the war plants in those areas sent selected men. These institutes, lasting a week, were also conducted for groups of 12.

The men trained in the institutes are given certificates as War Production Trainers. They will in turn open courses in their respective plants in job instructor training for men and women who are engaged in a supervisory capacity.

Each job instructor trainer will handle four groups of twelve at a time. By staggering the classes over two weeks so as not to keep supervisors away from the plant for too long periods at a time, it will be possible for each trainer in a plant to produce 48 instructors every two

weeks. They will receive certificates as War Production Job Instructors.

In this way, and with industry co-operating, it is considered a simple matter to reach the objective of 15,000 instructors within three months.

The training program has been endorsed by all the directors general of production of the Department of Munitions and Supply. It will take in all plants in the gun, automotive, tank, aircraft, naval shipbuilding, small arms, machine tools, merchant shipbuilding, chemical and explosives industries that care to take part. Other firms directly associated with war production are also urged to make use of the institutes. The courses will be given to both men and women supervisors, with women receiving the same training as the men.

Joint Production Committees in War Industries

The great achievements of certain British war plants in increasing their output is, in the opinion of experts, to no small extent attributable to the activities of Joint Production Committees operating in the plants. These committees, consisting of an equal number of representatives of management and labour, have not only improved industrial relations but have also led to better production by making available to management the experience of the workers.

In Canada the first committees of this type have been appointed in the aircraft industry. Their establishment has been encouraged by Ralph Bell, Director-General of Aircraft Production in the Department of Munitions and Supply. The principle was also endorsed by the Canadian Manufacturers' Association at its 1942 convention in Toronto. After hearing an address by Mr. Elliott M. Little, Director of National Selective Service, the Convention adopted the following resolution:

In order that the constructive benefits being experienced through employer-employee cooperation in many plants may be extended, it is recommended that full cooperation between employers and employees be developed

in the manner best suited to individual concerns so as to achieve maximum production and an all-out effort to win the war.

To more clearly define and promote a program for better employer-employee relations, a section is in process of organization in National Selective Service. The purpose of the section is to indicate the benefits of better relations, not only in terms of increased production for war purposes, but in the solution of future problems involving both labour and industry. Progress is already being made on the formation of management-labour production committees in several plants as one of the immediate problems of war production.

Equal Pay For Equal Work

A law passed in 1931 in the State of Michigan forbids employers to discriminate between the sexes in the matter of wages. Twenty-nine women who claimed that their employer, the General Motors Corporation, had not complied with this act were granted by a Michigan court a total of \$55,690, representing the difference between the hourly rate of 76 cents paid to women and the rate of 97 cents received by men for the same work. The validity of the law was upheld by the Michigan Supreme Court in passing upon a preliminary decision in the present case and the United States Supreme Court refusing review.

Day Nurseries for Children of War Workers

The more we approach the stage of full employment the more important becomes the role which married women have to play in war industries. Most of them occupied by their households and the education of children have in peace-time not sought gainful employment. If the government wants to use their services in war industries, it has not only to train or retrain them but has also to make provisions for the care of the children while their mothers are away from home. For that purpose

Great Britain has early in the war set up throughout the whole country a system of day nurseries which guard children of pre-school age during the whole day and older children outside school hours. The United States have, since their defence program got underway, taken similar steps. Now Canada is moving in the same direction. With the assistance of the Dominion and the provinces day nurseries will be set up in industrial centres. The scheme has, at least for the time being, been confined to Ontario and Quebec. In view of the recent growth of war industries in the Maritimes and the scarcity of manpower in the area it may be hoped that the scheme will soon be extended to industrial centres such as Sydney, Halifax, Amherst, Saint John and Moncton. The costs are borne in equal parts by the Dominion and provincial governments.

At a meeting convened by the Women's Division of National Selective Service, a number of important decisions concerning the organisation of the work were taken. It was agreed that the task of child care which is to be performed by the day nurseries is mainly professional and will necessitate the employment of

skilled assistants, whether voluntary or professional.

It was further agreed that standards for central administration agencies should be set up after experience has given local committees, provincial advisory committees, and the federal government, a basis to appraise requirements.

In provision for health care, there will be physical examinations of children before their admittance to units, emergency first aid, and provision for isolation before a child's ill condition is medically checked.

A nutritional program will be adopted by the centres, the children to receive two or three good meals a day, as required. The committee agreed that the minimum size for a plant should be three playrooms, the size of these depending on the number of children, with adequate washroom, kitchen, and cloak-room facilities, a staff room and fenced outdoor playgrounds.

Each nursery will have whatever play equipment is necessary for a suitable program of play and study, as well as cots so that children may rest at certain intervals during the day.

SECTIONAL REPRESENTATION IN MARITIME PROVINCIAL CABINET SINCE 1867

(Continued from page 24)

century it has usually had a Minister, always without portfolio except from 1917 to 1919, when there was a French-speaking Premier and Attorney-General. The Irish Roman Catholics had a portfolio from 1876 to 1879, and the Premiership with a portfolio from 1879 to 1889. From 1911 to 1919 they had a Minister without portfolio, and since 1926 they have usually had a Minister, sometimes with portfolio, sometimes without. It is noteworthy that since 1935 they have held the portfolio of Education.

The evidence provided by lists of Cabinet Ministers does not afford conclusive

proof that Maritime Premiers when forming Cabinets feel obliged to give representation to various sections of the community, but it seems fairly clear that they have in fact given it. If any particular region or group fails to elect a Government supporter or supporters, it must of course ordinarily take the consequences, and resign itself for the time being to doing without a Minister. But apart from this case, it seems probable that no Premier could long neglect to give Cabinet representation to any considerable section without jeopardizing his Government.

Current Public Affairs

The Institute of Public Affairs

The work of the Institute of Public Affairs at Dalhousie University has during the summer months been mainly devoted to two research projects which have repeatedly been mentioned in these columns: the study of the effects of the war on the Maritime economy and research on problems of reconstruction in the Maritime region. In both fields some progress can be recorded.

Previous publications of the Institute on the impact of the war had mainly dealt with problems of production such as war contracts¹ or the conditions in agriculture,² and various manufacturing industries.³ In the latest report of the Institute published this summer, the needs of the consumer—the forgotten man as he has been called—come up for examination. On the basis of surveys undertaken in four typical Maritime communities, the household budgets of some ninety wage earners' families were analysed. The study is also noteworthy as a cooperative enterprise of four Maritime universities, all of which are represented on the Council of the Institute of Public Affairs—Acadia, Dalhousie, Mount Allison and St. Francis Xavier.

As part of the reconstruction research project three major studies are in progress—on local government, on social security and on part-time farming.

The object of the first study is to find out whether the present distribution of functions between provinces and municipalities is in keeping with recent social and economic developments and what changes may be necessary to fit local government for the important tasks it will be called upon to perform in the post-war period.

From the large field of social security

1. Keirstead, B.S. *Memorandum on War Contracts Placed in the Maritimes September 1939 to December 1940*. Dalhousie University Bulletins on Public Affairs. 1941.
2. A summary entitled *Some Aspects of Agriculture in the Maritimes* by Professor J. E. Lattimer, was published in the Winter (1941) issue of PUBLIC AFFAIRS.
3. A summary entitled *The Effect of the War on the Maritime Provinces* by Professor B. S. Keirstead was published in the Spring (1942) issue of PUBLIC AFFAIRS.

the problem of health and health insurance has been singled out for closer scrutiny. A comprehensive survey of illness and medical services has been undertaken by the Institute some time ago in two Maritime areas, one of them having a system of prepaid medical services, while in the other the family doctor system is operating. Work on the report has been stepped up during the summer as the findings may throw some light on the social and economic implications of sickness insurance, the introduction of which is contemplated by the federal government.

The most recent study of the Institute deals with the problem of part-time farming in Nova Scotia. It has been suggested that industrial workers would be offered greater security in a post-war slump if they were provided with a modest farm homestead which would give them shelter, or with a piece of land that would enable them to grow part of their own food. To investigate these possibilities in a systematic way the Institute has invited Mr. Andrew Stewart, Professor of Agricultural Economics of the University of Alberta to come to the province and to undertake a survey. He has gone to the major industrial centres as well as to some typical fishing communities to make his observations. A report will be issued at a later date containing his findings.

Rationing

A fine job of organisation has been done by the Rationing Division of the Wartime Prices and Trade Board. As the first commodity to be rationed, sugar was chosen, an article that is used in every household. The preliminary work for issuing the sugar coupons was done by voluntary helpers in a single day. At the same time information was gathered for building up a system of card indices containing all consumers in the Dominion. On the basis of this card index, ration books were distributed in September.

Except for sugar they are not specified but contain only blanks so that the government can use them for rationing in the future any commodity that may become scarce. The system also allows for changing the quantity allotted to the consumer.

A feature of the scheme which has so far received little attention is that it provides for a complete register of the whole population. It has in that respect greater value than the system of registration cards issued in 1940 which contain no registration numbers and have in many cases long ago become obsolete because of the change of addresses. If the Wartime Prices and Trade Board should choose to do so, the ration books could be used as a card of identification which would be useful for a good many purposes. In that case, provisions would have to be made to ascertain for the Board information about any changes of residence as otherwise the register would become just as unreliable as the one of the National Registration.

Simplifying Production

In order to conserve manpower and machine hours, the Administrator of Men's and Boys' Furnishings who works under the Wartime Prices and Trade Board has issued an order cutting the number of colours in fur felt hats from 42 to 18 and the number of wool felt shades from 18 to 10. By another order issued from the office of the Administrator of Fabricated Steel and Non-Ferrous Metals, sizes and styles of various types of spades, shovels, scoops and scrapers have been cut by one-third. Over a hundred different weights of axes and adzes have also been eliminated. The orders have been designed to stretch out Canadian metal supplies, to reduce the number of machines used, to keep down unit costs and to avoid as far as possible heavy capital investments, difficulties in handling and

the use of large storage space by wholesalers and retailers. These are just two recent examples of the work done by the Division of Simplified Practice in the Wartime Prices and Trade Board. Its four primary objectives are described as:

1. To release the maximum amount of manpower, material and machines for direct war production.
2. To ensure that essential civilian requirements of scarce materials are met in an orderly and equitable manner.
3. To assist manufacturers, wholesalers, retailers and services to avoid or reduce subsidies while operating under the price-ceiling, and to obtain more effective control of prices.
4. To aid industry in meeting the difficult situations arising in wartime by such means as will enable it to enter the post-war period in an economically sound condition and under its own control.

The means used to effect the four objectives are all essentially the same and methods introduced to aid in one tend to be useful in achieving them all. Methods which simplify and increase the output of civilian goods from a single machine or factory, release other machines and factories and the labour necessary to operate them for war production. The elimination of a wide variety of articles and concentration on the most useful, permits the allotment of additional material for other essential civilian or war purposes. The reduction in costs by simplified manufacturing processes enables manufacturers to continue profitable operation under the price-ceiling, reduces or eliminates subsidies paid by the government and will permit industry to remain its own master both now and in the post-war adjustment period. One method of economy may thus assist in achieving more than one of the objects of the Division of Simplified Practice.

What Municipalities Are Doing

Contributions from Municipalities to this Column will be most welcome

Department of Municipal Affairs A STATEMENT OF WAR-TIME POLICIES

Recognizing the desire and cooperation of municipal authorities to assist in every way in the prosecution of the war and recognizing the need of advanced planning for post war problems, the following principles are considered to be among the most important:

1. Municipal governments should postpone all non-essential public works which compete directly or indirectly for materials, manpower or money with the Federal authorities.
2. Plans should now be made and prepared in detail for post war public improvements.
3. A determined and continuing effort should be made to reduce expenditures, to improve tax collections and to progressively reduce local government debt.
4. No further exemptions from local property taxes should be granted or sought and existing exemptions should be studied to see which ones are still justified.

J. H. MACQUARRIE

Attorney General and
Minister of Municipal Affairs
for the province of Nova Scotia

Annual Convention of the Union of Nova Scotia Municipalities

Should municipal conventions be held during the war? The question is debatable: time badly needed for the day to day work is lost; considerable sums are spent by hosts and guests; railways and motor cars are being used by persons who would otherwise stay at home. Should then municipal conventions be discontinued for the duration? Certainly not. There has hardly ever before been such a need for guidance and consultation among municipal officers. New tasks have been thrown upon them, new measures have to be adopted often without the possibility of careful preparation, the method of trial and error takes the place of the long practised routine. Under such conditions a convention can perform most useful functions: it can give leadership and encouragement; and it can serve as a clearing house for the experience gained in the different parts of the country. As a matter of fact a convention whose program is well organised and whose speakers are carefully chosen may facilitate and improve municipal activities and in that way make a valuable contribution to the war effort.

It is for considerations of this sort that the recent conference in Glace Bay seems fully justified. Most of the program was devoted to municipal war activities and to war finance. The two main speakers who dealt with these subjects came from outside the province and represented large and distinguished organisations. Mr. G. H. Lowther of the Dominion Bureau of Statistics in Ottawa discussed the needs for comparable municipal statistics and explained the measures taken by the Dominion in cooperation with the provinces to achieve that end. No planning on a nation-wide scale, no equalising of municipal burdens, no setting of standards is possible as long as the statistical reports issued by the municipalities throughout

the country are not reasonably uniform. It became quite clear from Mr. Lowther's address to the assembled municipal officers that the work which they were asked to perform by the Bureau of Statistics was in the best interests of their community.

The effect of the war on municipal finance was discussed by Carl H. Chatters, Director of the Municipal Finance Officers Association of the United States and Canada in Chicago. Though his address dealt mainly with conditions in the United States it was applicable throughout to municipal work in the Maritimes for the organisation of which it gave many helpful suggestions.

It is customary at the conventions of the Union that one of the addresses is delivered by a member of the provincial cabinet. This time it was Hon. J. D. McKenzie, the Minister of Highways and Public Works who discussed the long debated reform of the provincial highway tax and other questions concerning his department. R. M. Fielding, K.C., the President of the Union, was able to tell in his presidential address about increased activity of the Union and its executive. He also reported progress in the study of provincial-municipal relations which has been undertaken by the Institute of Public Affairs at Dalhousie University on behalf of the Union. The Committee of the Institute met in the spring with a Committee of the Union and passed on a comprehensive program for the study submitted to them.

Judge MacArthur of Sydney explained to the audience important new principles in the interpretation of the Nova Scotia Assessment Act which have been adopted by the Supreme Court of Canada in a case concerning the assessment of telephone companies. Federal support of primary and high school education was urged in another address given by T. L. Sullivan, Inspector of Schools for Cape Breton County.

At the end of the Convention a number

of important resolutions were adopted. Some of them which are of more general interest may be mentioned here.

In order to counteract the increasing thefts of bicycles the government was urged to license all bicycles throughout the province without, however, impairing the position of local authorities which derive an income from that source.

Municipalities which are punctual in paying the highway tax or other provincial dues should be allowed a discount.

The number of overseers of the poor in the poor district should by amendment of the Poor Relief Act be increased from three to four where this proves to be necessary.

An interesting debate developed over a resolution proposing that a deposit of \$25 should be requested from candidates for municipal elections and that it should be forfeited if the candidate did not get at least half of the votes which his least successful competitor is able to poll. Most of the delegates who voiced an opinion seemed to resent such a restriction in municipal elections. A decision on the resolution was deferred until the next year's convention which will be held in Kentville.

For the forthcoming year Mayor Eric H. Spinney of Yarmouth was elected President of the Union; D. M. Bower, Municipal Clerk of Shelburne, First Vice-President and Mayor D. W. Morrison of Glace Bay Second Vice-President, while Judge Roberts remains Secretary-Treasurer.

Course on Municipal Administration

Immediately following the Convention of the Union of Municipalities the annual Short Course for Municipal Officers sponsored by the Institute of Public Affairs at Dalhousie University was held in Glace Bay. About fifty persons were

in attendance, a large proportion of them full time officers such as clerks, solicitors and assessors. The two Convention speakers from outside the province, Carl H. Chatters and J. H. Lowther, led informal round table discussions in which practical questions of municipal administration were the topic. Here as at the Convention financial problems were in the foreground. Mr. Chatters introduced the subject of budgeting, while Mr. Lowther's talk was concerned with auditing and accounting. Problems of social welfare came up at the course when Mr. R. C. Levy, Municipal Clerk, Chester, spoke on the administration of the Poor Relief Act. Once more it became evident how difficult the Nova Scotian Poor Relief Act is to interpret and how badly in need of reform. The course ended as usual with a general discussion of municipal government and administration in which a great number of delegates participated.

Municipal Activities

Campbellton, N. B.—A by-law recently enacted by the Campbellton, N. B., town council, provides that every household and business premises within the town limits must keep two gallons of sand in a suitable container on the premises. The by-law, which came into effect July 1st, provides a penalty of \$100 for violation.

Halifax, N. S.—At a recent meeting of the Halifax City Council a committee was appointed to consider the advisability of securing legislation empowering the Council to appoint a City Manager to supervise and direct all civic affairs, under direction of the City Council. The Committee is to report its recommendations before the 1943 session of the provincial legislature.

The Bookshelf

PROBLEMS IN SERVICE LEVELS by Wm. Seal Carpenter. Princeton University Press. 1940. \$2.50.

PLANNING FUNCTIONS OF URBAN GOVERNMENT by Robert E. Walker. University of Chicago Press. 1941. \$3.00.

Professor Carpenter's book discusses ways and means by which a better adjustment of local services to local government areas can be accomplished. Interjurisdictional agreements, that is a device such as the Joint Expenditure Boards formed by Canadian municipalities, consolidation of local units as recently carried out in Alberta, annexation and similar methods, come up for discussion and analysis.

Dr. Walker's book carries the process of municipal reorganisation a step further. He is not interested in merely correcting maladjustments but presents a positive program of ordered planning. The emphasis in his book is on the administrative aspects of the problem, the organisation of urban planning agencies and their relation to other branches of city government.

Both books, though written by Americans and meant for American readers will prove very informative for Canadians interested in municipal affairs. For the problems which the authors discuss are just as acute here as in the United States, perhaps even more so.

PUBLIC POLICY edited by Carl J. Friedrich and Edward S. Mason. Cambridge, Mass. Graduate School of Public Administration. 1941. \$4.00.

Public Policy is a sort of year book published by the Graduate School of Public Administration at Harvard University. Faculty members, public officials and fellows of the Graduate School contribute essays on subjects of which they have made a special study. The volume under review deals in its first part with budgetary and fiscal problems. An essay by Professor Arnold Brecht of the New School of Social Research in New York discussing government holding corporations, is particularly timely since this type of organisation plays an important part in carrying out governmental functions in the war economy.

The second part of the book is mainly concerned with defence problems. The most interesting chapter in it written by one of the editors of the Year Book, Professor Friedrich of Harvard, deals with government control of broadcasting in war-time.

MUNICIPALITIES AND LAW IN ACTION IN 1941. Edited by Charles S. Rhyne. Published by the National Institute of Municipal Law Officers, Washington. 1942.

According to the sub-title this volume of nearly seven hundred pages contains the proceedings of the 1941 Annual Meeting of the National Institute of Municipal Law Officers of the United States. But the reader need not be afraid of tiresome addresses of welcome, trivial speeches and meaningless debates. It is difficult to envisage that they should have been altogether absent at the meeting. But the editor of the book has had the wisdom to leave them out and what he presents as the results of the meetings is of greatest value for students of local government. All important phases of municipal activity in the United States come up for review. The book is introduced by a comprehensive chapter on National Defence, containing among other contributions an address by the chairman of the London County Council on "War-time Experience of Cities in England." The other parts of the book are entitled "Municipal Employee Problems"—"Taxation, Revenue and Licensing Problems"—"Federal State and City Relationships"—"Zoning and Planning"—"Civil Liberties"—"Public Utilities"—"Housing"—"Airport Problems"—"Tort Liabilities"—"Ordinance"—"Social and Economic Regulations of Industry."

The book contains a wealth of useful information which by means of a carefully prepared index is easily accessible to the reader.

PAMPHLETS

The Public Affairs Committee in Washington has brought out four new pamphlets in their series: "What's Happening to Our Constitution?" by Robert E. Cushman—"Vitamins for Health" by Henry Borsook and William Huse—"The Negro and the War" by Earl Brown and George R. Leighton" and "The Coming Crisis in Manpower" by Maxwell S. Stewart. Price 10c.

The latest titles in the *Food for Thought* series published by the Canadian Association for Adult Education are "Monetary Policy and Reconstruction"—"Britain and French Canada"—"Greek Lessons for Canadian Democrats"—"What French Canadians Want: Survival, not Domination." Price 10c.

Contemporary Affairs, the series of the Ryerson Press in Toronto has asked the Toronto geographer, Professor Griffith Taylor, to write on "The New Western Front." Price 30c.

Legal Department

The following questions dealing with the interpretation of various municipal statutes came up for discussion at the recent course for municipal officers in Glace Bay. The answers have been formulated by the office of the Municipal Commissioner for Nova Scotia.

QUESTIONS

1. A was born in the Municipality of S.....He became 21 in the year 1902. That part of the Municipality where he was born and always lived was incorporated as the Town of L.....in 1907. In 1909 A left the Town of L.....and the Province. In 1930 the Town of L.....changed its boundaries leaving the house where A was born outside in the Municipality.

In 1933 A returned to the Province and built a small house on a part of the property on which he had formerly lived.

In 1934 A died leaving a large family destitute.

Which was the legal settlement of the widow and family?

The answer to this question depends to some extent on whether or not the Municipality in which A was born constituted one poor district or whether the Municipality was divided into a number of poor districts.

A's original settlement was either in a poor district of the Municipality or if the Municipality was not divided, then in the poor district of the whole Municipality but a settlement was not in any particular property or lot.

In 1907 when the Town of L.....was incorporated that portion of the Municipality included within the limits of the incorporated Town became a separate poor district and by virtue of the provisions of Section 22 of The Poor Relief Act it would seem that A's settlement was thereafter in the Town of L.....

Since the settlement is in the poor district of the Town of L.....and not in any particular spot in the Town I am of the opinion that the changing of the boundaries of the Town and the placing of the house in which

A was born outside the limits of the Town does not affect the settlement of A within the Town.

I believe that since A had a settlement in the Town of L.....that that settlement will continue until a new settlement is acquired.

2. Section 136 (1) of The Towns' Incorporation Act requires assessors to be appointed before the first of July. The assessors in a certain town are not appointed until the 6th of July, which is the first regular meeting in that month. Will the fact that the appointment is not made according to law invalidate the assessment roll?

While there is not in so far as I am aware any decision or any report on the matter in question, I am of the opinion that the provisions of subsection (1) of Section 136 are directory only and that if a town council failed to appoint assessors before the first day of July that the power to so appoint these assessors does not thereby lapse.

The annual Act to legalize jury panels, assessment rolls and revisers' lists which has been enacted for a number of years is probably of some assistance. This Act appears as Chapter 15 of the Acts of 1942, Section 2 of which provides, among other things in effect, that the assessment rolls for the present year are legalized and confirmed provided that the Section shall not affect any proceedings now pending or any proceedings instituted in respect of any matter involved in any proceedings now pending.

I am of the opinion that the appointment of assessors made on July 6th by the Town were valid appointments and that the assessment roll is valid and binding.

3. When an official whose appointment is during pleasure is dismissed by the council without cause, is it necessary to give to such official one month's notice or any notice?

I think there would be no doubt that if an official is appointed during pleasure he may be dismissed by the council at any time without cause and that in the exercise of this discretion the council may terminate any employment at any time without any notice to the employee.

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Beef.....	6,000 tons	Fruits.....	643 tons
Pork.....	2,000 tons	Beans.....	1,000 tons
Lard.....	1,200 tons	Beverages: (tea, coffee, cocoa)	176 tons
Butter.....	1,300 tons	Jam.....	495 tons
Cheese.....	300 tons	Spices.....	24 tons
Sugar.....	3,900 tons	Salt.....	400 tons
Flour.....	7,500 tons	Fish.....	75 tons
Potatoes.....	11,000 tons		

Every province contributed to this grocery list; every part of the country profited from it. *Farmers* found a market for their wheat, their dairy produce and vegetables; *stockmen* for their cattle; *growers* for their fruits; *fishermen* for their catch—and *workers* in food processing and packing plants for their skill.

Another million and a quarter dollars went to farmers for fodder; many of them, too, found employment in woods operations when work on the farm was at low ebb.

Whole communities depend on this great industry; it touches the life of every one of us. Therefore this industry should be kept stable, strong and active.

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	Prewar Year Ended Sept., 1939	Third War Year Ending Sept., 1942	% Increases
Inspected Hog Kill (Head)	3,186,740	6,506,000	104%
Bacon Exports (Lbs.)	160,926,100	535,702,000	233%
Inspected Lard Production (Lbs.) .	53,000,000	93,000,000	76%

The percentage of increase in bacon exports has so greatly exceeded hog production that the Canadian market has been left almost bare of hams and bacon.

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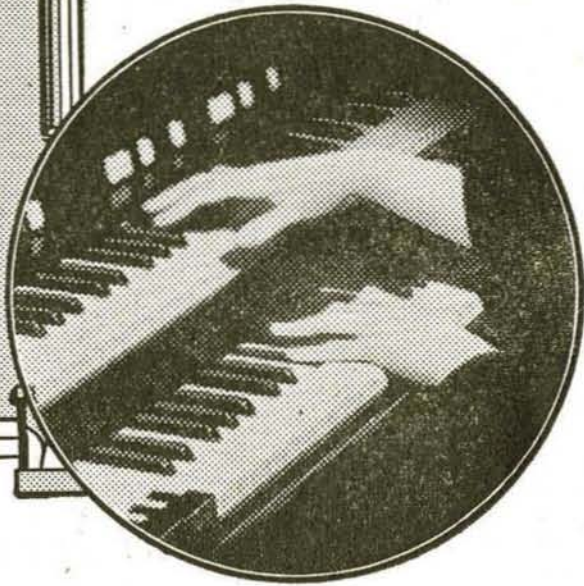
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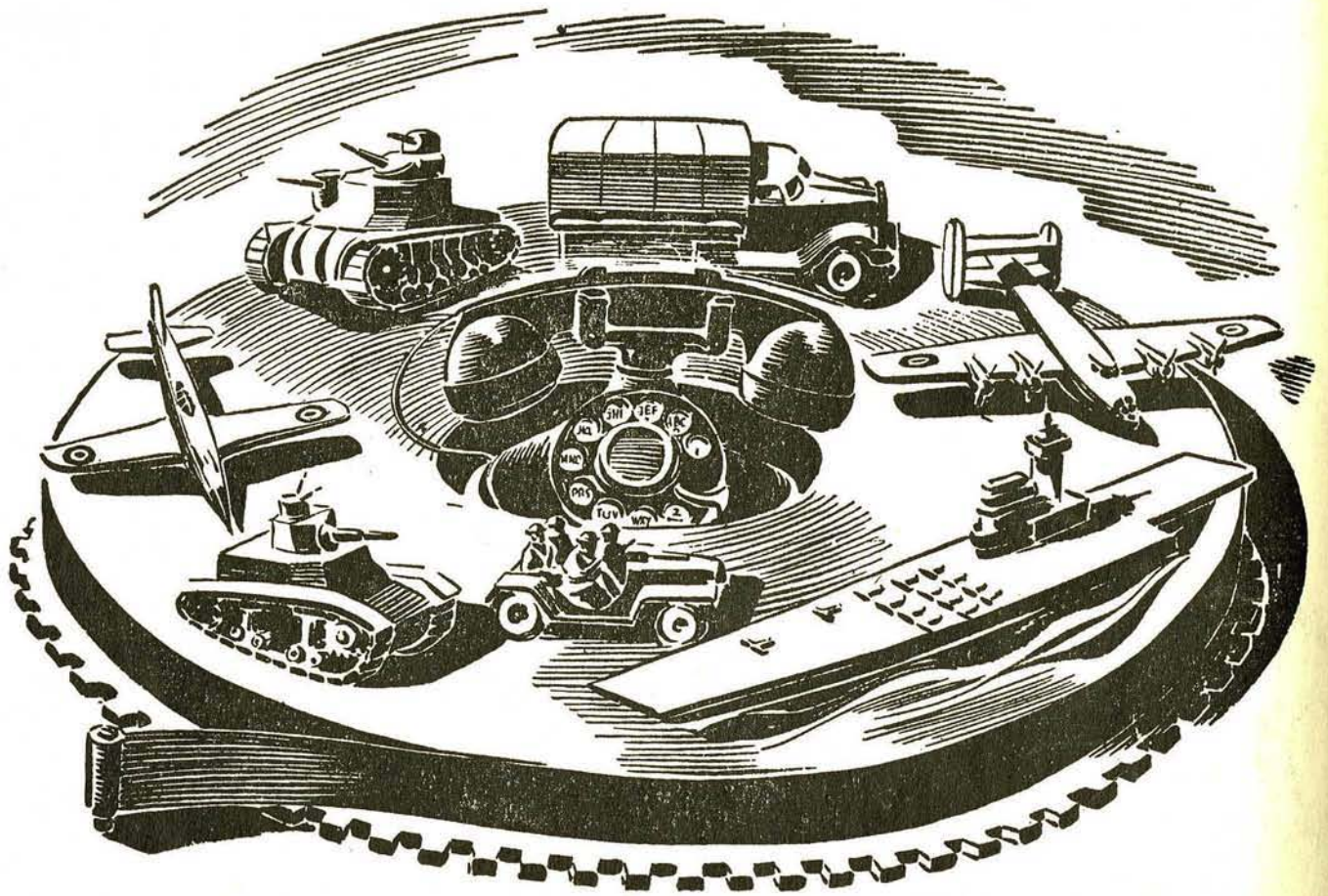
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SPECIAL ISSUE

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FOREWORD

SINCE Churchill and Roosevelt have proclaimed the Atlantic Charter, no apology is needed for discussing post-war problems while the fight is on. Envisaging a new world and a more abundant life at the end of the struggle is not a diversion but a source of strength. The better we know what we are fighting for, the better we shall fight.

It is a hard way that leads towards the New Social Order. It means overcoming innumerable obstacles, impairing vested interests, abandoning popular beliefs. Plans will be needed, bold in their concept but meticulous in the care applied to their preparation. They must be inspired by confidence in Canada's future and by faith in her people, for it is only through the active cooperation of the Canadian citizen, by his enthusiasm and discipline that the goal can be reached.

The contributors to this issue have attempted to explain to the reader what the New Order implies and by what means it might be achieved. Every one of them deals with a phase of the problem with which he is particularly familiar and each expresses his personal opinion and commits no one but himself. Some of them are critical of present conditions in the political, social and economic fields. But their criticism is constructive: it will help towards a better understanding of the great tasks which lie before us.

The issue reaches the reader after considerable delay. The Editor was waiting for several articles, among them contributions of two distinguished English proponents of the Reconstruction movement—the Archbishop of Canterbury and the Editor of the London "Economist." But while Dr. Temple's article finally arrived, the other has become a war casualty. It may be published in a later issue.

Towards A New Social Order

AN INTRODUCTION

THE purpose of this special issue of the journal is to bring to our readers some of the discussions that are beginning to dominate thinking on postwar organization. Much of the discussion is taking place abroad, and much of it is in journals not readily available to Canadian readers. Again the propositions so often presume a background of British or American conditions that the editor believes the translation of these into Canadian terms and experience would be fruitful of further discussion of the subject in Canada.

For this purpose it was essential that the various contributors should have some common faith or credo. It was not possible, or even desirable, that each contributor should subscribe to a single statement of what the social objectives of democracy in the twentieth century might be. But it was desirable that the social ends envisaged by the various writers should not be too widely dispersed. It was suggested to them that if the following principles could be accepted as a norm around which their beliefs clustered, the essential unity of treatment would probably be achieved as between the various written contributions.

The first need in any discussion of post-war questions is some agreement about the social objectives of democracy. If we interpret aright, it appears that the modern task of democratic peoples is to create in their economic life, a system of individual rights and duties such as they created in the political life over the past three centuries. Democracies have created not-unsatisfactory systems of political rights, but economic rights have not yet been defined or systematised.

Accepting this view, the social objectives might be twofold.

(1) The definition of the basic economic rights of individuals in a demo-

cratic society. There seems to be a growing agreement that there might be a national minimum of economic rights established, below which no citizen in a democracy should be allowed to fall. This minimum would include for every individual the right to a socially defined amount of food, shelter, clothing and fuel, and also the right to equal educational and health facilities. This minimum has been well described as the *Economic Bill of Rights*. Further, the programs of social insurance already developed have to be completed to meet more satisfactorily the instances of individual poverty arising from sickness, old age, loss of breadwinner, temporary unemployment, and probably also the poverty arising from existence of very large families.

(2) The acceptance of the above rights means that in the defined fields of food, shelter, etc., the industries have to be organized for consumption, and that this consideration, rather than the profits to be secured in such industries, may have to be the determinant of the amount and kind of service provided by such industry. And there is still another field in which the interests of consumers have to be strengthened and made dominant, viz., in all those instances where monopolistic practices of producers serve at present to profit them at the expense of the whole. Here, as in the industries providing the basic needs of the people, there has to be *more order* and regulation than we have had in democratic societies.

Outside these areas, however, the need for regulation is small. In the remaining segments of the economic life our objective should be to achieve *more freedom* of action for producers. It is here that the profit motive may be left to its best operation, to the development of the full initiative and enterprise that new democratic life can make possible. Consequently, our aim here, in the free

EDITOR'S NOTE: The Introduction was on behalf of the Editorial Board written by Professor Stewart Bates of Dalhousie University.

sector, should be to remove unnecessary controls and to remove the present psychological attitude which suggests that profits from work and enterprise are hardly moral.

Such an outline might be acceptable as the framework within which greater measures of economic democracy and economic progress might be achieved.

As to the means, it is obvious that the above program would become difficult of achievement if democracies again allowed themselves the wastes that come from unemployment of men and materials. In Canada, we were able to raise our national income by forty per cent between 1938 and 1942 by the expedient of removing unemployment. The levels of income now reached for war production can be maintained in peace-time, and this is one source from which the means can be found for securing the above program.

In other words, the State has consciously to set itself towards securing full employment, towards securing more stable investment and more balanced expenditures on the renewal of existing capital equipment, on replacement and on introduction of new types of equipment. The State cannot achieve this alone except so far as it indulges in expenditures of the same size as those during war. Hence, in peace-time it must try to induce and persuade private capital to keep at a steady high level of investment, and only when inducement and the policies taken toward that end have failed, should the State itself try to fill the gap and maintain employment by large expenditures on public works and other such outlets. If, however, conditions are such that private capital is unable or unwilling to maintain the employment that prevents depression, there is some obligation on the State then to engage in capital construction to prevent the enormous wastes of unemployment.

A second and necessary source can be found only in the responsibilities of citizens themselves. The new rights must go with new responsibilities, and men's ideas have to change, as they do in war, towards a willingness to work at

least part of the week for the benefit of the state as a whole. War provides the dynamic that releases this willingness: the peace can be made to do likewise if it is given a dynamic, and that dynamic may be the objectives suggested above.

As to the organization of industry itself, the above program defines respectively the spheres in which we need more order and those in which we need more freedom. In the former, more order need not mean nationalization of industry. The provision of adequate food for the people does not presuppose the nationalized food industry. Already in Canada, the War-time Prices Board uses other methods to distribute food-stuff at low cost where that seemed socially desirable, that is the methods of rationing and subsidy. In some industries the basic services may be given free, like education to-day. The choice as to method in each instance is one of welfare and efficiency.

So too in the regulation of monopolies. Before the war much experience was gained as to the extent of such practices, and controls were evolved. During the war Governments have had to go farther in control in order to minimize wastes in productive and distributive methods in industries of national importance, as, for example, in the standardization and simplification orders and in the attempts to remove social wastes in advertising, delivery service, etc.

In Canada all these objections and methods are dependent for their achievement on some solution being found to the problem of federal-provincial relations that plagued policy in the '30's. Before any action along the above lines can be taken both the Dominion and the Provincial Governments have to support it. Because of this, significant changes are not easy to make and wholesale constitutional revisions (such as may be necessary to achieve the above ends) are not easy to contemplate.

The above outline has made no mention of international conditions. But just as democracies in their internal

policy, will never return to the disorders of complete freedom, so in international affairs we have to look for a definition of certain fields of trade in which there has to be more order than in the past, and other fields in which unnecessary controls will have to be removed. The principles of division in these two fields may correspond with those in internal trade. The basic rights of weaker nations have to be recognized, and they too may have to be guaranteed their minimum

standards of living at the expense of the richer powers.

These notes outlined above were submitted to each contributor to this issue as a statement of socially desirable objectives. It is recognised that knowledge of goodness does not necessarily lead to the good life, but the knowledge is nevertheless primary and necessary. The following contributions elaborate some of the difficulties, mechanical and human, that are likely to confront society in any attempt at social reconstruction.

Christianity and Reconstruction

By DR. WILLIAM TEMPLE, Archbishop of Canterbury

HAS Christianity any special contribution to offer to post-war reconstruction? Certainly it cannot by any illumination of its own determine the probable effects in the political and economic spheres of the various proposals which may be brought forward. Its concern is not with ways and means, but with objectives and ends. But here it has a great deal to say, part of which it says in common with other ethical religions and with some non-religious ethics, part of which belongs specially to itself.

In its insistence upon the true ends of life it must also insist on the distinction between means and ends. For the Christian, economic wealth can never be an end; indeed, in face of the warnings in the Gospels, individual possession of economic wealth beyond what is needed for a full personal life in fellowship with one's neighbours, should never be an object of desire at all. Riches are a responsibility and a snare; if they come to any Christian, he must either renounce them or accept the responsibility, recognising and avoiding the snare. But they are not a true end of human endeavour. There is only one chief end of man—"to glorify God and enjoy Him for ever". In comparison with this, all else is relative. But there are also real ends which are subordinate forms and expressions of this one absolute end—friendship, family

affection, knowledge, appreciation of beauty: these are true ends of man because they are all forms of communion with God, whether they are recognised as such or not.

The distinctive contribution of Christianity as compared with other ethical religions is the primary place which it gives to Love—Agape. This gives a special quality to the Christian's conception of Justice or Righteousness—Dikaio-sune; indeed I should claim that only in the light of the Christian doctrine of Love it is possible to give a fully intelligible meaning to Justice. In what follows we shall find at least one point where this special Christian emphasis is relevant. For the most part the Christian is guided by the ethical principles common to all systems of thought which recognise a moral law as supreme, over against those ideologies which give the supreme place to a nation, a race, or an economic group.

The first insistence of the Christian is upon the human person as an end in himself; that is common to all religions which postulate for man the destiny of eternal fellowship with God—or exclusion from it—and to all systems which, like the Stoic or the Kantian, accept the guidance of universal Reason. For the Christian it is essential. He believes that man was made in the image of God for

fellowship with God; that when man defaced that image and broke that fellowship, God, in the Person of the Son or Word—that is, in the self-expression due to His Nature of Love—lived and died as a Man, God's perfect image; and that by so doing He set moving among men who heed that self-disclosure a new power of love and of restored fellowship with God—the Holy Spirit. If God has so dignified the person of man, we have an obligation to give honour where God Himself has given it.

So the Christian will insist that the supreme concern of those who in any way order human life must be the Human Person. This does not imply unlimited individualism, for the Human Person can only exist and be himself in community. It is therefore to the Person in Community, the Fellowship of Free Persons, that the Christian will direct his efforts. This means in general terms, the provision of all that makes for the full development of every citizen in such a way as to encourage and not to stifle his individual initiative and enterprise.

Here it is well to note in passing that there is no antithesis in practice between security and enterprise. No doubt it is true that to aim at safety first is very different from adventure; but psychologically a large measure of security is a necessary pre-condition of adventurousness for most people. Anxiety is the most paralysing of all states of mind: a general situation which creates anxiety for a large number of people is precisely what will lead them to seek "safety first". Give them reasonable security, and many will use it as a spring-board for adventure. To renounce wealth, like St. Francis, and live in voluntary poverty is an assertion of independence and of individual freedom; to be condemned to involuntary poverty is a restriction on freedom and a denial of independence, so that the springs of adventure are sapped.

So our reconstruction will be planned with a view to gaining for all citizens the basic securities—a house fit to be the home of a family, adequate and properly balanced nutrition, and educa-

tional facilities by which each may develop to the full his or her own aptitudes and capacities.

All this can be accomplished only in a world of relatively secure peace and of general prosperity. Here, as against the Totalitarians, the Christian will repudiate the acquisition of Power as the end of the State. The end of the State are fully developed persons in the widest and deepest Fellowship. But the Christian will urge (as I think) that the State must possess power, not as an end, but as a means of protecting the civilisation and human welfare of which it is trustee against the aggression of States which have made Power their end.

So much is generally agreed. But we are learning that the economic aspects of reconstruction are as important as the political in the international just as in the national sphere. Here too our aim must be freedom in fellowship. What does this mean in practice? An illustration is here the easiest way of stating the difficulty.

Great Britain has developed a population and form of life which makes her dependent on imports; for these she must be able to pay with exports. But there has been a tendency to press exports beyond what is needed to pay for the imports, in order to secure what is called (perversely enough) a "favourable trade balance". This means that others are in debt to Great Britain. As this debt is something outstanding after needed imports have been received, the "loan" is often converted into investment in the various services of the debtor nation—their railways or the like, so that the public utilities of this debtor country are largely owned by Great Britain. The debtor country may come to resent this situation; then tension arises and is a pre-disposing cause of war.

The two world-wars have caused Great Britain to part with most of her foreign investments in order to finance her military operations by sea, land and air. She is more likely now to be a debtor nation than a creditor nation. But others will be creditors. The problem for the

United States in the later twentieth century is likely to be more acute than it was for Great Britain in the nineteenth. I understand that the United States must export—not to pay for imports but to keep her people employed. (Has not something gone wrong if that is so? It implies that there are in America all the goods which all its people want, and a good many over. To work hard so as to maintain that superfluity, and plead that it must be exported to keep the work going, has an air of Alice through the Looking Glass. Is the trouble, perhaps, that money is not issued proportionately to the goods produced so as to make an “effective demand” for them as well as a mere human need for them? But this is a matter for the experts. The Christian as such is not concerned with it except to insist that human need is paramount).

The United States, then, must export. But she does not wish to import. How are those exports to be paid for? She does not want gold—(Who does? We dig it expensively out of a hole in the ground in Africa and bury it in an expensively made hole in the ground in America. More “Alice”)—and she excludes imports by tariff walls. Will she make all other nations her debtors? But this is economic imperialism, turning other nations into tribute-paying vassals. It is terribly likely to lead to another war.

Plainly the basis is wrong. Commerce ought to be for the benefit of both parties to every exchange; but a method of conducting it which makes one group of nations permanent debtors to another group is not a method conducive to the growth of freedom and fellowship. We have followed a false lure so long that we have created a tangle from which it must be difficult and perhaps painful to extricate ourselves. The way out, however painful, is for the economists to indicate. The Christian’s task is to insist that it must be a way which leads to greater freedom and wider fellowship; he will insist that in such a situation it is important to remember that Justice is not a mere establishment of monetary equivalence, but is the expression of the

principle “thou shalt love thy neighbour as thyself”. Political, social and economic measures must all be fashioned with that aim in view.

An American reader is very likely to say: “All very well; but you British have had your innings; now it is our turn”. As a British citizen I could only reply—“That sounds fairer than it is! When we re-invested our surplus credits abroad, we did it in new and rapidly developing countries, and those who were developing those countries were largely European immigrants. But already that situation has changed, and there was a growing resentment in those quarters that foreigners should own their public utilities, their industries or their land itself. If the loans had been—as I think all loans and investments should be—self-amortising so that the debtor-credit relationship was transient, very little harm would result from the following of the same method today.”

As a Christian I should reply—“The fact that A followed a less than ideal course in the past is not a sufficient reason why B should follow it in the present. From the Christian standpoint Great Britain and America are irrelevances, except so far as they are nations deeply influenced by Christian principles. But our concern is with the Human Person whatever his race or nation and his opportunity to live as a free man in community.

Moreover America has inaugurated a new method in the Lease-Lend Act. I have no doubt she will follow her own inspiration and so become the pioneer of a more Christian relationship between nations in their economic dealings.

Freedom and fellowship: the Person in Community—those must be our guiding principles. Fellowship with God on the part of the human person made in His image and restored to it in Christ; fellowship in God with his neighbour as equally with Himself as God’s child; freedom of each fellowship of neighbours to develop its own communal life; fellowship of each free group of neighbours with every other such group in the world-wide family of God.

Providing For The Essentials Of Life

Feeding the Nation

By L. B. PETT

SCIENCE must have some bearing on social institutions because it enlarges the knowledge of man and his control of his environment and his own life. The biochemical investigation of problems of nutrition has already shown a remarkable correlation of health and development with the level of diet. This correlation, and its social implications, have been recognized for many years, and have changed with the acquisition of more and more information. In the last ten years standards of food requirements and other investigations in nutrition have advanced sufficiently to bring a glimpse of a wonderful new social order in which abundance of the right foods, adequately used by everyone, would bring a degree of health and vigour never before considered possible. This article will, therefore, consider food and nutrition, not simply as a means of survival, nor yet alone as a method of avoiding certain diseases, but rather with the positive objective of hitherto uncommon health and longevity. This objective puts food in its proper place as an essential of life for which all must strive in post-war reconstruction.

Toward the end of the last century the new science of nutrition had progressed to a stage of setting up certain standards of food requirements in terms of daily amounts of proteins, fat and calories. A few mineral salts were grudgingly included. It should be emphasized that the requirements of to-day, as well as of that day, are estimates based in some instances on very inadequate experimental evidence. But these estimates, changeable as they may be, are nonetheless valid for consideration in relation to their social impacts. On the basis

of the estimates current about 1890, Booth and Rowntree¹ calculated the cost of a minimum adequate diet and concluded that a large proportion of the population could not afford this minimum believed to be necessary for a healthy life. It is almost needless to say that this conclusion was neglected at that time.

A few years later found the minimum requirements, which had been previously accepted, being criticized, some as being too high, others as too low. This type of criticism is levelled against standards even to-day, and will continue to be so levelled until the experimental evidence is complete. It must be realized, however, that progress has been made, and current standards rest on a more accurate foundation than those of 40 years ago. In 1905 Chittenden² was advocating a lower protein intake and others also criticized Booth and Rowntree for using a minimum food standard that was "wastefully high." At this stage the accurate knowledge of nutrition was very small, and the scientific method had not yet begun to establish the new conception of food and its relation to health. It was therefore impossible for the economic and social implications of Rowntree's calculations to be appreciated.

In the last thirty years, with the advent of the vitamins³ into nutrition and social consciousness, advances in nutrition have been so rapid and fundamental that it is now possible to examine once more this thesis. The thesis is that a large proportion of the population cannot obtain suf-

1. Booth and Rowntree, quoted by Bayliss, L. *General Physiology*, 1918

2. Chittenden, R. *Physiological Economy in Nutrition*, 1905.

3. Vitamins are organic food substances found in varying amounts in foods and essentials for life but needed in very small quantities such that you cannot see them, taste them nor smell them. A famous colloquial definition with a grain of truth in it is "Vitamins are little things that make you sick if you do not eat them."

ficient of the foods necessary for the health and vigour that they could have. The reasons for this inability have become more complex than at the beginning of the century. The purely monetary factor is still with us, in the sense that many people cannot afford the minimum food essentials, according to current standards. In addition the increased complexity of life has changed our food supplies in many ways, and has removed many people away from the chance to produce food for themselves. This situation has developed our big food industries and has aimed at greater convenience in distribution and sanitation, but not at nutritive value. Nor have we developed the socially-desirable goal of really assisting people to an adequate diet. Even with enough money for all it would be difficult if not impossible, at the present time for everyone to be adequately nourished because our production, processing and distribution of foodstuffs is not integrated to a nutritional ideal. Such an integration must form a fundamental part of any planning we do for the future.

The current situation and conceptions are further complicated (in addition to the change in distribution and processing mentioned above) by radically altered views of requirements, and by the discovery of many new dietary factors whose requirements must be defined.

The rapid advance in this field must be used as the reason why there is still some doubt on the exact dietary standards to be used. For example, in 1920 the leading pediatrician in Vienna still held rickets to be an infectious disease, while to-day we know it is a deficiency disease.³ Furthermore these standards have been undergoing a subtle change, owing to our altered views of requirements. In 1926, Corry Mann⁴ provided a dramatic human experiment which is still one of the best ever performed to demonstrate this new

idea that there are *gradations of health obtainable from food*. A group of boys was given a diet considered adequate by the standards current then, and they did not show any definite evidence of malnutrition; but a second group, treated exactly similarly in every respect except that they received an extra pint of milk a day, grew appreciably faster, were much livelier, and even learned more readily.

This means that we are now thinking about health levels far ahead of those measured by the presence or absence of definite deficiency diseases, and these health levels are dependent upon the quality of the diet.

Numerous researches in the last 15 years have emphasized this new conception of the health we could have from foods in addition to mere freedom from certain diseases, and the new requirements that must therefore be met. There is, for example, a wide margin between the doses of vitamin A which just keep a rat alive, and the doses which keep the rat from obvious evidence of disease, and finally the maximum doses which the rat seems able to use with advantage. The latter dose seems to be about four times the former. Similar results have been obtained when other vitamins are investigated. The amount of vitamin (or ascorbic acid) which will protect a human from any evidence of scurvy may be as low as fifteen milligrams but some evidence suggests that fifty milligrams may be used to advantage, and some investigators even state that the vitamin C requirements are 100 milligrams; in fact our present standard of 75 milligrams is simply a compromise between these viewpoints, until experimentation decides the issue. These differences arise from the new conception of the essentiality of food not just to avoid evidence of certain deficiency diseases, but really to provide all the requirements for a new type of life. A failure to appreciate this gradation of health sometimes leads to a distrust of new dietary standards, but the arguments of scientists over new standards are not reasons fo

3. By deficiency disease may be understood a condition of ill health resulting from the relative absence or insufficiency of one or more factors, normally found in food; it is therefore distinct from diseases caused by the actual presence of some harmful agent like bacteria.

4. Corry Mann, H. C. *Report Medical Research Council*, London, No. 105, 1926, H. M. Stationery Office.

denying the vision which has been given, nor to neglect proper planning for adequate nutrition in any reconstruction program. Research in nutrition may ultimately solve these problems, and in the meantime we must utilize current knowledge to our advantage.

Before leaving this discussion of the fact that current standards of dietary requirements, being based on new conception of gradations of health, should form our food guide for reconstruction, it will be profitable to refer to some of the results that are confidently expected to result from an application of our knowledge of nutrition.

Dramatic experiments by Ebbs in Toronto in recent years on the influence of pre-natal diets on the health of both mother and child have emphasized again a phase of nutrition that has long received attention. There is no doubt that a little effort to supply the proper foods to every expectant mother would greatly reduce the troubles and hazards of childbirth, would hasten the recovery of the mother, and would assure life and health and strength to thousands of babies who would otherwise have died or been weaklings.

Then again when the child comes to school, current evidence suggests that it will learn more readily, play more happily, and generally fit into the scheme of things more easily if it has been properly fed. We know too that the teeth will be better if the pre-natal and childhood diets have been proper.

When a person comes to the age for working, and the eyes and ears and fingers must all be used, in office or in industry, once again proper nutrition is important. Surely a new social organization must emphasize the essentiality of providing proper foods so that accidents can be avoided, so that eyes will not get sore (from diet deficiencies, at least), and so that fatigue and mental dullness will not set in before they should. All these factors are influenced by the food we eat.

Sherman has emphasized for many years his experiments on rats which show that extra amounts of various

food constituents above current standards have actually prolonged life; and this prolongation is not, as it were, at the end of life, but rather it is an increase in the prime of life. Such evidence is hard to get on human beings, because we are not organized to find, nor have we the patience to wait for it, but the future may well emphasize this phase of the importance of eating the right foods.

Throughout all this evidence there is the fact that at the same time we can wipe out any trace of dietary deficiency diseases, and even reduce the number of many other diseases. Susceptibility to many types of infection is markedly increased by slight dietary deficiencies. Many of the great killers such as tuberculosis and even cancer may at times be closely dependent for their progress on an intake of poor quality food.

It is self-evident that food is an essential of life, and has an important place in planning for the future. The preceding pages have followed the enlargement of this idea from the primitive one of staving off starvation, through various changing standards to our present glimpse of immense possibilities for future health and vigour and efficiency, touching much more than disease. It is now necessary to examine briefly some of the reasons why food is not being used right now in a manner to give all people the best health it can and therefore some of the measures that will be needed. It must be admitted that malnutrition is probably widespread in Canada right now.

¶ Sir Frederick Gowland Hopkins has said that "few if any nations have at any time been ideally nourished." That great pioneer for better use of food for a higher level of health, Sir John Boyd Orr⁵ has led the way in showing how far short a nation can be from a desirable goal. He has conclusively shown that the health of a large proportion of the people of Great Britain would be improved by a better diet, and that the adequacy of a family's diet depends in no small measure on the family income. Sir John Orr⁴

⁵ Orr, J. B. *Food, Health and Income*, 1926

has said "in the United Kingdom the diet of at least 50% of the population falls short of the desirable standard."

Similar results have been found in the United States, in Canada, in South American countries and elsewhere. In all cases the causes of this condition have firstly, and probably correctly, been related to income. Large proportions of the population are not able to buy the requirements set up as desirable. This does not necessarily mean that large proportions are starving, nor that they show widespread disease, nor does it even imply that in our present state of knowledge we can be very precise about just how undernourished these people are. But they are undernourished, and they lack the means to purchase adequate nutrition.

Unfortunately, however, an increased income does not guarantee adequate nutrition, and even if we had some kind of Utopia which raised the income of everyone in the country it would still not guarantee to the public those benefits which we have suggested might be expected from adequate nutrition. *Neither would it serve any useful purpose to calculate the amount of money per person that would purchase adequate foods unless we also take steps to see that those foods have been produced in quantities adequate to supply everyone, and that they are processed, distributed, sold and finally handled by the consumer in a manner which makes it difficult for him not to get an adequate amount of all nutrients.*

This aspect of the food picture of the future has not usually been accorded sufficient attention, nor is it enough to dismiss it airily with the idea that "a little education will handle that." Proper plans must be laid for the education, and also more emphasis must be placed on the processing and distribution of foods. Even granted sufficient money, people must be guided in several ways to an adequate diet.

In the first place the primary production of each type of foodstuff must be enough both for current needs, and for a carry-over that will smooth out the variations of good crop years and bad crop

years. This primary production should also be guided to give foods of the highest nutritive value in each class. This means an agricultural policy with some nutritional basis. Since the carry-over must be stored, and may have to be processed in order to store it, then the method of processing and storage must be such as to retain as much as possible of the nutrients originally in the food, and possibly as nearly in the original form as may be done.

If processing for the carry-over is thus guided along nutritional lines, then all processing of foods might logically be expected to be similarly influenced. It must be emphasized that the processing of foods during the past 50 years has served a useful purpose for sanitation, ease of distribution and convenience in handling and preparation. It is not *necessary* to attempt a return to unrefined cereals, and unpackaged foods, although this might be desirable in specific cases. Neither is it necessary to condemn any type of foodstuff if used in reasonable amounts.

But it must be definitely stated that the nutritional aspects of all this picture have not received enough attention, and must receive attention in planning for the future. In fairness it must be said that nutrition had not sufficiently advanced to make use of it in many food industries, but it can fairly be said that right now our present knowledge of nutrition is still not being adequately applied in this field. Food industries are just beginning to realize that they should make a product as nutritious as it can be.

Having produced the right foods, and in sufficient quantities, the retail stores or other contacts with consumers must assist a consumer to acquire suitable amounts of the right foods. This is a matter of education both for the consumer and the clerk, and probably this education belongs in regular graded classes in all schools. Schools can give more than just the fundamentals or rudiments of nutrition that they now attempt. They can make it practical.

It may well be recognized some day that proper feeding of school children

is the best method of assuring in a simple manner a proper foundation of health for the whole nation. It may also be realized that society could save money which is now wasted in trying to teach children who cannot learn from lack of adequate foods.

The right of every expectant mother to proper foods should some day be not only recognized, but actually arranged through pre-natal clinics for everyone.

The influence of nutrition in industry may prove to be so important that no employer would dare neglect, (even if he were able to do so) the value of assistance to his workers in getting an adequate diet.

One thing is clear in this outline of what could and should be done in a reconstruction program aiming to put food in its proper place as an essential of life. That thing is a degree of control which does not exist to-day. The primary producers of agricultural products must be

controlled sufficiently to assure enough of every kind of food that is needed. I have recently calculated these quantities for Canada, and a change in our agriculture is certainly indicated. This control probably means a guaranteed price for these commodities, so as to remove the hazards and stabilize the occupation. Some control of the processing and storage of these foods is necessary so that the public may not be misled into a false sense of security in the foods that are bought. The needs of special population groups like expectant mothers, school children or industrial workers must be met in a manner geared to the aims and needs of the nation.

With such controls, of price, information or whatever is needed in the broad integrated plan for the new order, food will continue to take its place as an essential of life, but could do it in a new manner so as to bring untold blessings to the whole nation.

Homes for the Future

By C. MAJOR WRIGHT

AS in most other countries the present war has also in Canada opened the eyes of the general public to the detrimental effect which unsanitary and blighted housing conditions have on people's working capacity and morale.

Another natural consequence of the war is that since priority has to be given to construction directly furthering the war effort such as ammunition plants and airdromes, the construction of dwelling houses fails to keep pace with the increasing demand. That is to say, when the war is over the housing shortage in Canada, as in all other belligerent countries, will be far greater than it was in September, 1939.

In a study presented in 1939 to the Royal Commission on Dominion-Provincial Relations, Dr. A. E. Grauer, Director of the Department of Social Sciences at the University of Toronto, describes the conditions preceding the present war as follows:—"The phenomenal growth of urban population in Canada in the past thirty years would of itself have imposed a severe strain on housing accommodation . . . But on top of this growth came four years of war when the resources of the nation were turned into new channels, a further period of expansion marked by considerable immigration, especially into urban centres, and eight years of severe depression resulting in almost complete cessation of building activity. The inevitable result is a housing problem of unusual magnitude and acuteness."

That the Canadian housing conditions

EDITOR'S NOTE: C. Major Wright, internationally known housing expert is on the staff of the International Labour Office in Montreal. Previously he taught at the University of Toronto. During the summer of 1942 he studied the British Housing Program as a member of a Committee of experts appointed by President Roosevelt.

have not been ameliorated during the present war is evident since the general effect of war controls is to discourage investment in the construction of dwelling houses, the building of large houses, for example, has almost entirely ceased. Licensing was designed to prevent the investment of capital in buildings and is having the desired effect.

The Dominion Bureau of Statistics' recent report on housing in Canada emphasizes the seriousness of a situation long apparent to the public. From seven to twenty-eight per cent of all households in twenty-seven Canadian cities are overcrowded, and not less than 110,000 new dwellings are required to relieve the immediate housing shortage. When it is considered that this shortage of 110,000 dwellings represents more than 10 per cent of the total number of all urban homes, the seriousness of the situation becomes startling.

In addition to this actual housing shortage Canada will, unless drastic steps are taken, also be faced with the danger of bad housing conditions which is always a product of a state of mind typical for expanding industrialisation. The huge discrepancy which already existed before the war between industrial and agricultural wages does not encourage the agricultural workers who have been absorbed in industrial war plants to return to their homes in the country.¹ Consequently the cessation of hostilities will see the housing shortage in the new industrial areas increased rather than diminished. Furthermore the housing shortage will be accentuated by the opening up of new areas. It is likely that the opening of the St. Lawrence Waterway and the Arctic highway to Alaska will provide occupation for a large number of workers in new areas lacking in housing accommodation.

In the autumn of 1492, Mr. George S Mooney told the Real Estate Board's

Convention in Montreal that the re-planning and rehabilitation of Canadian cities was one of the most pressing problems of the post war reconstruction period. Mr. Mooney declared that fullest possible employment and social security would be a basic essential of the post war era, and that urban reconstruction would be one of the greatest potential fields for giving such employment. He further emphasized that progress in this field would have to be systematically planned to make the most of its ability to give employment and to meet pressing needs for urban improvement. The evidence before the Reconstruction and Re-establishment Committee² demonstrates that adequate city and regional planning is absolutely essential as the basis for any efficient housing program. As city planning cannot be enforced overnight, properly prepared town plans should be completely developed and adopted before any post war housing development is finally approved. Especially in the case of the larger cities work on the general town plans should be started immediately and the locality or neighbourhood for which the post war development is proposed, should be so planned as to fit into the general city plan when this is completed.

Although the problem which faces Canadian housing authorities is tremendous both in scope and importance, it is no greater than that facing many other belligerent countries. It might, therefore, be interesting to analyse the blueprints and plans which already exist for post war rehabilitation of English and American cities.

In the middle of bomb-scarred England it is remarkable to find the general attitude that bomb damage is only a short incident in history, whereas blight and slums will be with us for a long time to come. They represent the real problem which has to be faced. A foreign observer visiting the war torn British Isles is immediately impressed by the enormous

1. In his book *The Conditions of Economic Progress*, Colin Clark compares figures representing the rural wage as a percentage of the industrial wage in a number of countries. The Canadian rate is the lowest of the lot: Finland 83, Australia 82, Estonia 79, Latvia 79, France 58, Norway 57, Holland 53, Denmark 53, Germany 52, Switzerland 51, Czechoslovakia 49, Great Britain 48, Poland 32, Sweden 31, and Canada 24.

2. Special Committee on Reconstruction and Re-establishment, *Minutes of Proceedings and Evidence*, No. 6, House of Commons, Session 1942, Ottawa, 1942.

importance which is attributed to the opinion of the common man, without whose steady energy and willingness to sacrifice England would not have remained the fighting outpost of Europe. Not only is it generally realised that it will be a major responsibility of any future government to house its people in decent and sanitary homes, but it is also recognized that it is important that the new homes correspond to the wishes of their inhabitants. As an illustration of how governmental authorities encourage the public to formulate and pronounce their wishes, it can be mentioned that the Ministry of Health Committee on the Design of Dwellings asked the Standing Joint Committee of Working Women's Organisation as to their views on the planning of their future homes. The members of this as well as those of other organisations showed their interest in the request by responding with great sincerity and a deep sense of responsibility. The result is that many suggestions are continually forthcoming to secure that future homes will be well built, well planned, and well furnished, to make life happy and comfortable for the families who live in them and to make work pleasant and easy for the women who work in them. Many sceptics have been surprised to see that in most cases the wishes were reasonable and the improvements suggested so uniform that they could be realised on a large scale without too heavy costs.

A visit to England is also interesting from the point of view that everybody realises that the problem ahead is so tremendous involving the building of several million houses, without counting the thousands which will need to be reconditioned, that all jealousy between private and public enterprise is entirely unfounded. There are plenty of tasks for them both to perform. The objective of post war economic adjustment and especially of the British post war housing program, however, requires a close co-ordination of private and governmental activities. General agreement, therefore, exists that both public and private invest-

ment should be deliberately controlled so as to establish the greatest possible employment. The tax abatement system for excess profits, the revenue of which is earmarked for post war construction, of factories as well as of workers' dwellings, constitutes an important part of the preparation for post war building. All parties, even the Conservative, expect that a priority system of materials will be applied in the post war period so long as there is not enough labour and material available to build both for the low income groups and for the more well-to-do, that is, no luxury building would be permitted as long as the housing problem of the lower income groups has not been solved. There is unanimous agreement that finance is not decisive and cannot be allowed to become a bottleneck in post war housing. Even English real estate people, who after the last war were anxious to return to the unregulated conditions prevailing before 1914, now realise that control and planning have to be retained. Also, the Government has learnt its lesson in this connection and the Ministry of Works and Planning has been created to plan the building while the Minister in charge of reconstruction will co-ordinate all the plans¹ into one great national plan. The Ministry of Works and Planning has to see to it that the general plans are ready in time, whereas the local authorities can make detailed plans for their own towns. The Uthwatt Report presented by the Ministry of Works and Planning to Parliament in September, 1942, states that planning is intended to be a reality and a permanent feature of the administration of the internal affairs of the country, and that the system of planning assumed is one of mutual planning with a high degree of initiation and control by a Central Planning Authority, which will have national as well as local considerations in mind, and that such control will be based on organized research into the social and economic life of the country and be directed to securing the use and development

1. Such as plans for mining, farming, transport, and industrial production.

of land to the best advantage. The purely individualistic approach to land ownership must be abandoned as the most effective utilization of the limited national resources involves the subordination to the public good of the personal interests and wishes of landowners. The leading aims of general planning should be the removal of undesirable structures, the check on non-conforming uses, the provision of more suitable layouts and the control of redevelopment. With regard to developed land, the report suggests that the planning authority be given power to purchase the whole of war damaged and other reconstruction areas and that once an interest in land has passed into public ownership, it should be disposed of by lease only, and not by way of sale. The Committee recommends that where buildings are substandard or represent non-conforming uses, the planning authority should have the power to fix the life of such buildings for, say, 10 years. For undeveloped land the owners should retain all rights save the right of development, that is, the right to convert agricultural, forestry, pasture, or other vacant land into residential, business or industrial uses. Fair compensation should be provided owners for the loss of title or for confiscation of the rights of development and there should be as little interference as possible with the economic life of the country or with individual enterprise. As increased values may still occur to developed land in private ownership, the Committee recommends the imposition of a periodical levy on the increase in annual site value, with the object of securing such betterment for the community.

In Great Britain special consideration has been given to the problem of counteracting the congestion of the large industrial centres. A policy of industrial decentralisation would allow shorter travelling distances from home to work and consequently shorter gross working hours. Britain has a wide experience in the policy of industrial decentralisation. Before the war large trading estates which made it possible for industries to rent

factory space appear to have been especially successful in accomplishing some decentralisation. The large-scale demobilisation of war plants give particularly good opportunities for large-scale decentralisation of industries, and plans to that effect are in preparation. The evidence before the Barlow Commission demonstrates that labour supply and proximity to the market are of the greatest importance in the localization of light industries. A Board of Trade's Survey of Industrial Development proves, however, that in reality a marginal factor, such as the availability of premises of the right size and shape and with suitable facilities and the possibility of renting rather than buying, is decisive. That is to say, that it is possible to relieve the congestion in the already overcrowded industrial cities by establishing trading estates in new areas. Under the Special Areas Acts of 1934 and 1937, the Commissioners have power to establish trading estates on which factories are grouped or to build and let individual factories anywhere within the areas. There is also power given the Treasury to make loans to site companies in depressed districts outside the special areas. The existing volume of permanent new employment on the trading estates is a very useful contribution to the problems of the special areas, not only numerically but also because of its moral effect. Once light industries have begun to develop on the estates and have demonstrated that location in the special areas has no disadvantage, the way is open for other firms to follow and to begin to develop in other parts of the area. Nuffield Survey investigators in South Wales, West Scotland and the North East agree that the establishment of trading estates has been the greatest single step towards the permanent revival of activity in the special areas. On the whole, there seems to be very general agreement that trading estates were the most effective means employed by public authorities before the war consciously to effect the location of industry. It is natural therefore that great hopes are attached to the beneficial

effects of an extended application of the trading estate system after the war.

During the war essential industries have been concentrated in the most efficient and labour-saving plants and production of necessities has been standardised to a hitherto unknown degree. Most goods available for civilian consumption can thus be obtained only in the form of "utility goods," i.e., a low-cost uniform product which is produced on a large scale. It is probable that the present complete control of industry will be relaxed only on the condition that the Government will continue the production of utility goods. In this way it will be secure that the advantage of technical progress and large-scale production will be fully utilised, providing the consumer with necessities at the cheapest possible price. The concentration of industry has already reached a number of the building material industries, such as the brick industry, and a number of building industries, such as the joinery industry. The shortage of skilled building workers after the war has in Britain been estimated to be especially pronounced in trades required for repair works, such as painters and plasterers. The repairs neglected during the last three years alone will require fulltime work from all available painters for more than two and a half years. Arrangements have therefore already been made not only to train an additional number of skilled workers but also to introduce new building methods such as prefabrication requiring a smaller relative proportion of skilled workers. The Scottish Special Housing Association, owned and operated by the Government, is paving the way for new building methods. However, prefabrication is undoubtedly more in line with the construction methods in the United States than in almost any other country in the world.

According to William Reed, Director of the Standards Division, U. S. National Housing Agency, there are no reasons why a prefabricated house will not last just as long as an ordinary house. Many of the houses now on the market can be

used indefinitely with a minimum of maintenance and repair. There are an infinite number of designs to which prefabrication is adaptable. A variety of two-storied houses are being built by several prefabricators. They claim that their use of precision dimensioning and cutting and their factory control of the fabricating operations make their houses more sturdy than ordinary houses. The buyer has a guarantee of the quality of the house that is as good as the name of the manufacturer. Henry J. Kaiser proposes to initiate a large-scale production of prefabricated houses when the war is over. They will be three-room units and will sell for \$1,500 complete with radio and heater.

The curtailment of the construction of dwelling houses during the war has, in Canada as elsewhere, caused unemployment among bricklayers, stonecutters, plasterers, slaters and tile setters. Consequently fewer young men have entered the trade. When the war is over, many of the trained workers will retire on account of age. There will, therefore, probably be a severe shortage of workers in these trades. Canadian authorities might profit greatly from the new methods of mass production and standardisation now being tried out and developed in the United States. Not only will these methods make it possible to produce low-cost housing on a large scale within acceptable time limits, but they will also help to overcome the shortage of skilled workers.

Another interesting aspect of American housing policy is the extensive use which is made of the Gallup Poll method in order to investigate what people want in respect to housing accommodation.¹

Looking upon the above innovations suggested or carried out in other Anglo-Saxon countries, it might be possible to find a clue to the solution of the enormous housing problem with which Canada will be faced in the post war world.

Control and planning must be retained,

1. Melville C. Branch, Jr., Director of the Bureau of Urban Research, Urban Planning and Public Opinion. Princeton University, Princeton, 1942.

not in order to restrict building, but to secure a healthy and orderly expansion and the procedure for undeveloped land, suggested in the Uthwatt report, can be applied to the new land which the opening of the St. Lawrence Waterway and the Alaskan highway will bring within reach of the industrialised area. The system of Trading Estates may succeed in counteracting the growth of the already too congested cities in establishing new industrialised centres in healthier and happier surroundings making for a clean bill of health and therefore for efficiency. The Gallup Poll method already applied to city planning in the United States and Great Britain, may also succeed in Canada in making city re-organisation both realistic and democratic, basing it on a foundation of public opinion which accepts the purposes of those efforts and approves the general methods of accomplishment.

The task is big enough for public authorities and private enterprise to share the field, the public authorities securing

that healthy standard dwellings are made available for the low income classes, by utilising technical innovations and standardisation to their fullest economic advantage, leaving the demand of the financially better off buyer to private enterprise. Building methods such as prefabrication requiring a smaller proportion of skilled workers should be employed at least until a sufficient number of trained workers are available, and low-cost housing projects should be given priority in regard to available building materials until they, through increased trade and production, can be provided in quantities sufficient to satisfy the existing demands.

If at the end of the war the Canadian people were presented with attractive plans which enabled them to exchange their victory bonds and certificates for a title to a new home, it is not unlikely that Canada would realise Ambassador Winant's prophesy that "the drive for tanks will become a drive for houses."

Health For All

By L. RICHTER

HEALTH means more than absence of illness. It implies physical fitness, mental alertness and creative energy. Good medical services are alone not sufficient to build up a nation's health. Proper nutrition, adequate housing and carefully planned social services, a sound education and reasonable use of leisure time are contributing factors of equal importance. How these aims can be achieved and a decent minimum standard of living secured to the Canadian people is discussed elsewhere in this issue. The present article on Health can therefore be confined to the contribution which medical science through curative and preventive services can make to the country's welfare.

How can we improve the health of the Canadian people? That there is an urgent need for improvement is borne out by the experience of our recruiting offices which had to reject a shockingly high percentage of young men because of their physical unfitness for military service. It is proved by the record of relief agencies which show ill health the most frequent cause of poverty. It is emphasized by the death rate of babies which in the year before the war was 60 per thousand live births, while the rate in New Zealand was 36 and in Australia 38. Nor is there any justification for the glaring differences which in that respect exist between the various parts of the Dominion: twice as many babies died before reaching their first birthday in New Brunswick compared with British Columbia, the ratio

EDITOR'S NOTE: L. Richter is Secretary of the Institute of Public Affairs at Dalhousie University.

(1938) being 79 to 39 per thousand. We have to remedy these defects if we are aiming, as explained in other articles in this issue, at an optimal employment of our man and woman power, at a full utilization of our natural resources. Only a healthy generation of Canadians will be capable of such achievements.

What is to be done? The question is less controversial than, for instance, the problem of organising the economic sphere. As the Gallup Poll has shown, it is only a very small minority of Canadians who would leave it to the individual to provide for his health needs. *Laissez faire* is discredited also through the findings of recent social surveys. A family with an annual income of \$600 or more per person spends, according to official statistics, twice the amount for doctors' care and three times more for dental care than a family with an income of from \$100 to \$200 per person. This is not because a poorer family needs less services. On the contrary American studies have shown that the smaller the family income, the more frequent is illness and the longer its duration. But the poorer family is unable to pay for the necessary services. Again if in the Maritimes a farmer with a cash income of \$500 per year has to pay \$20 to call a doctor to his remote village, he will do so only in cases of extreme emergency. This is no reflection upon the doctor who may be absent from his office for many hours, and is therefore entitled to a higher compensation. It is the whole system which is at fault.

The difficulties are by no means confined to needy families. Serious and long protracted illnesses requiring major operations and hospital care may upset the budget of many a middle class household. Nor is the problem merely a financial one. In numerous rural areas the specialized services which characterize modern medicine are not even available to those possessed of sufficient means.

State Medicine or Health Insurance

The difficulties just described are not peculiar to Canada. They have been

faced by other countries and two main devices have been found most suitable to cope with them—state medicine and compulsory health insurance. Canada will have to choose between them.

Under state medicine the government makes available to the citizen all health services, preventive and curative, whenever he needs them. There is no charge, the necessary funds being provided by general taxation. Russia has gone furthest in that direction. There is in the Soviet Union no private practice of medicine. Doctors, nurses and druggists are government employees and hospitals are state institutions. Great Britain, on the other hand, and nearly all of continental Europe outside Russia, have decided in favour of health insurance. The principles by which such an insurance system would be governed are familiar to Canadians through the recently introduced unemployment insurance scheme. By the payment of fixed contributions the insured person is entitled to certain health benefits whenever the need arises and irrespective of his ability to pay for them. It is a compulsory system. Voluntary schemes which have been tried out in several countries have proved impracticable.

The first question then which Canadians have to decide is whether they want state medicine or health insurance. Both systems have their merits and demerits. Both can be worked successfully provided that they are properly adapted to the environment in which they are to become operative. Tradition and political ideology will have an important influence on the choice that will have to be finally taken. In the opinion of Sir William Beveridge, public opinion should be the decisive factor. His famous report on Britain's post-war program of social security is based on the insurance principle because as Beveridge states "benefit in return for contributions, rather than free allowances from the state, is what the people of Britain desire." This is, according to Beveridge, borne out not only "by the established popularity of

compulsory insurance" but also "by the phenomenal growth of voluntary insurance against sickness, against death and for endowment, and most recently for hospital treatment." If we apply the same criterion for Canada, we shall find that the popularity of insurance is perhaps even more marked here than in the Mother Country. Mutual self help organizations like the Allied Medical Services in Ontario and Group Hospitalization Plans have in the last few years met with spectacular success. It would mean interrupting the continuity of this development if the flexible pattern of these schemes should overnight be superceded by the rigidity of state medicine. Compulsory sickness insurance seems the middle way, not only for Great Britain but for Canada. The problem is complicated in this country by constitutional difficulties: health matters come under the jurisdiction of the provinces and the Dominion government can exercise its influence only by conditional grants-in-aid and similar financial devices. But it is gratifying to learn from the press that a plan for the improvement of Canada's health services which is being drafted in Ottawa at the present time will be based on the insurance principle.

Such a solution, however, does not exclude the use of the other principle wherever it is better suited to meet a special situation. The Municipal Doctor system in the Prairie Provinces, which makes the services of a government appointed salaried doctor available to all inhabitants of a rural municipality and which has worked most successfully for more than twenty years, is state medicine in everything but name. No government we hope will think of abolishing it for the sake of a uniform system of insurance.

Persons Protected

Reference to the Municipal Doctor scheme which in the first place serves the needs of the farmers, already indicates that health insurance should not as is our Canadian Unemployment Insurance scheme be confined to wage-earners.

The essential health services must be available to all who need them irrespective of age, sex and occupation. It would be unjustifiable to let farmers and fishermen, artisans and tradesmen be unprotected only because they do not fit so easily in an administrative scheme as wage-earners and salaried employees.

It seems also unlikely that Canada will repeat the mistake of the present British scheme to leave the dependents of insured persons, especially their wives and children, without protection. A survey made by the Dalhousie Institute of Public Affairs among two representative groups in Nova Scotia, the one covered by sickness insurance, the other without that protection, has brought out the fact that children up to fifteen years and families with many children are the main beneficiaries from an insurance system. Medical attention in case of illness was for insured children under five years of age one hundred per cent, for insured children from five to fifteen years, one hundred and fifty per cent higher than in the non-insured group. It was further found that families with many children suffered most from the absence of an insurance plan. It is apparent that if a family has to cut down its outlay for medical services, they will try to economize at the expense of the children as the health of the breadwinner and the mother are the most valuable assets for maintenance of the family income.

Another question widely discussed by politicians and the medical profession may only be mentioned here: should insurance be extended to persons who have the means to take care of themselves in case of illness? Under the Beveridge plan they would be covered not so much for their own protection as for reasons of social justice and administrative expediency.

Medical and Cash Benefits

A few months before the Beveridge report, another equally progressive document of British social policy was published which unfortunately has received much less attention in Canada. It is

the Interim Report of the Medical Planning Commission set up in 1940 by the British Medical Association. The report which is exclusively devoted to the reform of the British health services, defines the objective of the health program as follows:

- (a) To provide a system of medical services directed toward the achievement of positive health, of the prevention of disease and the relief of sickness;
- (b) To render available to every individual all necessary medical services both general and specialist and both domiciliary and institutional.

The program of the Commission if put in operation would greatly improve existing British insurance services which provide neither for hospital care nor for treatment by specialists. But the Report goes even further. While retaining the system of the medical practitioner it recommends the formation of health centres throughout the country. Their purpose is to pool and where necessary to supplement the health resources of a given region. The system when properly adapted to Canadian conditions seems admirably suited to overcome some of the handicaps from which our present health services suffer. The centres might be used not only for urban areas but to even greater advantage in sparsely populated districts. The centres would make available to doctors and patients the services of specialists and facilities for diagnosis such as X-ray and for specialized treatment. They would communicate with the public health services, provide for home nursing, conduct educational work, in short be a focal point for all health activities of the region.

More disputed is the question whether cash benefits should be given to those incapable of work in order to make up for the loss of salary or wages. They are provided in nearly all European systems, including Great Britain. There seems to be good reason for it, for how can a man be expected to recover from illness if he has no means to live upon? It must be admitted, however, that introduction of cash benefits raises some difficult problems and imposes unpleasant respon-

sibilities for the doctor. It is for him to decide whether or not the insured person is capable of work and in consequence entitled or not entitled to cash benefits. If a doctor is strict, he may lose a patient. If he is lax, he burdens the insurance fund with unnecessary expenses. These are undoubtedly difficulties we shall have to guard against but they can be overcome through appropriate administrative devices as proved by the British experience. The question has already been decided in principle by the Canadian Parliament when it passed in 1940 the Unemployment Insurance Act. Since then Canadians when unemployed but in good physical condition, are compensated for loss of wages. They cannot very well be denied this privilege when they are ill and in even greater need of compensation.

Sickness Insurance and Public Health Services

Health insurance will also prove the most effective method of broadening the scope of existing public health services and bringing them to the people. In various Canadian provinces remarkable progress has been made during recent years in developing special services for the care of mother and child and for persons suffering from tuberculosis, cancer, venereal and other diseases. While admitting many valuable results, critics have raised a number of objections: the manifold activities are not sufficiently coordinated; they are concerned with the symptoms rather than with the causes of ill health, for instance in the case of tuberculosis; a comparatively small proportion of the population for which the services are meant, take advantage of them. The blame is only partly justified, for the public health services had in the past to proceed on their own, they lacked a medium which would bring them in close touch with the people. This contact which is indispensable for success will be provided through a comprehensive system of health insurance. It will not be sufficient to "link" as the saying goes, public health services with the insurance

system. They must be made an integral part, the core and the driving force of the new health organisation. The distinction between public health and curative medicine will then lose a good deal of its meaning. The practitioner while attending to his work will become the most potent agent of the public health authorities which need no longer appeal to the public to make use of their facilities. They will get their patients through the practitioner and the health centres. Thus there will develop in the course of time a comprehensive and co-ordinated system of health services, equally equipped for preventive and curative work, for general and specialized treatment.

Such an organization must, if it is to function properly, meet with the approval of those whom it is to serve. It must be popular in the real sense of the word. This can be best achieved by enlisting

the active cooperation of the insured population together with that of the employers and the medical profession. This proposal does not imply creation of another of those advisory committees which are so frequent in the organization of our war economy and which have in common that their advice is neither sought nor taken. It means conferring upon the people a real responsibility for the solution of a problem in which they are vitally interested. It means administrative units which are large enough to give them sufficient operational and financial strength but not so large as to make self government of the people illusory. It has been stated by the Webbs that Friendly Societies¹ have been one of the pillars of democratic government in England. It would be a pity if we should miss such a good opportunity for reviving the citizens' interest in communal affairs.

(1) Cooperative Societies for Mutual Sickness Insurance

Program For Education

By A. S. MOWAT

A Sound Foundation

THE great glory of the North American tradition in education is that from the beginning it has admitted the right of every child to free education at the public expense from kindergarten to high school. This has saved us from those vicious educational distinctions found in some European countries which are based on differences in wealth or privilege rather than merit. It has saved us from the Old School Tie, and for this we should be profoundly thankful.

This basic educational principle of ours is unshakably sound at bottom. But we have not carried it far enough nor understood its full implications. As a result numerous flaws and deficiencies have developed in the maintenance and running of our schools. But in a young

and vigorous nation they have not escaped detection, and the critics have been busy, sniping, sapping, sharpshooting and delivering plain honest straightforward frontal attacks, often against superior numbers. We already know very well what is wrong with our schools. We know that much of our educational administrative machinery is out of date, our finance sometimes haphazard; we know that many teachers have been scandalously underpaid; we know that inequalities of educational opportunity exist greater than in any other civilised country with the possible exception of the U. S. A.; we know that our planning of curricula has sometimes been hurried and uninspired; and we know that only lip-service is paid to the undoubted facts of individual differences among children. There is no province in Canada to which one or more of the above criticisms does not apply.

EDITOR'S NOTE: A. S. Mowat is Professor of Education at Dalhousie University.

In a general way they apply to all the provinces, though with varying degrees of emphasis.

Faults in Administrative Machinery

Reference to the past history of our schools proves illuminating, particularly in regard to educational administration. Although recent years have seen a great growth of our cities, most of the settlements in our vast country have been, and still are, small settlements widely separated from one another. In the days of our fathers communication between adjacent settlements was very difficult at all times of the year, and at some periods hazardous as well. In addition our fathers lacked both time and inducement to do much travelling. Yet those "poor proud homes" demanded a schooling for their children. There was only one way by which they could get it. They must get it for themselves. So in each settlement was established the roughhewn schoolhouse, built and furnished and equipped by the settlers with their own hands, controlled, financed and staffed by them alone. The tradition of independent local control thus established is still strong. It dies hard. For people hate to see any institution which they have once controlled pass from their hands. None the less it is ludicrously unfitted for an era of roads, railways, aircraft, snowploughs, busses and telephones. Local control of schools from being a help has become a hindrance to better education. The first problem now before Canadian educators is how to enlarge administrative and financial areas for education. This must be done even at the expense of destroying or abating local interest in the school, which we would none the less like to retain, and which can, moreover, be retained through a strong Home and School movement. In some parts of Canada it is good to see this change toward the larger unit of administration already under way.

Inequality of Opportunity

Local control of education has proved a hindrance to educational advance in several ways. In the first place it has

helped to produce extraordinary inequalities of educational opportunity. The size of the original local school unit (usually called the "section") was determined by the legs of little children. Thus you will still find in the school law of the provinces such phrases as "the section shall not in length or breadth exceed 5 miles." To begin with differences between sections were not very pronounced. All were poor and none had a large population. But with the development of the country striking differences soon began to appear. Some sections remained poor, others became rich; some remained thinly populated, others filled up with people. The whole fabric of society altered from a number of largely independent small units to a web of closely integrated and interdependent texture. Thus arose the educational contrast between town and country, none the less striking because so familiar. For whereas the rural school sections are for the most part compelled to be content with the one-roomed schoolhouse they have always had, urban sections are now able to build, equip and staff larger schools, finance them soundly, and carry on an elaborate and modern educational programme. Yet, in many parts of Canada, every section, urban or rural, is expected mainly or solely from its own resources to provide a complete free education for children from Grade 1 to the end of high school. The handicaps of the rural section in attempting this impossible task have often been described and need not be repeated here. Suffice it to say that even with the best will in the world and the best teacher in the world it cannot be satisfactorily carried out. Where there is lack of interest, poverty, or local dissension in the section, where the teacher is inexperienced or inadequately trained, things, of course, are much worse. As a rule, one might almost say as a universal rule, the child in the town or city enjoys a vastly richer and more varied educational experience, both because his teachers are more skilful and because the larger school allows the teachers to specialise. There is only one

way to remove the educational disabilities of the rural child, namely, by pooling resources, and administering a large number of sections as one. Where this has been done, it has resulted in better administration, higher salaries for teachers more regularly paid, consolidation of high-school instruction, and sometimes the use of busses to transport children to and from school. All those improvements, greatly facilitated by the adoption of the larger unit (one might almost say, impossible without it) are to be commended. We must hope and work for the extension of these benefits to all our rural children, every one of whom in a democratic country like ours should have as his birthright a fair educational chance.

There is one feature of all larger unit schemes hitherto adopted which I think ought to be mentioned. In all such Canadian schemes the towns have stayed outside the new units, each of which consists of a number of rural or village school sections. Thus while the rural children benefit greatly, the traditional antagonism between town and country still remains. This is a great pity, and leads not only to unnecessary rivalry but also in some cases to duplication of effort and minor administrative difficulties. I should like to see some province with enough vision and solidarity of purpose to organise a system of larger units arranged solely on a territorial basis and each containing one or more urban communities as well as the surrounding rural areas.

The Teaching Body

The "sectional" organisation of education has also contributed to the regrettable underpayment of many Canadian teachers. Some rural sections have been at fault through poverty; others through apathy; others through carelessness or negligence in tax collection. The results have been most harmful for rural education. It is true that among rural teachers are found many noble and self-sacrificing souls who for a pittance year after year conduct their schools with skill and en-

thusiasm. Some of them I know myself and admire from the bottom of my heart. But, generally speaking, in this world you get what you pay for, and it must be confessed that, on the whole, rural teachers tend to be less experienced and more poorly-trained than their city colleagues, the lame ducks or the birds of passage who are teaching to fill in time till something better turns up. The very careful survey of teachers' salaries issued in 1939 by the Canadian Teachers' Federation revealed a most disquieting state of affairs, which was summed up in the statement "more than half the teachers of Canada live at the lowest level of self-supporting penurious existence." Since 1939 some improvement has been effected in teachers' salaries, but they are not yet commensurate with the importance of the teaching body in society. We shall have to pay our teachers still more, and we shall have to remove the present inequalities in salaries paid for equal work done. Every province ought to have (as some have already) a scale of minimum salaries for all teachers, strictly enforced. For the teacher is by far the most important link in the educational chain. We need, of course, and in some cases need very badly, better school buildings, better text books, better courses of study, better equipment. But good teachers are more important than any of those. If we can offer better salaries regularly paid, we can demand better educated and better trained teachers, and we shall develop a stable and intelligent teaching body, the finest asset to the schools of any country.

The Need for Diversity of Courses

Another serious fault in Canadian education is the inadequate notice taken of the very great differences in intellectual level among human beings. The idea that all men are equal, like the tradition of local control, dies hard, though die it will in the face of common sense, biological investigation and psychological testing. It is moribund already, but nothing effective has yet been done anywhere on a scale fitting to the extent

and importance of the problem. It is perhaps not generally recognised how great differences in ability are. For example, five per cent of 12 year old children have reached only to the intellectual level of the average 9 year old, while another five per cent have reached the level of the average 15 year old. Similar differences exist for other degrees of difference and at all age levels. There is one and only one satisfactory way of dealing with the problems created by those differences. It is to have a point or a series of points of selection, at which children will be classified into two, three or more groups according to general ability and general proficiency at school. We already have the beginnings of this in our selection of children for auxiliary or special classes and in our selection for college by examination at the end of high school. But those touch only the fringe of the problem. We need also a point of selection about the end of Grade VI. Below such a point the same course would be given to all children excepting mental and physical defectives, but above it there would be two or more different courses suited to different levels of ability. No province in Canada provides such courses or such a point of selection. For the approach to the whole problem has been misconceived. In the old days high school education was for the few; the great majority left school after instruction in the elements of learning. The few who remained were usually able and ambitious. Under such conditions a single course of an academic type filled the bill and filled it well. But now it is the majority (not the minority) who proceed to high school, and the academic course fits only a fraction of them. For many it is a weariness of the flesh. Practical teachers were not slow to discover this, but the steps so far taken to remedy the situation have been doubly unfortunate. On the one hand there has been a tendency to water down high school courses. This has resulted in poorer preparation of those later going on to higher education in college or university. On the other hand it has

led to the introduction of a multiplicity of subjects into some high schools on the mistaken plea that differences between students are differences in *type* of ability (linguistic, mathematical, practical) rather than in *level* of ability. Such differences in type do, of course, exist, but in school organization they are of much less importance than differences in general level of ability. We need to have the same subjects studied at different levels rather than different subjects at the same level.

Vocational Education and Vocational Guidance

When this problem is overcome, the problems of vocational education and vocational guidance will fall into proper perspective. It is regrettable that the term "vocational" should be used for some courses already given in our high schools. For upon examination such courses are invariably found not to be strictly vocational, but merely to have a bias in a general way towards a certain class of vocations. It would conduce to clearer thinking if some such term as "practical" were used instead. It would then be apparent that all high school courses offered to-day are doing much the same thing, namely, against a broad background of English and Social Studies preparing in a general way for a group of occupations. Thus the academic course prepares for the professions, the commercial course for commerce and business, the so-called vocational courses for industry or agriculture. This is as it should be. With the improvement mentioned in the last paragraph our full time high schools may be safely relied upon to do their proper task, that is, to provide a diversity of courses at different levels of ability each of them leading in a general way towards a certain group of occupations.

Strictly vocational education, by which I mean education designed directly to help a man to do his job better, can only be satisfactorily carried out, I am certain, while a man is actually engaged upon his job in a practical way. To do this you must either add the school to the job,

or the job to the school. In the first case employees are released from work at stated times in order to be given instruction; in the second, high school students are released from school for stated periods to go to work. Both methods have been tried, but the first seems the more generally applicable. We should look forward to a great expansion of such education in rural as well as urban areas.

It is obvious also that a great extension of vocational guidance is highly desirable. This means a great development of standardised educational and vocational tests, accompanied by careful research upon them, and a closer cooperation of our educational services with employers, employees, and employment bureaus. In addition we shall have to train a whole tribe of vocational counsellors whose job it will be to help each young person to find the life work best suited to him or her.

The Art of Democratic Living

It cannot, however, be emphasised too strongly that in a democratic society young people and old alike need something more than merely vocational education. Under a dictatorship the cement that holds society together may be the Party or the Secret Police or the propaganda machine. In a democracy it can only be the goodwill and understanding existing among all sections of the population. We must take especial care therefore to see that such understanding and goodwill be developed and fostered at all stages in our educational system. I would go further and say that we should help also in developing it between nations. For Canada this means teaching conversational French to English speaking Canadians, and conversational English to French speaking Canadians; it means closer intimacy with the culture and history of the U. S. A.; it means the extension of such movements as Youth

Hostels and folk dancing; it means easier travel and more frequent interchange of pupils from province to province and with other countries; it means extension and coordination of our Adult Education organizations; above all it means the diffusion not so much of knowledge (though that is not unimportant) but of inspiration and of ideals of living, not imposed upon our citizenry nor blindly accepted, but moulded, developed and lived by them. Such developments might be expected to do for Canada what the folk high school movement did for Denmark, produce a healthy, thinking, cooperative, enterprising, well-informed and highly cultured people.

By now it must be evident that this article is simply a plea for more and better education in Canada. This means we shall have to spend more on education, and spend it to better advantage. It also means that we shall have to find and develop educational leaders. The natural forcing ground for such leaders seems to me to be the university, and I think that the universities must come to realise the production of such leaders as one of their most important tasks. What changes this would entail in university life we cannot now discuss except to say that it implies stress on general culture rather than on specialisation. The most serious single obstacle to the production of such leaders is however the fact that at present many students able and willing to profit by a university education are denied it on the quite irrelevant ground that they are unable to bear the expense. It is sincerely to be hoped that the Dominion government which has so generously contracted to finance the further education of university undergraduates now in the forces, will continue some similar scheme in peace-time as an aid to needy students. By so doing the whole intellectual and cultural life of the nation could be elevated and enriched.

Improving the Social Services

BY GEO. F. DAVIDSON

IT is a truism to state that the need for social services in Canada, as in all countries, is inevitably bound up with our economic development and economic policies: and that broad measures of economic planning such as those discussed elsewhere in this issue will do much to eliminate social need and social distress, which in turn will reduce the need for large scale social service programs of certain types. Sound economic planning produces economic security, which is part of, but not all of, social security.

This article will endeavour to limit itself to a discussion of the social services as such, avoiding so far as possible the temptation to trespass in those fields of economic planning which have as their purpose the achievement of what might be called a specific social objective: for there is no desire here to go over the ground that has been more ably covered in other papers. It is not possible, however, to consider any social service program without some discussion of certain basic assumptions which impinge on the field of the economist. The best proof of this is to be found in the fact that for example economic policies designed to achieve the fullest possible measure of employment have obvious significance not only as economic but also as social service policies; for the achievement of economic security which would follow out of policies designed to create full employment would mean in itself a contribution of immeasurable significance to the attainment of the larger objective of social security. The degree of economic and social security which can be achieved by economic policies designed to provide the fullest possible measure of employment would, in turn, be greatly increased by an adequate supporting structure of minimum wage levels designed to produce from full

employment a living level for the employed that would truly be "freedom from want."

From this brief illustration it can be readily seen that by economic planning (designed to achieve full employment) and by adequate labor legislation (designed to assure a supporting structure of minimum wages),—neither one of which would be considered as falling primarily within the social service field,—it would be possible to attain a remarkable degree of economic and therefore to a lesser extent, of social security. Such policies, however, cannot achieve the entire objective without support from what is more obviously the social service field. For example, wage levels can hardly be made so high or so flexible as to fit the needs of every family unit, large or small: they can hardly be based on purely social considerations or on consideration of the size of the individual worker's family responsibilities. There must in fact be some retention of the principle of equal pay for equal work. The adjustment therefore of family income from wages earned to family responsibilities must be made in some other way,—outside the wage structure entirely. This adjustment, in the opinion of many, can best be made,—and it *must* of course be made, if economic security is to become a reality for individual families, large and small—through a system of family allowances, supplementing wages earned with an allowance as a matter of right, for every child in the family unit.

Full employment policies, plus adequate minimum wage levels, plus family allowances would therefore do much to lay the foundation for a broad system of social security, in which responsibility would have to be shared jointly by economic, legislative and social service measures. These measures however could provide only the first line of protection

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against the hazards of want and economic insecurity. It would be unwise to assume that full employment could be maintained continuously for each and every person—no matter how great our success with measures of economic reconstruction. Some protection must therefore be provided, as a second line of defense, against those various circumstances which create a break in the continuous line of an individual's employment, whether it be due to unemployment, sickness, accident, permanent disability, old age or death. More and more clearly the answer to these problems of community life is being sought in terms of the social insurances,—unemployment insurance, health insurance, workmen's compensation, disability insurance, old age insurance, survivors' or life insurance.

The Canadian people have already had a measure of experience with some of the programs outlined above,—notably with minimum wage legislation, workmen's compensation, and latterly with unemployment insurance. Further than that, we can of course profit greatly from the vastly richer experience of a number of other countries,—notably Great Britain, U. S. A., Australia, New Zealand, and,—if we are honest with ourselves,—Germany; for that nation's experience with social insurances extends back over half a century. The great weakness of our Canadian efforts, (in addition to the fact that, with the exception of workmen's compensation, they are all so recent), is that *first* they attempt to deal only in piecemeal fashion and in isolation with single phases of the overall problem; and, *second*, that the efforts which have been made, with the exception of unemployment insurance, have been provincial rather than national in scope. Consequently we lack not only an overall national program designed to produce economic or social security, but, worse than that, we lack, with the exception of unemployment insurance, even a national solution for any single phase of the total problem.

The moral of this, of course, is that if we desire to achieve a reasonable

measure of social security for Canadians, that is to compare at all favorably with the security programs being developed by other nations, we must begin to plan our programs more and more on a national basis, and also more and more on a comprehensive rather than on a piecemeal basis. For these reasons and also for reasons of administrative convenience, it seems clear that the federal authority in Canada should be the one responsible for developing full employment policies, adequate minimum wage legislation, (with the provinces having concurrent jurisdiction in case they wish to raise wage levels even higher), family allowances, and the entire network of social insurances. To develop systems of social insurances or of family allowances on a provincial basis would be needlessly complicating and chaotically wasteful, with corresponding disadvantages to the beneficiaries concerned.

These same considerations do not apply, however, with the same force to the next set of social defenses which must be established in Canada to care for those who have fallen through the protective mesh of, *first*, full employment with adequate income from wages and family allowances, and, *second*, insurance protection on a contributory basis against the major hazards outlined above. Here we are dealing with the social services in the narrower but most usually accepted sense of "public charity." For it is well to remember, in the midst of our economic planning, that some classes of our people, cannot be absorbed into any employment market, no matter if it is full to the bursting point. They cannot maintain themselves by wages earned, and the family allowance, if payable, is not sufficient to replace, but only to supplement real wages. The social insurances, likewise, cannot protect this group,—except insofar as it might be possible for the government to pay full premiums for them,—for they themselves cannot contribute from non-existent wages,—and have no employer to contribute his share on their behalf. Then, too, there is that group of persons who have fallen

out of employment as a result of one of the social hazards mentioned above, and who have eventually exhausted their right to insurance benefits, without being able to return to available employment. For all of these, some adequate program based on need must be devised. The services included in this phase of our total program are, in fact, our present day public assistance services which must be extended, broadened, and, at the same time, more humanely and intelligently applied. Work relief for the unemployed (along lines consistent with the maintenance of skills and human dignity), relief at need for unemployables, mothers' allowances, old age pensions (non-contributory), pensions for the blind, medical care for the needy, foster home and specialized care for dependent children, special assistance to the transient, and last but by no means least, an adequate program of farm relief. The elements of all of these programs are to be found at the present time in our Canadian experience. They need to be broadened, developed and applied on a scale that will make them effective cushions of social protection for all the people.

These three broad levels of protection,—(1) full employment on adequate wage levels with family allowances, (2) social insurances fully developed, and (3) public assistance by categories at need, will do much to assure *economic security* to the people of Canada. But, as suggested earlier in this paper, economic security is not synonymous with social security. Freedom from want, the abolition of poverty is not the entire answer. There are environmental and social hazards to guard against, even in the state which can guarantee economic security to all its citizens; and to guard against these distinctive types of hazards, we must provide a network of specialized technical services which do not fall altogether neatly into the categories of economic security measures outlined above. The public health services, for example, with their over-all health units, their preventive programs of child health, their sanitation, public health nursing and nutrition ser-

vices, their services for the control of communicable disease, their specialized efforts in the field of T.B. and V.D. control—their tremendous responsibilities in the field of mental hygiene—all these must find a place in our scheme of social security, because the problems which these programs are designed to attack do not vanish altogether (though they do in part) by solving the problems of economic security. Then, too, we must include those social services which arise out of anti-social behaviour of some of our citizens—child care and protection from neglect, juvenile delinquency, the problem of unmarried parenthood, the problem of adult crime, which requires, despite what we tolerate in Canada, to be handled as a social service problem. True though it may be that a large measure of these problems involving anti-social behaviour find their roots in the inadequacies of our economic system,—the fact still remains that even the abolition of poverty in the broadest sense of the term will never completely remove the need for programs designed to deal with these particular types of social inadequacy and maladjustment, rather than economic insecurity.

There remains for consideration the question of the jurisdiction to which the latter sections of our social security program,—the public assistance services based on need, and the specialized technical social services,—should be assigned. Is the stand to be taken that these programs too, (along with the social insurances, family allowances and broader programs of economic planning aimed at full employment based on adequate wage levels), should be assigned to the federal authority? This is, of course, a possible solution, and one which may attract superficially when one ponders the mass of residence restrictions which provinces are wont to build up around their provisions for social care; but such a drastic proposal would hardly find support from any except those who would abolish entirely the federal system of government in Canada. On the whole, it would seem that, if some solution can be found to the problem of residence restrictions which

deny provincial social service benefits to those who move from one province to another, these public assistance services and the special health and welfare services designed to deal with problems of anti-social behaviour should probably be left administratively with the provinces,—but with Dominion grants in aid and supervision. In particular these services which provide assistance at need are for the most part more subject to legitimate local variation than the other services, and can therefore be locally administered more adequately on the whole than the other services, such as the insurances, where provincial jurisdiction would involve serious administrative difficulties. Work relief programs, however, because of their close connection with full employment and public works policies, should probably be an exception to this general principle, and would consequently become a federal responsibility, as was the Work Projects Administration program in the United States from 1935 to 1942. Relief to the able-bodied unemployed should be kept to the barest minimum as a result of full employment policies, the social insurances, and a federal program of work relief; but where it does become necessary, it should, in the view of the writer, despite the overwhelming mass of opinion to the contrary, be retained within provincial administrative jurisdiction, since the assessment of need in cases of unemployment relief involves essentially the same procedures as are required in connection with the provincial administration of relief to unemployables, of mothers' allowances, of non-contributory old age pensions, and a number of similar services which, presumably, are to remain under provincial jurisdiction.

How, finally, can this dual system of social security,—in part federal, in part

provincial,—be welded together into an organic whole? The answer to the writer of this paper is as simple as it is obvious. We can only attain a well-rounded system of social security in Canada if the federal government, in addition to assuming administrative responsibility for certain sections of the program specifically assigned to it, is prepared also to accept the responsibility of giving leadership, guidance and assistance to the provinces in the development of the provincial services. This can best be done by the development of a sound system of federal conditional grants in aid to the provinces in support of specific provincial services, followed up by adequate technical field service and supervision from the federal authority. One of the conditions of federal aid to the provinces in the public assistance services should of course be either that the province will make available its provincial services to all persons within the province regardless of technical residence qualifications, or, alternatively, that the province will subscribe, along with other provinces, to a set of uniform residence principles and to reciprocal provisions respecting the repatriation of non-residents where necessary, and in other cases the equitable adjustment of accounts as between provinces for assistance given to individuals or families away from their place of accepted residence.

Through such a system of conditional grants in aid, made effective through adequate field service and technical supervision on the federal level, it would be possible to influence constructively the development of provincial services in such a way that they would gear into the services falling under federal jurisdiction and form a strong, organically sound framework of social services for all the Canadian people.

After Work Hours

By WEAVER W. PANGBURN

RECREATION is universally a precious interest of individuals; and its deep social meaning gives it a central position in the growth and perfecting of modern democratic society. The Educational Policies Commission of the National Education Association holds that recreation is "life enrichment." A modern college text defines it as effort at self expression. "Recreation," says a distinguished religious leader, Rabbi James G. Heller, "is the growing point of culture, the area in which the spirit of the time is best judged." With reference to its effect on the individual, he states, "it completes my life, brings me both ecstasy and release, a joy different from all others and a strong consciousness of breathing a purer, serener air."

Back of these positive interpretations lie many basic changes in the lives of the people of North America, most of them generated by the industrialization of our society. Among these changes are the widespread use of automatic industrial processes, which demand much less than the total personality of the worker, leave unsatisfied his hunger for skill and conflict with his desire for adventure, variety and social experience; a decline in the size of and functions of the family; increase in cheap and rapid transportation, contributing to the mobility and restlessness of life; a reduction of working time to its lowest point in modern history and, for a time, a widespread unemployment and the drastic reduction of the purchasing power of millions of people.

The young man works on an assembly line in a factory or in a routine job in an office or store. After work he "invites his soul" among the dubious leisure resources of an unplanned city, built to

advance manufactures and trade and not much like Aristotle's conception of "a place where people may live a good life."

There was a fortunate compensation for the machine workers in the enormously reduced hours of work, but they were not prepared for their new leisure. Recreationally illiterate, they became the customers of alert business interests, which alone were prepared for leisure. Stuart Chase says that recreation should not be vendible. Yet passive amusement was the most conspicuous diversion in the urban community.

For a long time the struggle of many of the civic leaders for playgrounds and recreation centres was a crusade for a therapeutic, to prevent juvenile delinquency, check accidents to children, reduce ill health, help cure the mentally ill and even serve social eugenics by contributing to family stability and fertility.

Eventually a larger idea, democratizing recreation, emerged. Hundreds of North American cities created departments or bureaus for the community organization of recreation on a year round basis. There developed in the United States and Canada a type of service and a kind of municipal employee unknown elsewhere in the world. Trained recreation leaders undertook to stimulate and administer recreation service for children, youth and adults regardless of class, creed, economic condition or national origin. The public schools began to educate pupils in the wise use of leisure. Recreation became a matter of interest to city planners. The decade 1930 to 1940 furthermore witnessed the construction of great public works projects in recreation. New York City built 400 new playgrounds, a dozen great swimming pools, many athletic fields and parkways. Cincinnati created a great 200 acre play field at its airport, offering 25 types of outdoor facilities for family and co-

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recreational use. The park systems of Toronto, Chicago, Minneapolis and other cities greatly increased their facilities. Hundreds of training institutes prepared thousands of lay persons to organize and conduct recreational activities for the organizations to which they belonged.

While this public development, aided by government funds, was being prosecuted, there occurred an unprecedented expansion of public school musical organizations, of travel and vacation trips, of hunting and fishing, of popular interest in art, amateur drama and music. On the verge of World War Number Two, it appeared that a golden age of leisure and recreation was about to dawn.

Apparently the war has only deflected the course of community recreation. The armed forces employ athletics, music and other activities on a wide scale for the discipline and the relaxation of the fighting soldiers and sailors. Similarly, broad recreation and social programs have been developed for the millions employed in war industries and other civilians and their children. In war-torn England recreation was not abandoned but it was re-focused. In a recent lecture Margaret Bondfield pointed to the following emphases in that country: mobility of recreational services, reliance on volunteers and leadership by young people 14 to 20 years old, a broadened scope of activity including a musical revival and physical fitness. Miss Bondfield emphasized the new sense of community values "won at such great cost."

One of the great functions of organized recreation is to teach people to get on together. A journalist who had just returned from the Olympic games in Paris years ago told a clergyman friend that the games should be stopped. "Why?" asked the clergyman. The journalist replied, "This is what I saw. When an American athlete was defeated in competition, he shook hands with his successful opponent and congratulated him. English athletes did the same thing. However, the men of other countries took defeat in bitter spirit and I actually saw defeated athletes leap at their success-

ful rivals and try to bite them! So, the games should be stopped." The clergyman said, "I cannot agree. For if we cannot learn to play together, how can we learn to live together?"

While the competitive spirit in sport makes for combativeness in soldiers, in peace-time it is desirable to emphasize the social aspects of games and other recreations. It is often the sociable element in recreation rather than the activity per se which attracts people. In general, the co-operative aspects rather than the competitive elements in recreation deserve stimulation.

The prospect that after the war the democracies will try to widen the life of the common man and release his power opens fresh responsibilities in the recreational field. To help the general public to develop disciplined and healthy bodies, to create things of beauty in crafts, painting, music and drama, to enjoy nature in gardens, the mountains and woods—these are a part of the mission of the community recreation leader. The leader should above all invoke the warm, cohesive, social power of music, festivals, games and social centers to draw people together in democratic fellowship. It is community recreation that is badly needed as against the prevalent tendency in urban society for separatism in recreation.

In the post war period there will be unrest, shifts of population, readjustments in employment, possibly moral laxity. There will be the difficult absorption of returning soldiers and sailors, their minds stimulated by new horizons and interests growing out of their extensive travels in this country and abroad. In view of these challenges, war-time lessons and the promise that the resources of the democratic countries will be more fully employed in the common interest, recreation must play a far greater role than it attained at its greatest point prior to the war.

What are the elements in a post war recreation program? The following specific suggestions may be put forward:

1. Neighborhood centers for both outdoor and indoor recreation should be

developed within walking distance of every child in an urban community. Some persons envision a center comprising a public library, school, park and playground, the school building as well as the other properties designed for extensive community recreation use.

2. There should be large playfields of 20 to 40 acres and community recreation buildings, or at least parts of buildings, available for recreation, well distributed through every community for the service of youth and adults.

3. City parks, bathing beaches, metropolitan parks, swimming pools, camps and picnic grounds should be expanded to meet modern standards of adequacy. National and state parks and forests should be widely utilized for recreational and educational purposes under liberal policies designed to make them available to persons of small means.

4. There should be a wide use of public school buildings for neighborhood recreation at the times when such properties are not absolutely required for curricular work.

5. In the event of decentralization of industry, slums in large cities should be razed, to make way for parks and playgrounds. If necessary that such areas be rebuilt for housing, the projects should provide amply for both indoor and outdoor recreational space.

6. To insure a cooperative community attack on recreational needs, every city of 8,000 population or more should have a recreation commission, board, or other authority representing educational, park and the general community interests. Recreation should have its own budget.

7. There should be a thorough revision of the content of programs. Special attention should be given to co-recreation among young people 15 to 24, physical fitness for adults, vigorous promotion of outdoor recreation, the advancement of family play and encouragement of music, drama, crafts, inexpensive art exhibitions and popular science projects. Usefulness as well as sheer fun should be encouraged among participants.

8. Education for the community recreational use of leisure should be developed

throughout the entire public education system, commencing with teacher training institutions and extending upward from the nursery schools to graduate courses in universities.

9. There should be a close correlation between public education and public recreation with references to the use of properties, standards of program and policies.

10. A professional, leadership personnel, well trained in community organization, municipal government, educational methods and sociology and well compensated, should be developed.

11. Tens of thousands of volunteer leaders should be trained in community recreation philosophy and leadership methods through under graduate courses in colleges and urban and rural institutes for selected members of civic and religious organizations.

12. Special attention should be given to the needs of service men and industrial workers in the period of readjustment.

While cities require special departments to organize the community for recreation, it will be impractical to sustain them in rural communities except possibly on a county basis. In the country the existing leadership in churches, schools, parent-teacher associations, farm organizations and government agricultural bureaus should be taught recreational methods through a widespread training program in association with colleges and universities.

The intolerable thing, to be strictly avoided in recreation, is regimentation and bureaucracy. A person's leisure is the very cream of his existence and the last thing he wants is to be dictated to about it. It is obvious that it requires highly competent and very well balanced persons successfully to organize communities for recreation without intrusion in the sacred confines of the individual's leisure. However, there are people who have been doing this and many others can be found to supplement them. They will be among our most important public servants in the period of reconstruction and peace to come.

Organising the Canadian Economy

Towards a Fuller Employment of Natural Resources

By ANDREW STEWART

NATURAL resources, strictly defined, are gifts of nature, that is their existence is in no part due to human activity. But if the existence of these resources is the result of natural processes, their significance depends on social factors. Although, under existing conditions or conditions which can reasonably be anticipated, it is possible to exaggerate the immediate significance of the natural materials with which Canada is endowed, still these resources are sufficiently "rich" extensive and varied as to place this country in a position of marked contrast to that of many other less-favoured nations. It is therefore of importance, not alone to Canadians, that the resources of this country should be used with intelligence, foresight, and a proper sense of responsibility. Opinions may differ as to the degree to which the use of Canadian resources, in the past, has met these specifications. Doubtless all would agree that every reasonable means should be employed to ensure that they are successfully met in the future. More specifically it may be assumed that, in the post-war world, the general objectives, in both the domestic and international aspects of the problem, should be the "optimum use" of natural resources and, to borrow a phrase from the "Atlantic Charter", "access on equal terms" to them and to their products.

The terms "optimum use" and "access on equal terms" represent only very general "statements of aims" with regard to natural resources; and it must be admitted that it would be difficult to define the terms with precision. Further, in the complicated situations which characterize the real world, and which will assuredly present themselves in the post-

war world, it must be expected that formidable difficulties would arise in any attempt to apply the concepts to the development of practical programmes. However, it should be useful for us to consider some of the implications of the broad objectives of "optimum use" and "access on equal terms", as well as some of the means by which their more complete attainment might be achieved.

National Aspects

While it is true that, in a world of interrelated national units, there is no major problem of policy which is of purely domestic significance, we may start by considering the domestic aspects of the problem of resources.

What do we mean by "optimum use" of resources?

"Optimum use" implies, first, that the country's natural resources are employed with a proper regard to their conservation. If we want more conservation this means that, in the decisions affecting the use of resources, we desire that more weight should be given to the future, and more serious effort made to ensure that future welfare is not too largely sacrificed for present advantage.

In the second place, "optimum use" implies that resources are not deliberately withheld from productive use. In the case of scarce, localized natural resources, restricted development and limited output may confer advantage to the few while operating to the detriment of the community in general. If we want to avoid this, more serious effort should be made to see that all of the varied resources of the country are developed to the point where no special advantage accrues to any persons, or groups of persons, directly concerned with their use.

Thirdly, "optimum use" implies that the development and use of particular

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resources is in no case carried beyond the optimum point. If we want "optimum use" this means that effort will be made to resist any pressure to apply to the development of natural materials other resources which could be employed with greater advantage elsewhere.

Fourthly, "optimum use" implies that resources are put to their most productive uses. If we want "optimum use" this means that, when, under dynamic conditions, past decisions no longer appear to provide for the most productive uses, adjustment to the more productive alternatives will be facilitated.

Fifthly, "optimum use" implies that, in the widest sense of the term, the most effective methods of production are employed. The desire for "optimum use" of resources implies that every reasonable effort will be made to see that, at all times the best known methods are employed in their use; that adequate effort will be applied to developing more effective methods; and that the adoption of new and improved methods will be facilitated and not impeded.

The factors responsible for less-than-optimum use of resources in the past have been many and varied. Reference may be made to six such factors.

First, not the least important factor has been the great difficulty of determining what constitutes "optimum use", under the complicated and uncertain conditions in which practical decisions have to be made. In contemplating the future it would not be helpful to close our eyes to the fact that there is a residual problem of knowledge, and that, no matter how the responsibility for making decisions is allocated, mistakes will be made. Failure to recognize this leads to inadequate preparation for the correction of errors when they occur.

However, second, the mistakes, of the past have, in appreciable degree, been due to the lack of attainable knowledge on the part of those who have directed the use of resources. Errors of this kind can be reduced by raising the general level of knowledge, and by ensuring that the use of resources is entrusted to those

most competent to exercise direction. With regard to agriculture, it may be admitted that the level of management on many farms is low in comparison with what it might be, and that there is a pronounced lag between the development of new techniques and their adoption on individual farms. Despite this there are, in the opinion of the writer, very good grounds, even from the standpoint of securing "optimum use", for retaining individual enterprise and management in agriculture. The technical conditions vary so greatly between particular farms that management decisions must be made by someone directly and closely in touch with the particular situation. But, it seems probable that the country as a whole would benefit by providing the farmer with more effective assistance in his technical and managerial problems. In the past advisory assistance has been provided through county agricultural representatives or district agriculturists. Useful as this service has been its effectiveness has been limited because it has been too centralized and not closely enough in touch with the practical problems of individual farmers. If the advisory service is to be rendered more effective, it will be necessary to increase the number of fieldmen and to reduce the territory and number of farmers each has to serve.

Third, in the past, employment of resources in ways contrary to the interests both of the individual and of the community at large, has resulted from removable incapacities of some individual producers, for example, lack of capital. To this extent improvement could be effected by the provision of better arrangements for meeting the needs of individuals as producers and for assisting producers in making advantageous adjustments. It is widely recognized that existing machinery is quite inadequate to meet the requirements of Canadian agriculture for both long-term and intermediate credit. The mortgage instrument with fixed annual payments has proved itself ill-adapted to meet the vicissitudes of agriculture under conditions character-

istic of large parts of this country. As a result of poor intermediate credit facilities, competent farmers who see the opportunity to make advantageous adjustments in farm organization and methods of production, frequently find themselves, through lack of capital, unable to effect the changes desired. Benefit to the whole community would result from the provision of agricultural credit facilities more adequate than those now available.

Fourth, under individual control, failure to achieve "optimum use" has, in part, resulted from the divergent interests of the individual resource-user and of the community. This is particularly conspicuous where the conditions are favourable to monopoly control; but such conditions are relatively rare in agricultural production. In relation to conservation divergence of interests may result from the relatively short viewpoint of the individual. In this case more direct measures may be necessary to ensure that the general interest is protected. The corrective measures appropriate to particular situations might involve inducements to the adoption of approved practices (for example, a tax on extractive uses), direct control of use through regulations (for example prohibition of uses likely to result in rapid deterioration), or actual state operation.

In areas in which experience has demonstrated conclusively that certain uses and methods have led to serious depletion of the productive capacity of soils, active measures should be taken to prevent further deterioration through the continuance of these uses and techniques. In Saskatchewan substantial areas of land have been declared sub-marginal for wheat production, have been withdrawn from cultivation and their future use for this purpose has been prohibited by statute. In Alberta applications for crown lands are not granted until the parcels have been inspected by a qualified soil scientist, and the use to which the land may be put i.e. cultivation or grazing, is determined by the investigator's report. By 1940, some 120,000,000 acres in 27 states in the United States were organized into 220 Soil

Conservation Districts. The district supervisors, three of whom are elected, may formulate regulations affecting the use of land which, if approved by the land occupiers in the district, become enforceable. A Wisconsin statute exempts woodland and sloping land from taxation, provided such lands are not grazed and burned, and are managed so as to prevent erosion and run-off.

Fifth, less-than-optimum use of resources in general has been caused by sectional (industrial or geographical) pressures which have led to the diversion of effort into relatively unproductive uses and localities. If "optimum use" of all resources is to be more closely approximated, either the groups in the community must consent to abandon this form of destructive competition, or some means must be devised of reducing their capacity to promote sectional interests to the detriment of the general welfare.

The successful pressure of industrial groups for import duties, subventions and other forms of preferential treatment, affect the allocation and use of resources, and, while not always necessarily so, there is a strong presumption that where special measures of assistance are necessary to promote or perpetuate particular forms of production, the resources affected could be put to some more productive use. Any local community—particularly the property owners in it—stands to gain by the further development of the resources within its boundaries. There is therefore a strong tendency to press the importance of local development without regard to the fact that, taking the broader national viewpoint, more advantageous opportunities exist elsewhere. This point may need special emphasis in connection with the period of reconstruction after the war. There is a general feeling that, as part of the programme of reconstruction, it will be necessary for the nation to undertake extensive developmental projects affecting natural resources. The "optimum use" of resources will, in this event, require the selection of these projects on the basis of a broad national appreciation of the alternatives.

Sixth, in the past, less-than-optimum use has resulted from governmental policies which have reduced the incentive to "optimum use" or have positively encouraged exploitation, limited development, and impeded adjustments and the adoption of efficient methods.

The earlier policy of free land embodied in the homestead legislation did not encourage the efficient use of agricultural land in the prairie provinces; and it is significant that in the Province of Alberta, new land is now available only on a lease-rental basis, until the occupant has established himself and proved his intention and capacity to use the land effectively. However, although the proportion of rented land in the West is increasing, rental agreements are generally unsatisfactory, and tenant farming is frequently associated with property deterioration. In addition to tenure arrangements, the tax policy of governments may also have an important bearing on the use of resources. Recent studies of the assessed values of agricultural lands suggest that there is a general tendency to over-assessment and taxation of less productive lands. Over-taxation may limit the development of land which might otherwise be put to advantageous use. A more recent development affecting the use of agricultural land is the payment by governments of various forms of bonuses to the producers of particular commodities. While, in some instances, these bonuses are designed to promote desired adjustments, in other cases they may seriously impede adjustments. For example, whatever other arguments can be advanced in their support, there is no doubt that the effect of the wheat-yield bonuses under the Prairie Farm Assistance Act has been to maintain in wheat production lands which might with greater long-run advantage have been transferred to other uses.

If the community chooses to leave the responsibility for the control of resources and direction of their use to individuals, then the community, through its representatives, should be prepared, within the limits consistent with the general

welfare, to provide conditions favourable to the efficient carrying out of the individual's functions.

We assume that it is part of the general objective to secure for all Canadians "access on equal terms" to the natural resources of the country and to their products. Like the term "optimum use", the phrase "access on equal terms" is difficult to interpret precisely; and it is important that we should make some effort to assure ourselves that we know what we mean when we use it.

What do we mean by "access on equal terms"?

In the first place, it is possible that, if the phrase "access on equal terms" is given an extreme interpretation, this part of the general objective would be inconsistent with the "optimum use" of resources. As we have seen "optimum use" implies that resources are placed under the control of those who can make most effective use of them. Modified to meet this condition "equal terms" implies that no consideration other than capacity to use resources effectively should limit the opportunity of access to any individual. Is this what we mean by "access on equal terms"? Or, do we mean that control over the use of resources should be determined without regard to the capacity of individuals to exercise control?

In the second place, it is frequently supposed that the operation of a "free market" for resources avoids discrimination and provides conditions consistent with "access on equal terms"; and that the operation of such a market automatically places resources under those most competent to exercise control. Are we satisfied that, in the past, the market for Canadian resources has always operated in this way? Is it not the case that individuals in the market for resources frequently suffer from impediments or incapacities which prevent them from bidding "on equal terms" for available resources? If it is admitted that individuals suffer from such impediments, does not the general objective imply that measures will be taken either to remove these impediments, or to offset them in such a

manner as to make "access on equal terms" a reality?

Thirdly, monopolistic control over natural resources or their products provides the most favourable conditions for discrimination between persons in the distribution of the products; but, even under competitive conditions, are we satisfied that Canadian consumers have had "access on equal terms" to the product of Canadian resources? Inequalities of income and of needs clearly make for differences in the capacities of individuals as buyers; and many Canadians go short of important food products which this country is richly endowed to produce. If we are to retain the general objective of "access on equal terms", and to strive to give it reality, does this not imply that we must be prepared either to reduce the gross inequalities in the incomes of Canadian consumers, or to revise our arrangements for the distribution of essential products from Canadian resources, or both?

International Aspects

In considering the international aspects of the use of Canadian natural resources, it is useful to distinguish between two types of resources, namely, those which, so far as is known, are highly localized in their occurrence and are found in only one or two countries (for example, nickel), and those which are universally distributed (for example, agricultural land).

In the case of limited and localized resources the conditions are peculiarly favourable to the exercise of monopoly power. Under such conditions the peoples of other countries can be discriminated against, to the material advantage of the possessing country, through control over either the development of the resource, the disposal of the raw material, or the disposal of the finished product. This type of situation is a fertile source of international disunity. Active discrimination is possible in a number of ways. Even when no such discrimination is practiced, if the materials and products are urgently wanted, the peoples of other

countries may greatly fear the exercise of monopoly power. In cases of this kind the cause of international harmony might be advanced by placing the development of the resources and the disposal of the materials, if not under the direction at least under the surveillance of an internationally constituted body. Would Canadians be prepared to support a proposal of this kind, involving as it does, some degree of limitation of national control over the use of domestic resources?

Whether resources are localized or widely distributed, where countries are linked together by commercial interchange, the general interest is best served when the resources of particular countries are put to "optimum use", that is, that they are adequately conserved, fully developed, put to their most productive uses, and that the most effective methods of production are employed. Again it must be admitted that, in this international connection, the desirable conditions are difficult to describe with precision. However, within the international system, the pursuit of these objectives in particular countries promotes the welfare of the countries directly involved, and this reacts to the benefit of other countries. As we have already noted, less-than-optimum use may, in part, result from lack of knowledge or from incapacities which limit the opportunity to develop the fullest use of the available resources. Within the international system the general advantage can be promoted by raising the level of knowledge throughout by the wide dissemination of technical information, and by international efforts to remove the incapacities which result in the limited use of resources particularly in some countries. Canada could advance her own interests by accepting technical information, skilled personnel, or capital from other countries; reciprocal action by Canada in sending information, technicians, or capital to aid in securing "optimum use" of resources in other countries can react to the benefit of Canadians by increasing the demand for the products of Canadian resources. The possibilities in these directions should

be more thoroughly canvassed than they have been in the past.

In the case of universally distributed resources, the conditions are relatively unfavourable to monopolistic discrimination by particular countries. However, as national boundaries are now drawn, countries are not equally endowed with natural resources. Some countries, such as Canada, possess large amounts of resources relative to their populations; others have relatively limited resources. It is assumed to be part of the general objective "to further the enjoyment by all States, great or small, victor or vanquished, of access on equal terms" to natural resources and to their products. It is certain that this condition was not met, by Canada or other countries, in the pre-war world.

Discrimination was frequently displayed in the terms on which the people of different countries had access to resources in other countries. This discrimination was evident in national regulations affecting movement of population between countries. Countries with relatively plentiful resources, Canada included, were not prepared to provide "access on equal terms" to the nationals of countries with relatively limited natural resources. Where some of the people of the latter countries could secure material benefit from migration, and desire to migrate, such action by other countries may be considered detrimental to the interests of the peoples of countries with limited resources; and presents them with a plausible case for attempting to extend their control over regions of more plentiful resources. But, are Canadians prepared to provide "access on equal terms", or to move in that direction?

Discrimination was generally displayed in the terms on which the people of different countries had access to the pro-

ducts of resources in other countries. Countries relatively rich in natural resources, Canada included, by impeding the importation of commodities from "over-populated" countries, limited the ability of the peoples of the latter countries to purchase and pay for the products of their resources. Such policies resulted not alone in the loss or impoverishment of customers; it presented the other countries with a reasonable case for extending production from their own limited resources which action had, in turn, unfavourable effects on the use of natural resources in the countries more generously endowed. Are Canadians prepared to sponsor policies which will avoid or reduce this form of active discrimination, and thus to move in the direction of "access on equal terms"?

It is sometimes assumed that the operation of a "free international market" for materials and commodities provides conditions consistent with "access on equal terms". But can it be said that the peoples of "rich" and "poor" countries are capable of bidding on "equal terms"? If not, does not the general objective of "access on equal terms" imply that the more favoured countries, including Canada, either attempt by means already discussed to raise the productivity of the less favoured countries, or revise their arrangements for the distribution of their products in such a way as to offset the incapacities of some countries as buyers, or both? Is such action, if taken by individual countries acting independently, likely to contribute to harmonious international relations? Or, if measures of this kind imply some machinery for regulating international transactions, would Canadians be prepared to accept the decisions of, and give continuous support to, the type of supranational body required?

A Plan for the Use of Manpower

By GEORGE LUXTON

"Employment is the most urgent, most important, and most difficult of reconstruction questions."—Sir William Beveridge.

A.—The Objective:

Optimum Employment

The central objective of postwar manpower policy should be "optimum employment." By this we do not mean "full employment" without regard to the type of work upon which people are to be engaged. We mean rather that all those wishing to work are to be employed:

- (1) At their highest skill.
- (2) In accordance with the social objectives outlined in preceding articles, including the provision of a national minimum standard per head of the essentials of life.
- (3) At activities which would involve the optimum use of our material resources.

B.—The Setting of the Problem

The attainment of this objective will not be easy. Consider for a moment the dimensions of the problem. The following rough estimates of our working labour force show the enormous changes which have already taken place in its size and composition since the start of the war.

	September 1939	September 1942
	(000's of Persons)	
ARMED FORCES AND INDUSTRY(1)		
Male.....	10	1,315
Female.....	185
TOTAL.....	10	1,500
CIVILIAN INDUSTRY (Including Agricultural and Own Account Workers)		
Male.....	3,370	2,705
Female.....	950	1,195
TOTAL.....	4,320	3,900

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(1) Including indirect sub-contract work and services ancillary to war production.

TOTAL NUMBER AT WORK (Including Armed Forces)	Sept. 1939	Sept. 1942
	(000's of Persons)	
Male.....	3,380	4,020
Female.....	950	1,380
TOTAL.....	4,330	5,400

In the process of building up our armed forces and war industry, not only have practically all employable men been taken into full time activity, but some 400,000 women have entered the labour market.

Let us assume for a moment that the war (at least with Germany and Italy) ends in December, 1943. At that time, by shifting men from civilian to war activity, and by obtaining a further increase in the number of women at work outside the household, the number of persons in the forces or in war industry might well have reached over 2 million. The immediate postwar problem, then, would be to demobilize these 2 million men and women and at the same time to maintain in employment all those who have been rendering civilian services to them, in agriculture and manufacturing as well as in trade and service. It is well to remember also that owing to their experience in army trades and war factories, possibly the majority of those in the forces and in war industry will possess, and will be anxious to use, far higher occupational skills than they had at the start of the war.

C.—Future Policies

Our gross hypothetical figure of 2 million will be reduced by voluntary withdrawals from the labour market of married women with family responsibilities and of single women through marriage. It will also be reduced by the revival of civilian industries curtailed during the war. Consumers will be seeking to purchase long-wanted goods, traders to restock their depleted shelves, industries and public utilities to replace their worn out equipment. But there

will be inevitable technical delays in reconverting automobile and other plants which in war-time have shifted from civilian to war work. Furthermore even with the best coordination between the rate of demobilization and the reconversion programmes of civilian industry, there is likely to exist a large gap between the number of people employed in response to private real investment and consumption, and the number employable under conditions of optimum employment. The closing of this "employment gap" will be the heart of the postwar manpower problem, both during and after the demobilization period.

It is idle for us at the present time to draw up detailed blueprints showing how the "employment gap" will be closed. So much depends both on Canadians possessing the same unity of purpose as they have had in war-time, and on an international atmosphere of mutual cooperation. But we can fruitfully consider the major determinants of the solution.

First, there is the international economic environment in which we may find ourselves after the war. Since autarchy in Europe or elsewhere would seriously cripple the Canadian economy, self-interest alone demands that we should support with all our strength broad-scale plans for international collaboration in the development of world resources, involving the multilateral expansion of foreign trade. Particularly in the immediate aftermath of the war, this may require that we, along with other members of the United Nations, should make free gifts of food, materials, equipment, etc., to undeveloped nations, and to those countries gutted by the war. We have gladly made gifts to Britain in order to help win the war; we should be just as willing to make gifts to other nations in order to help establish the peace. All such aid would serve to close the employment gap in the immediate postwar period.

However, until the shape of the postwar world becomes more or less clearly defined, preparations must be made for

differing degrees of international cooperation. Concretely this means that plans for domestic measures to obtain optimum employment will have to allow for—

(1) the import "leakage" involved in different types of expenditure. For example the direct home employment resulting from a housing program will be far greater than that resulting from a stamp plan for the free distribution of bananas.

(2) the effect on the competitive position of export industry. It is undoubtedly true that countries heavily dependent upon exports cannot raise the level of their social security programs past a certain point without meeting the competition of cut-throat exporters—whether the latter are using subsidies or sweated labour. This merely serves to emphasize the fact that without some working standards of international trade practice, and without an international minimum standard of social welfare, plans for Canadian reconstruction will be severely hampered. But let us not be over timid in anticipating the critical level of social welfare in relation to export competition. Better nutrition, better health, better housing can all serve to increase the productivity of those employed in export industry. Schemes for public works, for technical training programs, for research in agricultural and industrial problems, etc., can be geared to the needs of export industry. Finally, without venturing into subsidy schemes the incidence of taxation on exporting groups can be lightened. When all is said and done the essential point is this: external events set an upper limit to our economic well being; they do not excuse a failure to come up to that limit.

Turning now to domestic policies, the fundamental instrument of government policy is a continuous fiscal program designed to close the employment gap and to keep it closed. The program must be continuous, not merely an occasional "shot-in-the-arm," since it must take account of the current and anticipated level of private employment. It must also coordinate both spending and

revenue-producing policies, since the latter have inevitable effects on private employment.

As to government spending, we must be prepared to recognize that if it is to fully close the employment gap it may have to continue for some years at double or triple the pre-war figure of a billion dollars a year for all governments, in addition to extraordinary expenditures for aid to foreign countries.

How is this money to be spent? There is a tendency to consider public works expenditures as something greatly to be preferred over other types of extraordinary government expenditures. Per se, however, they have no superiority over government expenditures in the interest of improved services, such as teaching, or of improved standards of consumption, such as a food stamp plan. These other types of expenditure may give rise to just as much employment and may yield just as great social returns. In the last depression we sometimes fired teachers and health workers as part of "economy" campaigns, while newly employing thousands on "boondoggling" public works projects. Let us hope that this ridiculous and tragic situation—in part the consequence of a false distinction between ordinary and special government expenditure—will never occur again.

Certainly we must prepare a Public Works Reserve so that we may build useful housing (both urban and rural), transport facilities, conservation works etc., when and where the need arises. But we should be rather careful to maintain a many sided expenditure program for two reasons. In the first place it is desirable to spread out our long run public works expenditures over a period of years rather than to distort the economy by completing them over a short period. Unless we took in thousands of immigrants and thereby had to build extensive new facilities, such a staggered program would be unlikely in itself to solve the employment problem. Secondly, we shall need to find jobs for a far greater variety of skills than can be used on public investment projects.

What then are the other useful channels of expenditure? There are the governmental social services—education, health, etc. The whole salary and personnel structure of our educational system is in urgent need of review. There are schemes such as those proposed in the Beveridge report for the United Kingdom for greater social security in connection with old age pensions, unemployment insurance, health insurance, and family allowances, to which the government can contribute. Apart from raising the level of social welfare, these schemes have the advantage of removing from the labour market any persons who are too old or too weak to work efficiently but are driven to do so by reason of hard necessity. Despite its initial cost a positive, fully rounded program of social security may be less of a drain on the resources of a country than a half-way policy which barely keeps many people's heads above water.

There are schemes for promoting socially desirable consumption such as by a stamp plan modelled on that developed by the U. S. Department of Agriculture in 1938, or by subsidized low prices for special commodities or services. There are technical research projects designed to deal with the special conditions of Canadian agriculture and industry. The field of chemurgic research, which attempts to find industrial uses for agricultural products, is particularly important for Canada. Finally, there are schemes for aiding the finance of private industry and agriculture through special loan programmes, particularly for medium and small scale business.

The financing problem attached to a large scale peace-time government spending program will be both simpler and more difficult than that in war-time. It will be simpler because until the stage of optimum employment is approached, the inflationary pressure will be almost non-existent as compared with the terrific pressure of the war programme. On the other hand the program will require a very close coordination of federal and local finance and will undoubtedly require

financial aid to poorer sections of the country. Moreover the program has to be meshed in with variations in private activity, and hence is a far more volatile thing to handle than the war program.

As to the form of financing, only one thing need be said at this stage. There is no necessity over the long run for the spending program to be accompanied by deficit financing, provided that direct taxes are maintained at high levels. Despite the economic maxim that an internal debt can keep on rising ad infinitum with no effect on the price level, there is some merit in keeping our "inter-pocket" transfers to a minimum.

In addition to striving for optimum employment through its fiscal program it is essential that the government should give general guidance to the price and real investment policies of private industry. Our financial controls, our company laws, our corporate taxation and our control over monopolies will all have to be reviewed in the light of post-war needs. The broad aim should be to encourage maximum investment of risk capital and maximum production in all those industries which have both social utility and some chance of surviving over a period of years. Our existing anti-trust legislation is probably most in need of overhaul. As in other countries, we have strained at gnats and swallowed camels because of our excessively artificial definition of monopoly. We have attempted to exorcise monopolies whenever our legal apparatus could prove that they existed, without recognizing that three-fourths of our economic structure is shot through with monopolistic competition. Since the war has given a further impetus to the concentration of industry, it is all the more necessary that we should pursue a new tack and lay down the criteria as to what are and what are not desirable price and investment policies for big or trustified business.

One other policy which should be developed in connection with manpower is a program for shorter hours. Probably the majority of persons in war plants are now working beyond the optimum

number of hours per week. A 40 hour week throughout industry, with sustained average weekly earnings, would greatly raise the health and efficiency of industrial workers, and would also help to close the employment gap.

D.—Administrative Framework

The postwar policies outlined above can be put into effect satisfactorily only with the greatest cooperation between federal, provincial and local governments. Given political agreement, the numerous constitutional and legal obstacles can be swept away in short order, as was shown in 1940 by the passage of the legislation required for the setting up of the Unemployment Insurance Commission. To obtain such agreement, however, great care will have to be taken to distribute burdens and benefits in an equitable manner. This policy is discussed in detail in succeeding articles. But inter-governmental cooperation is only half the battle. Unless we can so organize our regular government departments and our autonomous services in such a way that they may be sensitive to the pressure of public opinion and quick to receive and develop new ideas and techniques, we shall suffer from the cumulative errors of an atrophied civil service. The situation can be corrected only by a combined attack on the rigidities which exist in civil service organization and personnel.

In the realm of private employment, the Employment Service of Canada will have an enormous responsibility, particularly in the demobilization period, for directing occupational skills into the right jobs. Under the pressure of the Selective Service regulations the Employment Service is gradually taking shape. It is vital that by the end of the war it should be a strong well-knit placement agency, for the burden on its local offices in the first two years after the war is likely to be greater than at any time during the war.

E.—Present Preparations

Although it is Utopian to prepare detailed plans for reconstruction in fields

which are primarily dependent on the state of international economic relations, there are three types of current planning which are decidedly worth while.

The first covers preparations for the first stages of demobilization—the order in which troops and war workers are to be demobilized, the problems of reconversion of war industry, the institution of public works programs, etc. Useful preparatory work has already been accomplished by the various sub-committees of the General Advisory Committee on Demobilization and Rehabilitation and by the Committee on Reconstruction. As far as the armed forces are concerned, a pre-enlistment occupational history survey has been taken of every person in the army, navy and air force which has already been of assistance in connection with war-time manpower problems. This survey will need to be supplemented by placement interviews just prior to demobilization, in order to record changes in qualifications and in occupational preferences.

Work on the preparation of a Public Works Reserve is only in the preliminary stage. What is needed eventually is not merely a list of desirable projects but actual engineering plans and financing

arrangements covering a preferred group of projects.

The second category of postwar planning comprises the preparation of minimum standards of social welfare and social security. Work along these lines has been described in preceding articles.

The third type consists in concrete research into the industrial and employment structure of the Canadian economy. No matter what general reconstruction policies are finally adopted after the war they cannot be pursued quickly and efficiently without detailed knowledge of the structure of each main industry, of its inter-relations with other domestic and foreign industry, and of its postwar conversion problems. Only with the aid of such industry studies can we estimate the "employment content" of different postwar programmes and the effect of each on different regions of the country. They can be conducted on both national and regional levels and can give focus to and coordinate regional studies and plans made by local bodies. In sum, industry studies are instruments which will be required by most of the executors of postwar policies and which should therefore be fashioned without delay.

Improving Relations Between Management & Labour

By H. A. LOGAN

LABOUR relations in the reconstruction period, like other phases of our institutional set-up, are not to be regarded as something complete and static but rather as passing through a stage of development. Experience of social process everywhere teaches us we must regard them as dynamic. Admitting the necessity for a framework for the

new order—which structure I leave to others in this issue to portray—I shall attempt to suggest the lines of evolution that industrial relations are likely to take as they develop in conformity to this proposed frame. In the main—assuming the frame as outlined—I suspect we shall be operating industrial relations through devices and principles already well known and tested, but with new applications, extensions to new areas, changes in the quality of the instruments, and in some instances essential changes in their control. I am happy to announce in advance

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that I have not found it necessary to anticipate dependence on agencies that are undemocratic in their tendency. I proceed to cite them forthwith:

Free Bargaining in the Purchase and Sale of Labour

Free bargaining, as the basic way of defining the relation between employer and employee, is with us to stay. As it started at the break-up of feudalism and developed in purer form in the eighteenth century it contained the germ of a great advance in human freedom. The idea of a man being at liberty to sell his services to whomsoever he liked and of another to hire this man or any other as he chose represented a great gain in freedom of choice. It implied the ability of either party to withhold his part until the terms were the best that were to be found according to his judgment. No other consummation could be as desirable. Conditions could be arranged suitable to the parties even though at variance with the conditions of every other contract. The arrangement could be terminated at the will of either party when it failed to satisfy. Surely here was an instrument better suited to a free future than previous arrangements based on custom and authority, which though protective in design, were uniform in their prescriptions and failed psychologically to give sufficient place to individual likes and dislikes, desires, and capacities. Furthermore, it served as a mark of personal maturity that each free man at last could arrange this most important matter for himself. Progressive men like Adam Smith—philosophers they were as well as economists—were not wrong in sensing the merit of this new method of relations as contrasted with the State paternalism in these matters that had been characteristic until then.

But the trouble with individual bargaining in labour relations almost from the beginning has been that the conditions necessary for its satisfactory operation have seldom existed. Its rationale assumes somewhat equal strength in the parties involved both among the com-

petitors and across the market. This condition, as we know, faded with the gathering together of greater and greater aggregations of capital. The worker failed to find the plurality of prospective employers among whom he could exercise choice, and in his necessity he had little ability to withhold his services for better wages and working conditions. He must need accept the terms offered by this more favourably placed employer. Free bargaining as an institution in other words rarely existed. It tended to deteriorate into a new authoritative regime with the employer substituting for the earlier State.

But bargaining itself was not discredited at that time nor has it ever been. The problem has been to maintain the conditions that will let it function. The foremost answer to the aggregation of capital has been the trade union developing naturally to bring together the workers and to meet the employer, strength for strength, in collective bargaining. Needless to say considerable of the freedom and excellence of individual bargaining are sacrificed. The wide variability expressive of personal preferences characteristic of small contractual relations is gone. Individual creativeness has to be submerged in the will of the whole group in framing policy and battling for terms. At worst, and all too often there has been little participation by the rank and file in developing the terms, their only function being to throw in their weight in a final trial of strength. On the other hand, at best, we find an exhibition of representative government operating more intelligently probably than in any constituency in our political democracy.

An Extension of the Use of Representative Government

The change from individual to collective bargaining parallels the step from direct to representative government in the political sphere. The conditions in areas of industrialization, and of congregated capital even where big industry is lacking, have been making it equally necessary.

Britain in the decades before 1914 and the United States in the 1930's provide an index to the trend. In Canada it may be accelerated by the increased organization of labour which may be anticipated after the war. The fact that in future there are not likely to be the opportunities for setting up little independent businesses or going on the land will bring workers in the union who in earlier years kept away from it. The wage-earning class is likely not only to be larger but the wage-earners are likely to be permanent wage-earners to a greater extent and this will tend to strengthen the labour movement and the trend towards collective bargaining.

However, the sweep is not likely to be clean. In Canada as elsewhere there will be considerable areas where individual dealing will be more equitable and where it will still be practised, but the collective bargain is likely to be characteristic in the days to come.

The first condition of representation here, as in the political sphere, is that all parties shall be free to choose their own representatives without let or hindrance and without fear. A vital error after the last war both in the United States and Canada lay in curtailing this freedom even while making provision for representation. This was the mistake in the two conferences called by Woodrow Wilson which left the workers dissatisfied down to the era of Franklin Roosevelt. In the "employees representation movement" the employers conceded something, but they not only restricted the choice of spokesmen to men in their own employ, but limited their authority and the range of topics with which they could deal. This half-way house is not likely to stand in the new order and although contributing something in the practice of working together, will doubtless be recorded by future historians as a grievous blunder.

A second condition of effective representative government is that men shall not be discriminated against for voting as they like and for taking membership in the free organizations cal-

culated to interest and assist them. This condition also, so frequently denied in connection with workers' right to join unions, will have adequate guarantees in the future.

An Extension of Matters Brought Under Agreement

It is becoming increasingly apparent that the collective labour agreement is not a mere buying and selling of a service but a basis for human relationship over a wide range. A study of collective agreements will reveal that usually a relatively small part of the written statement relates to wages and that an increasing amount of space is given to such matters as providing shop committees, grievance procedure, methods of wage payment, laying off of workers, dealing with technological changes, and defining the condition of employment. This is a trend that is likely to go further especially in quality and in exactness. It represents a wider domain of agreement and mutual guarantees, a shrinkage in arbitrary dealing. It means precision, and standard ways of doing things. It is only through collective bargaining that these results can be obtained and in this respect it is proving superior to its forerunner. Without it the individual worker is bound to accept and be governed by all the policies and regulations of the firm running from management, directors and stockholders, many of which he cannot know at the time of taking work—much less influence. There are so many factors involved in industrial relations to-day that simply cannot be taken care of in individual bargaining between employer and employee.

It should be appreciated too, especially in view of this increased area of coverage, that collective agreements, possibly modified in some respect, will be necessary in industries operated directly by government. Many people assume in a democratic country, since the government "is the people," that workers need no further expression than that which already lies in their political representation and power. This is surely a mistake.

Any group of men working on a common project and carrying on under the conditions of a particular industry have a set of vital interests which may well be distinct from those of the rest of the great political electorate, or perchance outside the range of its observation. As workers they have an intimate knowledge of the way of life in this limited area that is not possessed by others. The collective agreement, properly negotiated, is the natural way to give it expression and elaboration, untrammelled and uncrowded by other matters that are bound to fill the political arena. Furthermore, it is becoming an accepted principle of government industry that there should be as little political interference as possible with its detailed operation: that management once engaged should be given a free hand. This, of course, militates against the particular workers expressing their views and exerting their influence in this way. There are limits to the uses of political democracy.

New Changes in Management

In a sense the most significant revolution of modern times has been in management. In the nineteenth century it engineered the great division of labour that heralded the era of machinery. In our own it has witnessed the development of scientific management and personnel management. Its accomplishments have been great and for the most part it has done a good job. More grudgingly it is making its adjustments to the trade unions and grievance committees that temper its absolute authority; and just now it is accepting labour-management cooperation for efficient production. Of this last we shall speak again. In a greater movement now under way, however, management seems not only to be changing its style but to be switching its moorings. The source of its authority is widening and its purpose is going social.

Heretofore management has operated true to the corporate pattern. Its plans have been laid and administered in the interest of invested capital, or, at worst,

in the interest of those sections of shareholders whose stock was represented on the directorate.

But to-day management is hearing a new master's voice. Inevitably it must be affected by the new social outlook represented in such expressions as "full employment of resources," and "optimum output of goods and services," long known to the economist but now fast becoming familiar to us all. Under the impact of war these have become the social goal. The State in its emergency has endorsed them and the ideal is entering our tradition. The socialist will interpose here that he sees no way of effectuating this ideal except under a socialist order. This may be true, yet the State to-day is demanding results and where corporate directors fail to support management that is efficient according to the new norm, the State proclaims its authority and replaces the obstructionists and the incompetent. More generally it determines priorities for material and men, distinguishes essential from non-essential industries, furnishes equipment, trains and selects workers. All this is relatively new of course and much of it may fail to carry over into the peace. Management to win recognition as successful will in some sense have to fulfill the conditions of efficient, full, and continuing production. It is significant that well-informed criticisms of ineffective production methods are at this time coming from the workers—workers operating within the plants and supported in their protest by the larger organized groups beyond.

Secondly management heretofore centred in the office is becoming in some senses a function of the whole plant. This trend has found its most significant expression in the Labour Management Committee Movement which developed first in Great Britain and is now spreading rapidly here and in the United States. The name Production Committee which is used for them in England describes their purposes best. They have nothing to do with the matters which are normally subject to collective bargaining.

nor are they concerned with working conditions. They aim at laying the basis for a fuller use of the ideas and capacities of all grades of operatives. Continuous attention to the detail of a task often suggests to the alert worker easier and better methods of performance or he may see the possibility of preventing waste of material, or loss of time due to poor coordination. The scientific management movement of a half century ago failed to do justice to the creative capacities of the people who did the work. It has been accused in its devotion to the stopwatch and to motion studies of having made mere mechanisms of men. With everything planned for them they were merely "shown how": they were "trained." Now we are in the way of repudiating this conception of the use of manpower and that for two reasons. In the first place it resulted in much unrest and a deep dissatisfaction with the whole scheme of industrialization. In the second place we have learned that the office people and the expert do not have all the facts but that much knowledge and wisdom reside in the workers, born of their experience at their tasks.

Where labour is organized, the Labour Management Committees will be representative of management and unions. The drive in Canada towards these Committees to-day has come not only from government agencies such as Selective Service but also from unions. Some of the unions are not without experience in collaborating with management for more efficient production. Union-management cooperation has been operated for nearly two decades in the shops of the Canadian National Railways. Committees here have functioned at three levels, viz., in the local shops, at divisional centres, and at national headquarters. Generally speaking the contact and close association in responsibility has been found profitable to both parties. In the clothing industry in the United States, many varied undertakings have been carried through in cooperation, from arranging complex and scientifically calculated piece-rates, to the financing of firms threatened with bank-

ruptcy. How far management can be dispersed is bound to depend of course on many things, but notably on the degree of intricacy of the particular industry and its dependence on science and engineering technique. Doubtless there are many enthusiasts to-day who are entertaining too roseate hopes concerning labour-management cooperation. The record is scarred by failures as well as by successes, and nowhere has it scored anything approaching an industrial revolution. Nevertheless it is fundamentally a hopeful movement and calculated to erase what has been perhaps the greatest psychological error of nineteenth century industrialism. Its next requirement is a careful assessment of its possibilities for different industries and an adjustment of its program to suit each case.

New Approaches to State Control

State assistance and control in labour relations are likely to be more intelligent because more considered. For the most part the devices of control will not be forged in the high places of the State and imposed on the parties to industry but will rise out of the desires and invention of the latter themselves. These expressions of democratic industry when they have been judged worthy and where it is necessary will receive State sanction and be made authoritative. The beginnings of this method are seen to-day in our provincial Industrial Standards Acts and more purely in the operations under the Collective Agreement Act of Quebec. It is a device that supports voluntary collective bargaining by unions and covers areas where the latter may not exist. Beyond this the State will play a more prominent role in organizing the labour market, in compelling minimum standards for the less protected groups, in settlement of disputes, and in a broadened program of social insurance. As suggested earlier the State—advised perhaps by some species of economic council on which the public will be represented—will assume an over-all responsibility for the continuous functioning of industry

according to fair standards of efficiency in the interest of the people as consumers.

Highlights of the New Order

At the risk of repetition we shall now set forth the highlights of the new order as affecting industrial relations.

1. A better organized labour market by virtue of society's conscious attention to the problem, and featuring specifically (a) a system of public employment exchanges with officials trained in the techniques of selection and supported by a fair knowledge of both jobs and labour supply; (b) job specifications provided to the exchanges by officials of individual firms with whom also would rest final placement at tasks; (c) intelligent use of trade and aptitude tests by both the above, and some attention to general vocational guidance; (d) unions and perhaps other agencies playing some part in organizing labour supply but the overall coordinating function resting with the public exchanges.

2. General use of collective bargaining in the major industries. Unions, it may be anticipated, will with recognition and experience become appreciative of the wage-paying capacity of the different industries—industries note, rather than

particular firms—and will become generally more constructive in outlook. Incidentally, it is to be hoped, their leaders may be enabled to take greater advantage of our higher educational facilities than heretofore.

3. An adjustment of the functions of personnel or employment officials of private firms to work in close cooperation with the representatives of the unions in the plants to interpret the terms of the collective agreement in its application to particular conditions.

4. Generous use of regional standards worked out by agreement between representative employers and unions in different industries and trades, and then extended and made authoritative by the State for whole industrial and commercial areas.

5. Looking more directly to production and output we may expect to witness a larger participation of workers in the management function through labour-management committees.

6. A final dependence on State initiative for compelling standards in social insurance, living wages and working conditions and also a reliance on State authority and responsibility to keep resources efficiently employed in useful production.

Organizing Canada's Political Life

Rebuilding Democracy

By B. K. SANDWELL

IN spite of the last twenty years, the idea seems to be still strangely prevalent among the more optimistic citizens of ostensibly democratic countries that democracy is a sort of twentieth-century latest-model machine for carrying on government, which can be acquired and installed by any intelligent community, and which, once installed, is guaranteed to function without repairs or attention for an indefinite period—perhaps until a still later and better machine is invented by the illimitable ingenuity of science.

It is apparently believed by a great number of these optimists, for example, that all that is necessary is for the existing government of India to abdicate, and democracy would immediately be installed and set going in that Empire and would function to everybody's satisfaction. It is true that the more acute among these optimists will admit, when questioned, that democracy in India would have to be, for a time at least, democracy "on the Russian model;" and the fact that this is not what is commonly regarded as democracy by ordinary people in the democratic countries does not deter them, any more than it deterred the Webbs from asserting, in their latest book *The Truth About Soviet Russia*, that under the terms of the Constitution of 1936 "the USSR is the most inclusive and equalized democracy in the world."

It is important that we should bear in mind the fact that the concept of democracy which animates a very considerable number of citizens in the democratic countries is now such that they would be willing to regard the establishment of institutions closely resembling those of Russia as involving no breach

with democratic principles, in spite of the fact that those institutions are admittedly designed to allow no share in the government and administration of the country to any person not nominated by one of a certain recognized group of "public organizations and societies"—all of which are either direct Communist party organizations or societies in which it is easy for the party to maintain control. All political organizations opposed to the Communist party are thus debarred from any share in the government; more than that, they are debarred from existing. This, be it remembered, does not mean merely organizations opposed to the principles of Communism; many an old and long established democracy, and almost any newly established democracy, may find it necessary to prohibit organizations whose purpose it is to effect a fundamental change in the constitution. But this means organizations opposed to the particular method of practicing Communism which is accepted by the Russian Communist party, or opposed to the policies of that party in any particular—deviating in any respect from "the party line." This may be an admirable system of government; it may be an absolutely necessary system of government in a country inhabited by such people, and located in such a position, as Russia; it may be and probably is the only system of government which would have saved that country from succumbing to the German military power. But to describe it as democracy is to deprive that word of most of its significant content. It is to suggest that government by a small and tightly organized society is ruled by the "demos," the mass of the people. (That that rule is accepted and ardently defended by the "demos" has

nothing to do with the case; it may prove that it is very good government in the circumstances, but it certainly does not prove that the mass does the governing.)

Democracy, then, is essentially rule by the mass of the people. It is not the mere acceptance by the mass of the people of rule by any society, clique, group, class, hierarchy or individual. If rule is actually in the hands of any such society, group or individual, the result is not democracy. It is not democracy even though it be possible for certain individuals of the mass at any time to secure entry to the governing society or clique—as it is, by a process of education and conformity, in Russia. Democracy is seldom perfect, and it may in any given case be deficient in practice either in respect of admitting too few members of the community into the governing mass, or in respect of giving the supposedly governing mass an inadequate control over the machinery of government, or in both. In a community of a million adult members, for example, it might at first sight appear that a political system which gave only two hundred thousand the right to vote in the choice of representatives was inadequately democratic on the side of the size of the electorate. Nevertheless there are admittedly differences in the qualifications of different races, at particular stages of their development, for the task of self-government, and if the eight hundred thousand are only just emerging from a state of barbarism, it may well be inadvisable to try, at the moment, to be any more democratic than twenty per cent. But this is assuming that the voters in such a state do actually exercise a real control over the machinery of government. If they do not, there is not the slightest difficulty about admitting any number of them to the franchise; for the “democracy” not being a real democracy in point of power, can afford to be as ultra-democratic as it likes in point of franchise. This is what enables the admirers of the Russian polity to make such plausible claims for its democratic character because of the fact that it makes absolutely

no discrimination between individuals on account of race, color, religious belief, “previous condition of servitude” or any other quality. The social results of this tolerance are admirable, and the political results are negligible because the franchise confers no real power. That the franchise confers a very real power in the United States is amply demonstrated by the lengths to which the Southern States go to keep it out of the hands of their Negro majorities. These States are democracies in respect of the adequacy of the power exercised by the electors, but not in respect of the adequacy of the number of the electors—unless we admit, what those electors claim, that the Negroes are incapable of participating in a democratic system.

If, then, we desire to maintain a genuine democracy in Canada, it seems to follow that we shall desire to maintain a system in which a sufficiently large proportion of the adult citizens can exercise a sufficiently real power over the processes of government. We shall not be satisfied if they merely tolerate a government in the control of which they have no voice. We shall not be satisfied even if they have no wish to alter the government's policies, unless we know that their contentment with them is genuine, the result of responsible consideration and not of long-continued and accepted impotence. We shall certainly not be satisfied with a system under which any organization to effect political ends other than those desired by the government is prohibited, under which candidates for public office can be nominated only by organizations approved by the government, and under which a close society which picks and trains its own members is the sole real seat of power. Yet that is what is being held up to us as an acceptable form of “democracy” by an important element of our thinking citizens.

Let us admit at once that the thinking of this element has been formed during a period in which war, on the largest scale and in the most savage forms, has seemed to be the natural and unavoidable state of mankind at this stage of its develop-

ment; and that democracy is of all forms of government the least suited to show to advantage in such a period. Democracy rose to its highest development and its most widespread success during a period in which war was strictly confined in its spread by the absolute supremacy of one, in the main peaceable, power on the surface of the oceans. Worldwide warfare began when that power ceased to be able to maintain that supremacy. If worldwide warfare is to continue, in active eruption once every generation and in active preparation the rest of the time, it is extremely likely that democracy must be written off as impracticable. The more tyrannical government in general becomes, the more urgent it is that our own tyrannical government should at least be conducted by people of our own race and nation, and not by conquering foreigners; and the more necessary it is that it should have at all times that total authority over the individual and all his goods which makes for success in war but ruins democracy in peace.

But a properly integrated combination of democratic nations—if only there are enough of them—ought to be able to regain that supremacy on the sea which no single nation can now afford, and to use that supremacy in such a way as to make aggressive warfare even on land an extremely hazardous enterprise—indeed an enterprise which in the long run is bound to fail. It is, I think, only in such a world that we need concern ourselves about the survival of democracy, for it is only in such a world that it has any chance of surviving. And to posit a world of that kind is to posit conditions the very opposite of those which have led to the rise and apparent success of the numerous One-Party governmental systems which have negated true democracy in many parts of the world by denying the right to oppose the government. A world in which large-scale and desperate war is a normal condition, is a world in which democracy is impossible; it is a world in which the right to oppose the government is a luxury which no nation can afford; it is a world in which the

individual is easily induced to surrender that luxury in the hope that by the surrender he may keep his nation free even if he cannot keep himself free.

But even in a world in which peace is much more secure than in the middle of the twentieth century, it will still be difficult to maintain a truly democratic system without a great deal more attention to its workings and understanding of its requirements than we have shown in the past forty years. The functions of government are to-day immensely more extensive and complicated than in the eighteenth and nineteenth centuries. In the economic sphere we can no longer be content to have government merely "hold the ring" to ensure fair play in the constant adjustment of the relations of property, contract and labor as it is effected by the unimpeded operations of supply and demand. (There is some hope that we may eventually get back rather nearer to that happy state than we are at present, when we have succeeded in redefining the rights of those three factors; our present troubles may be largely due to an exaggerated concept of the rights of mere property in the form of capital, along with a failure to realize that the employment of property as capital—that is, as the greatly enlarged and extended equipment of tools with which labor works—brings with it certain responsibilities which do not attach to property in other forms. It may, for example, come to be considered preposterous that a corporation which has property rights in a motor factory, i.e., in the tool equipment which motor-building labor requires in order to build motors, should allow five thousand workers access to those tools for six months and then throw three thousand of them out on the street. If the worker-and-tool relationship were better defined, it might not be necessary for the government to be constantly interfering, or sitting ready to interfere, to secure its more equitable operation.) We can no longer be content to have the value of the unit of currency left to be determined by the ungoverned effects of conditions in the mining industry of a

certain metal, nor the volume of credit by the uncontrolled effects of the changing moods of optimism and pessimism in the minds of the adventurers of new capital. In a word, *laissez faire* is out, and with it the idea that the least governed country is the best governed.

The difficulty about all this is not so much that the operations of the new kind of government require greater skill than those of the old; it is that they involve a much greater and more constant interference with the interests, or the apparent interests, of different groups and classes of the electors. It is not really essential that government should always be one hundred per cent right in its interferences, either in the matter of attaining a perfect maximum output of goods and services, or in the matter of effecting a perfectly equitable distribution of them when produced. *Laissez faire* never attained anything like that result; and the margin within which error in both respects is possible without any serious damage to the community is enormous. No; the real danger is that government may degenerate more and more into a clash of interests between powerful economic groups, in which the general good of the community may be lost sight of in the pursuit of selfish ends. *Laissez faire* had at least the appearance of allowing the government to disinterest itself in the relations of the different economic groups in its society, so that the results of the supply-and-demand process looked like the unguided operations of economic laws; they were a good deal less so than they appeared, because, whatever may have been the case within the boundaries of the country itself, beyond those boundaries the association between economic and political activities was always and inevitably very close; export and import trade, emigration and immigration, international finance, all had to be dealt with by government and all had a very direct effect and profound effect upon the interests of domestic economic groups. But to-day a great deal of the same kind of government activity is necessary even in purely domestic business, in the spheres

which it was theoretically the bounden duty of *laissez faire* to leave alone; and the consequent tendency to view political power as something to be used primarily to advance the interests of one's own economic group becomes very strong.

Fortunately the intensity of the group-interest which actuates the average member of the democratic mass electorate is not very strong, nor is it very rapacious. The average farmer thinks that farming has received something less than a square deal from government, and is probably right; but he does not want to use his unquestionably large political power to make a fortune for himself or his fellow-farmers. The average member of a trade union also thinks that organized labor has received something less than a square deal; but it is not very likely that he will ever use his political power as some of his leaders would like him to do, to secure for them the real control over the industrial process in which he participates. "Pressure groups" are dangerous when it is a matter of advocating isolated policies which have no very definite repercussion on other groups and so excite no vigorous opposition, but on the whole the ordinary pressures of the different economic groups and interests of a diversified democracy tend to cancel one-another out and to leave the government fairly free to pursue what it honestly regards as the best interests of the entire country.

It is extremely important that the new and enlarged interferences which government is now being compelled to make in the economic life of its citizens should be based as largely as possible upon well understood and generally accepted principles, and as little as possible upon *ad hoc* considerations applicable only to the particular case. Unfortunately these principles are at the moment very much in the making, and are a long way from general acceptance. For instance, while it is almost universally admitted that the workers in any industrial establishment must have a great deal more to say about the operations of that establishment than they have in the past, there is no agreement, not only on how

their views shall be reconciled with those of the management, but even on how they shall be organized to express those views. Once these principles are formulated the task of government will be not only much easier, but also much freer from group pressures.

If we can diminish the occasions for selfish pressures upon government to advance the interests of a group or class, by providing and accepting general principles which will cover most of the cases where the interference of authority is necessary, and if at the same time we can establish in the minds of the electors the moral principle that the obligation of the

ruler to rule in the general interests of the ruled is not one whit less when the ruler is the whole body of the citizens than when the ruler is a king or a hereditary class or a soviet, we may look forward with some confidence to the survival and strengthening of democracy, at any rate in a world in which peace is the norm and war a hateful exception to be avoided by any means short of gross injustice. It need hardly be said that these requirements involve a pretty high standard of citizenship, and do not at all justify us in thinking that democracy will maintain itself without any thought or care or sacrifice on our part.

Dominion-Provincial Relations

By J. A. CORRY

BY the time war broke out in 1939, many Canadians had concluded that a considerable adjustment in the relations between the provinces and the Dominion was overdue. The Sirois Commission studied the question between 1937 and 1939. Their report provided an analysis of the federal system since Confederation and made far-reaching proposals based on that analysis. But as the report was made public just as the blitzkrieg opened in the west, naturally its recommendations were not fully studied and debated. Some of the financial proposals of the Commission have been adopted as temporary war time expedients on the understanding that the whole matter will be reopened after the war. Dominion-provincial relations, therefore, remain on the agenda as unfinished business to be dealt with in the post-war period.

Since the publication of the Sirois Report, the war has wrought many

changes in Canadian life and thought the enduring effect of which cannot now be measured. The war has also destroyed the structure of international relations which stood so precariously during the 1920-40 period and candour forces the admission that we know as little—or even less—about the future of relations between states than we did in the closing years of the last war. Thus we do not know what adjustments Canada will have to make to international conditions, whatever those conditions may be. Equally, we do not know how great the internal economic and social distortions will be at the close of the war and therefore cannot say how far we can reconstruct to a pre-war pattern and how far war will have permanently changed the Canadian social structure. Most important, we do not know how far war will have permanently affected public opinion on the appropriate role of government—a question with profound implications for the federal system.

Each of these present uncertainties will be conditioning factors of immense importance in Dominion-provincial relations. It is impossible to say what

EDITOR'S NOTE: J. A. Corry, Professor of Political Science at Queens University, has made a number of valuable contributions to the problem of Dominion-Provincial Relations. He was an advisor to the Rowell-Sirois Commission and is author of two reports, *The Growth of Government Activities Since Confederation* and *Difficulties of Divided Jurisdiction* which were published among the appendices to the Commission's report.

relevance the analysis and recommendations of the Sirois Commission will have and little can be said about the future of Dominion-provincial relations without prophetic inspiration. It is perhaps worth while, however, to raise some fundamental considerations.

It can be said with some assurance that as long as a society of continental extension clings to liberal democratic values, it must strive to maintain a vital federal system. The cultural diversities which find tolerably free expression within a federal structure would paralyze the political system if forced into the framework of a unitary state and authoritarianism would provide the only escape from deadlock. To be specific, Canada lacks the homogeneity necessary for a unitary state to function without the bludgeoning of minorities. Two experiences with the national enterprise of war should demonstrate that voluntary submission to the unlimited sovereignty of the Dominion Parliament is not practicable, at least, in this century.

On the other hand, experience between 1930-40 shows fairly clearly that the federation is not likely to be maintained merely by jealous preservation of all the existing powers of the provinces under the British North America Act. In a troubled world, many problems of economic and social adjustment calling for action are beyond the effective power, as distinct from the constitutional capacity, of a particular province. Some of them no doubt can be dealt with by concerted action of two or more provinces. But many of these pressing problems are national in scope and as long as the Dominion lacks the constitutional authority to grapple resolutely with them, Canada cannot make effective adjustments and consequently is plagued with disunity—indeed, it may be, threatened with disintegration. Between 1933 and 1937, after it was obvious that the Dominion Government could not fight the depression effectively, a number of new governments came to power in the provinces with mandates to attack the depression on the provincial front. It will be

recalled that several of these governments were noted for their vigour and resourcefulness but their accomplishments in restoring prosperity were disappointing. Each province had to try to save itself and naturally, the more vigour it showed, the sharper became Dominion-provincial and inter-provincial friction. To allow this sort of thing to continue is to invite the terrifying expedients with which nations nowadays try to save themselves from frustration. Although it is by no means an easy formula to apply, the Dominion must have the constitutional power to deal with national problems.

It is thus necessary to try to steer a perilously narrow course between two evils. It is vital to federalism to keep political power decentralized and equally vital to centralize it when the need for national action is imperative. Whether we succeed or not depends in part on ourselves and, in part, on forces over which we have little control.

Canada is not likely to have more than a limited influence on the international settlement to be made at the close of the war. Yet a restoration of international trade on a scale sufficient to keep the great export industries going is of vital importance. If the underlying influences making for autarchy which have been everywhere stimulated by the war should triumph, the reconstruction of our economic life would require Dominion governmental operations of even greater magnitude and complexity than those forced on us by the war itself. Some new kinds of coercion as a substitute for the current fear of Hitler would have to be devised to keep us in line. Canada would rapidly become a national socialist state. Dominion-provincial relations would be intense, bitter and certainly short. National socialism will have no truck with federalism.

Even if statesmanship is equal to the task of restoring international economic life, the Canadian federation may get into fatal difficulties through confusion over internal policy. Unless there is effective liquidation of war time controls, a host of spurious national problems urg-

ing decisive centralization at Ottawa are likely to spring up. There is much laudable determination to de-control the economy so as to get back to pre-war economic patterns. However, it cannot be insisted too strongly that merely negative action in lifting Dominion controls will not accomplish this. The Dominion must not only de-control, it must take positive measures to deconcentrate those industries in which concentration has been fostered or imposed for purposes of war. If this is not done, it will mean that, many of the powers which fall from the hands of the controllers and administrators of the war-time organization of the Dominion government will be exercised, in effect, by trade combinations dominated by the leaders in the industries where concentration has gone far under the stress of war. That is to say, Canada, which had an inordinately high degree of concentration of industrial control before the war, will be saddled with much more of it.

It will be found intolerable that so much power should remain unchecked in private hands and a great extension of government control over the economy will soon be demanded both to curb trade combinations and to give compensating privileges to labour, farmers and other groups who have not been able to organize effectively for their own protection. In the nature of things, the governmental control required by the situation could not be provided effectively by provincial governments and a struggle would ensue over the enlarging of the constitutional capacity of the Dominion. A business leviathan calls for a political leviathan to keep it in check or to serve its purposes or both. There can be no balance or harmony in Dominion-provincial relations unless the accelerating trend to giantism in economic organization can be checked. Failure to check it will mean the end of federalism in a measurable time.

If, however, Canada's trade abroad can be adequately resumed and excessive economic centralization at home can be prevented, there is reason for expecting

that the political and economic conditions of the country will bear some relation to those contemplated by the Sirois Commission and its proposals will remain highly relevant to the inevitable readjustment of Dominion-provincial relations.

Even then, there will be significant developments to be reckoned with. In the first place, the experience of the second World War underlines everything which the Commission had to say about the broad effects of the first one on Dominion-provincial relations. In national enterprises which affect social life deeply, Quebec and the rest of Canada cannot go along together without disagreements which threaten not only the enterprise itself but the very basis of their common association. Quebec's suspicion of enlarged federal power will be intensified and there will be more reason than ever for keeping the scope of Dominion authority at the minimum.

Secondly, Canada has undergone a great industrial expansion much of which is likely to be permanent. Urban industrialism will be the predominant social pattern of Canadian life and the social problems which it brings with it, will press more strongly than before. This expansion has taken place almost entirely in the central provinces. Shifts of population from the countryside in Ontario and Quebec and from the outlying provinces generally to the industrial areas of the central provinces are not likely to be significantly reversed in the post-war period. Thus the voice of the central provinces will have greater weight than ever in federal councils and it is likely to speak in the marked accent of the industrial interest. The economic policy of the federal government is likely to respond to the demands of industry as never before, although one must recognize that the re-alignment of political parties which appears to be going on may affect this in an unpredictable way.

At any rate, there are already signs that the outlying provinces resent the decisions on the location of war industries as another federal policy which has worked

to their disadvantage. This is bound to complicate Dominion-provincial relations and may lead to a concerted drive by the outlying provinces for compensation through federal action. Location of war industries may be added to tariffs, railway and monetary policy as bones of contention, providing another argument for lifting the discussion of such issues to the plane of fiscal need to be solved by National Adjustment Grants as proposed by the Sirois Commission.

Thirdly, the public demand for governments to take active steps to provide social security is going to be stronger than could have been anticipated when the Commission prepared its report. The demand will amount to insistence on a considerably extended range of social services but one cannot say how far it will go in relation to measures for ensuring full employment by governmental action. No doubt, much will depend in each case on the difficulties Canadians meet in trying to fend for themselves in post-war conditions.

Insofar as the demand for social services grows, the unequal financial capacity of the provinces to meet it and the inequities and economically stifling effect of the taxation system as a whole will be intensified and the argument for fundamental financial readjustment of the kind proposed by the Commission greatly strengthened. Such a readjustment would involve a high degree of centralization in finance. On the other hand, nothing that has happened during the last three years gives any real ground for thinking that the Dominion is a suitable agency for the administration of social services other than contributory insurance schemes. Indeed, the apparent inaptitude shown by Ottawa in its war-time dealings with the municipalities suggests the contrary. It also argues that the case for federal administration of unemployment relief (as distinct from unemployment insurance), as proposed by the Commission, must rest solely on the vital importance of unifying under one administration all aspects of the unemployment problem.

It is fairly clear that the provision of extensive social services consonantly with liberal democratic values requires that municipalities should carry a large share of administration. The municipalities are creatures of the province; they have established relations and understandings with provincial governments. The provincial governments can provide guidance and supervision and share administration with them better than can the Dominion. Accordingly, the administration of social services generally speaking should be a municipal-provincial responsibility. Of course, if social services are to be provided on the scale on which they now seem likely to be demanded, it is imperative that there should be a thorough overhauling of provincial public welfare organization and an equally thorough reorganization of municipal government, enlarging the municipal unit in most cases and improving the quality of the municipal civil service. In the main, the role of the Dominion should be that of a tax-collector, making available to provinces and municipalities funds adequate to the national demand for social services.

Broadly, this is what the Sirois Commission urged. They proposed that the Dominion should make grants to the provinces, based on certain principles of calculation but with no strings attached, leaving it to the people of each province to determine the scale and character of the social services in that province. This formula should retain its validity in the face of considerable expansion of these services. The argument will no doubt be heard that some or all of the provinces are too slow in attacking vital problems of public welfare or that their administrative organization is so weak that they are failing to deal with these problems when they do attack them. The demand for a national system of social security may reach serious proportions relying on the analogy of what can be done in time of war. The analogy does not hold; we cannot agree to do together in peace time what we accept under the stress of the emergency of war.

Of course, there is no objection and there may be positive advantages in the centralizing of technical advisory services at Ottawa, available to all the provinces in their wrestling with the innumerable problems of public welfare administration. But if the provinces are not vital communities which can be trusted to determine their own pace of advance in these matters where circumstances enable them to be peculiarly competent, scarcely any assured sphere for provincial autonomy remains. If, as has been argued, provincial autonomy must be relied on as a principal safeguard of liberal democratic values, some patience must be shown while provincial and municipal

governments find their feet in a relatively new field of activity.

Deep forces are making for centralization in all federal states at the present time. These have been given greater weight and momentum by the war. Under the best post-war conditions that can be hoped for, Canada is not likely to be able to settle for measures less drastic than those proposed by the Sirois Commission. At the same time, the Commission studiously sought to preserve a large and important sphere for provincial autonomy. The provinces must be alert, not so much to resist encroachments by the Dominion as to justify by their works their continuance as independent units of government.

Emerging Problems in Local Government

By G. S. MOONEY

IT is difficult, if not impossible, to present an over-all picture of the problems of municipal Canada, and to contend that these problems are uniformly present, or that they reflect universal concern. There are such vast ranges in the municipal scene that seldom, if ever, are two communities or their problems completely comparable. Generally speaking, however, the problems of municipal governments are related to areas, functions, finances and administration.

An Adequate Area for the Municipal Units

The continued survival of our overlapping and uncoordinated jungle of contiguous but independent local municipal units, presents one of the most vexing problems in municipal administration. Failure to provide an acceptable formula whereby the administrative unit can be made large enough to perform its functions properly, has led to all sorts of difficulties.

It has led to confusion, discrimination, and frequently to local friction and ill-will. In some instances it has brought about local tariff walls, tax and trade restrictions. It has negated efforts to plan for the rational growth and development of the larger area. It has required, especially in metropolitan areas, duplicatory staffs and services, which, with notable exceptions, have proven more costly per capita, and less efficient, than those available in the central city. Having to defend their isolation, jealous of their local rights, many suburban municipalities have become citadels of reaction and stumbling-blocks to broad civic progress, insofar as the welfare of the metropolitan area is concerned.

What is the solution? Certainly the answer is not as simple as the advocates of all-inclusive annexation and consolidation so vigorously proclaim. For annexation takes no account of the very legitimate factors which led to the development of these suburban communities in the first place.

Elsewhere the conflict between

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suburban and urban communities has been satisfactorily overcome by introducing the principle of federalism into metropolitan civic government. For instance, the borough system of London, and that more recently adopted for Greater New York. The example and experience of these large cities is equally applicable to smaller urban areas. It is along these lines that we can best hope to rationalize the conflicting interests of multiple local governments, to set up some form of central administration, to spread the tax costs of metropolitan services, and at the same time conserve the democratic right to separate administration of purely local affairs, which suburban communities quite rightfully claim as their prerogative.

The reorganization of rural districts, the boundaries of which have in many cases been rendered obsolete by a withdrawal of population and by changes of the economic structure, gives rise to more difficult problems. Yet, it can hardly be disputed that rural districts should be organized into administrative units large enough in population and wealth to render essential services efficiently, that responsibility within the unit should be centralized, and that, in so far as possible, tax-raising and tax-spending activities should be unified and somehow settled in common for the area as a whole.

Broadening the Scope of Municipal Functions

The past thirty years have witnessed a great expansion in the functions of municipal governments, especially urban municipalities. There has been a steady increase in the performance of new economic functions, and in the cost of activities made necessary by economic conditions. At the same time, the economic power of the local political unit has steadily declined. A reallocation of functions is imperative on all levels of government. But whatever the solution on the municipal-provincial level, matters of more than local concern, matters of paramount interest to the province, can no longer be left to a major degree in the

field of municipal government, or be regarded as matters of purely local concern.

Some municipal authorities argue that the time has come when local government should be relieved of the costs of education. They contend that this tax burden should be equalized and made uniform throughout the province, some would say throughout the nation. If local governments were relieved of this financial responsibility and, providing other costs, such as social services were not thrown back on the municipalities, then local government revenue would be adequate for the normal functions of municipal responsibility and administration, and, in most instances, permit a substantial reduction in the local tax rate.

Housing presents a problem no less difficult. There can be no doubt that an alarming and acute housing crisis has been piling up and awaits urgent action in the immediate post-war years. While the financing of such an undertaking is essentially one which the federal and provincial governments, along with private capital, must assume, the actual neighbourhood planning and probably the maintenance and administration, at least so far as low-rental housing is concerned, is a responsibility of local governments, a responsibility, which, in Great Britain, continental Europe, the United States and elsewhere, has long since been a normal function of municipal authorities.

Associated with housing are the problems of slums and town planning. So far as slums are concerned—surgical engineering is the only answer to the problem. Slums, and all they stand for, must disappear off the face of the land. Municipal administrators should regard this matter of slum clearance as the ranking A-1 priority in the reconstruction tasks of peace. There is, moreover, a great need throughout Canada for town planning, zoning, and related measures. Cities and towns, like Topsy, have "just growed." As a consequence, we have permitted uncontrolled subdivisions and speculative practices to make a crazy-

quilt pattern of our urban communities, with the result that to-day civic design is neither aesthetic, economic, nor functional. We must restore order into the disorganization of our civic pattern. We must widen our scope and conception of the role which town planning can play in reconstruction and in the building of a better community life.

Related to town planning is the problem of formulating a rational urban land policy which, while affording private owners and developers adequate opportunity for wise and profitable land uses, will curb abuse and speculation, and provide the machinery for the control and acquisition by the municipality of land required for public use, both for present purposes and for probable future needs. Only so can we hope to realize the full potentialities of a well organized, nobly-conceived, and functionally adequate community.

A Sound Basis for Municipal Finance

From the storm of the depression years, when tax collections had dropped to an all-time low, and direct relief costs were stretching municipal revenues to a point where many were face to face with imminent default, local governments, for the most part, have sailed out from the rougher seas into calmer waters. The improved situation is largely traceable to the impact of the war: improved revenues, economies and curtailed expenditures, have, with few exceptions, restored municipal finances to the soundest basis in years.

As a consequence, municipal deficits are virtually nil, accumulated deficits have been wiped out, operating surpluses are common, debenture debts have been reduced, tax rates in many instances have been lowered, and a growing number of municipalities are now on a "pay-as-you-go" basis.

The precarious situation which municipalities faced during the depression years, coupled with the "rescue" which the war years have brought about, has been salutary in effect. It is easier to talk and practice municipal economy, even

in these days of relative municipal prosperity, than it was not so long ago when economy was much more relevant to the realities of the situation. In financial matters, Canadian municipalities have become as orthodox and cautious as the Bank of England. All this adds up to a problem.

For deferred maintenance, at present resulting in a saving, must be attended to sooner or later. The eventual cost will probably be greater than would normal maintenance in any one year. Likewise, municipal governments are piling up a vast backlog of postponed replacements and capital improvements. Moreover, when the war ends, and we get down to the stern responsibility of rehabilitating a million and a half of our fellow citizens in peace-time employment, there will probably be an interim period when municipal governments will be called upon to take up some of the slack in employment by a program of public works. Finally, in any case, municipal governments will want to play their part in the long-term task of national reconstruction. There will be slums to be cleared, downtown areas to be replanned and reconstructed, civic centres and municipal buildings to be erected. These and other municipal contributions to a better community will require adequate municipal finances.

There is widespread agreement that real property taxation no longer suffices as an all-sufficient revenue basis adequate to support the services which local governments are called upon to render.

Expert commissions—local, provincial and federal—have recommended various proposals aimed at a rationalization of the conflicting and overlapping tax policies of the different levels of government, and at establishing a tax and fiscal structure adequate to support the functions appropriate to each. Perhaps our most urgent national problem lies in this field. It is difficult to see how local governments can be expected to play their full and appropriate part in the tasks of reconstruction unless and until the long overdue reorganization of public finance throughout the Dominion has been

brought into line with present realities.

It is suggested in some quarters that grants-in-aid would provide a solution to the municipal fiscal problem. But, by and large, municipal officials are wary about grants-in-aid. They have not forgotten the depression years, and their experience with direct relief. They have no desire to be hamstrung by not knowing from one year to the next what precise policy and division of financial responsibility the provincial and federal governments may decide upon. Municipal administrators are seeking a clear-cut division of administrative responsibility, and an adequate financial base to support it.

Modernizing Municipal Government and Administration

New governmental programs, present and looming, focus attention on the need for a well-trained and competent personnel serving all levels of government. Nowhere is the need greater than in the field of municipal service. A genuine career service in local government has been handicapped by many obstacles—among others, the insistence on local residence restrictions, niggardly salary levels, local favouritism and patronage, low standards of educational and technical qualifications, absence of, or inadequate nature of, pension and retirement plans, and low public estimate of municipal employment. These obstacles can and should be removed. It is obvious that many municipal units would not require the full-time services of certain trained personnel. Nevertheless, the services of employees of the larger units could and should be made available to them when required. This type of cooperation between different levels of government is pregnant with possibilities.

Among the wide variations which typify local government throughout Canada is the nature and use of the municipal franchise. In some municipalities the franchise is an exclusive prerogative of property owners, in others, the franchise is open to all adult males, irrespective of property qualifications; women, for

the most part, have no municipal vote unless they own property; in some cities, property owners alone elect the executive arm of the local government; during the depression years, many municipalities disenfranchised anyone receiving direct relief. These, and other restrictions and limitations of the municipal franchise, are a denial of full democracy in local government. They are out of step with the spirit of the times, and are hardly in keeping with a forward-looking democratic faith. Moreover, the fact that a disturbingly large proportion of the "voters" are wholly indifferent to the franchise presents grave problems. A reform of the franchise is due. Whatever the technique, the franchise must be restored to the role and importance it once held. For, in the long run, it is the enduring basis of all our freedoms.

Finally, proper administration and good government in municipal affairs requires a precise knowledge about local conditions. It is a truism that not enough is known about our urban problems to apply to their solution rational and intelligent decisions. We flounder around and do the best we can, generally prompted by the expediency of the moment, rather than formulating our policies on some well-considered, factually based plan. A Federal Bureau on Urban Affairs, such as suggested in the brief of the Canadian Federation of Mayors and Municipalities to the Royal Commission on Dominion-Provincial Relations, or some equivalent body, would prove of inestimable value to every level of government.

Conclusion

The foregoing are among the chief problems facing municipal governments to-day. It is obvious that post-war reconstruction must proceed on the municipal as well as on the Dominion-Provincial levels of government. It is equally clear that the solution to certain of these problems will depend very largely upon the outcome of any re-adjustment of Dominion-Provincial relations, including future fiscal relations between the senior governments.

The Cultural Sphere

The Role of the Church in the Post-War World

By LISTON POPE

IN a much-discussed speech made recently at the Royal Albert Hall in London, the Archbishop of Canterbury urged that "the Church has both the right and the duty to declare the principles which should govern the ordering of society." His admonition reflects and strengthens the growing concern of the churches in Great Britain and North America, as well as in many other parts of the world, for the problems of social reconstruction. This concern has come to sharp focus in discussion of postwar possibilities and plans, under the convictions that the victory of the United Nations will bring an unparalleled opportunity for a new ordering of society and that advance preparation for meeting this opportunity is neither detrimental to the successful prosecution of the war nor premature until peace actually comes. It is urged, to the contrary, that a clear definition of peace aims (which are really inseparable from war aims) will greatly strengthen morale and will win valuable support from millions of people who are wondering about the alternative to the Nazi New Order. While many details must be left in abeyance until the concrete realities of the postwar world have become evident, the churches believe that alternatives must be surveyed and guiding principles must be formulated in advance if postwar opportunities are to be met successfully. To this end, scores of proposals and statements have already issued from religious circles, with the pronouncements of the Malvern and Delaware conferences being most influential.

No attempt will be made here to summarize in detail the thinking or the activities of the churches with respect to postwar problems, though considerable

unanimity has been attained and the task would be relatively easy. Instead, an effort will be made to depict a course of action which seems necessary and appropriate for the churches if they are to implement realistically their professions of concern for the future of society. Current attitudes of the churches provide a constant presupposition of the proposals made, but responsibility for the proposals devolves upon the writer alone.

1

First of all, the Church must accept some responsibility for the conduct and victorious outcome of the war if it is to play any decisive role in the shaping of the peace. This necessity arises both from the nature of the present struggle and from the distinctive character of the Church itself. Victory by the United Nations is no guarantee of a better society, but it is an indispensable prerequisite. Certainly the churches will have little influence over future social policies unless the Axis forces, which comprise a threat to the autonomy of the churches as well as the autonomy of nations, are decisively defeated.

The responsibility of the churches for victory must be viewed, however, in terms of the distinctive character and function of the Church. During the first World War pulpits were often transformed into recruiting stations (with God as the principal enlistee) and booths for the sale of war securities. The churches have come to feel, almost universally, that activities of this sort are incongruous with their own character and are inexpedient for the effective accomplishment of their own task in the war. Rather, the Church has two distinctive jobs to do: that of passing moral judgment on the relative merits of the

conflicting sides in the war, and that of strengthening the faith and morale of the people.

Unless it is to abdicate its position of moral responsibility, and thereby lend credence to the cynical doctrine that no moral issues are involved in the war, the Church must render direct and fearless judgments concerning the avowed purposes and known practices of the contending forces. The courage of many bishops and pastors in Germany and in the occupied countries of Europe in denouncing Nazi purposes and methods, at the risk of their very lives, has provided a shining example for their ecclesiastical brethren in other parts of the world. The churches must not hesitate to sit in judgment on the policies of the United Nations as well as the Axis in the conduct of the war. No license is given for conducting military operations from the pulpit, and none should be. But public opinion must be made aware of the moral implications of various war policies, such as indiscriminate bombing, the treatment of enemy prisoners and interned aliens, the provision of food for starving peoples, the curtailment of civil liberties, methods of rationing and of taxation, and the like. Procedures adopted for the prosecution of the war will largely determine the possibilities of the postwar society, and they must be carefully examined from the very beginning rather than justified without question as matters of military necessity.

The task of preserving moral perspectives in the midst of brute struggle is the special responsibility of the churches, and in fulfilling it they will make a significant contribution to the outcome of the war and to the shape of the peace. The morale of a nation at war can never be dissociated from well-grounded moral judgments; wars cannot be fought successfully or brought to happy issue in peace on the basis of public cynicism and blind hatred. Moral judgments which transcend the opposing forces are never irrelevant in power struggles. While every pressure demands partisan loyalties the churches must continue to uphold divine purposes and ethical standards

which transcend all nations and are common references for judgment upon them all. Confessing themselves unworthy and inadequate vehicles for the transmission of these higher standards, the churches must nevertheless seek and proclaim them or prove ultimately to have been traitors both to themselves and to their nations. As against the fascist exaltation of war as a positive good, for example, the churches must adjudge war as at best a necessary evil, a grim necessity rather than a holy crusade, justified only insofar as it promotes freedom and justice among men. When human life is cheapened while millions of bodies are piled up in Russia and on the other fighting fronts, the churches must continue to proclaim that men are sons of God, and that life has indestructible meaning and significance. As against the threat of power dominance by any class or nation, the churches must proclaim social justice and human freedom, and must remind all those who are mighty and powerful that authority is always subject to the higher authority of God.

In order to maintain their primary loyalty to God and to provide unfettered moral guidance for their nations, the churches need to preserve relative independence from the State. In total war the demand for national unity tends to reduce all autonomous institutions to a position of servitude to the government. Unless carefully guarded, this tendency leads a nation to totalitarianism even while it is fighting against totalitarianism. The Church loses its meaning when made wholly subject to the State, as the protests of numerous pastors in Germany testify. It is precisely at this point, many Protestant churches declare, that the symbolic significance of the religious conscientious objector becomes clear. Conscientious objectors comprise a very small minority within the churches—probably less than 2 per cent of the total membership in the English-speaking churches. But the Church must defend with its own life the principle for which they stand, namely, the final obedience of the individual conscience to a Power that is above all political regimes. The

conviction of the individual objector needs careful examination, but the principle to which he appeals must be upheld at all costs unless the State is to be acknowledged the final arbiter of all moral questions and the highest object of human loyalty.

The churches also have peculiar responsibility during wartime for the spiritual health of the armed forces and for the general well-being of the civilian population. Through the chaplaincy, provision of appropriate devotional materials, and the concern of individual churches for their men in the services, organized religion can do much to influence men who will be among the most potent factors in the postwar world. The character of war intensifies rather than diminishes the need for religious ministrations to the armed forces; it has been observed that there were "no atheists in the foxholes of Bataan." Of equal importance is the well-being of a civilian population upset by the exigencies of family separations and a war economy. In total war every street and home are a part of no-man's land, and the people at home are among its shock troops. To the degree that they emerge from war without the corrosions of fear and insecurity, the chances for a stable postwar order are improved. Justice for all classes and races is essential for the most effective cooperation in waging war, and is likewise an indispensable ingredient of an enduring peace.

II

The most significant contribution of the churches to world reorganization may well be that of keeping internationalism alive—an internationalism which transcends war lines and includes enemy nations with which some day the United Nations must make peace. The churches can foster an internationalist spirit in two main ways: by providing a worldwide fellowship in the Church, and by building an international ethos in which international law and institutions can grow.

The churches believe that they belong to a world fellowship at present—a fellowship which cuts across all military

barriers and exists internationally even in time of war. The World Council of Churches, organized on the eve of the war, is a symbol of the growing importance of the ecumenical movement in the life of the Church. Cooperation between various denominations and branches of Christendom has in many respects been increased rather than diminished by the impact of war. The Roman Catholic Church joins in the hope for a world-wide brotherhood among adherents of all religions, proclaiming that "love, universal, is a bridge to those not of the faith," and declaring that Catholics and non-Catholics, including Jews, can work together for the principles of a just and peaceful civilization.

Though physical communication with churches in the Axis countries has been largely severed, a community of spirit continues to bridge the lines of war. It is reported that English churches assumed responsibility for the support of German mission stations isolated from their homeland, and that German churches did the same for English missions. Prayer continues to overleap war barriers; prayer for enemies is a characteristic note in current worship. In provisions for war relief and for refugees the churches likewise manifest concern for people of all nations who have been uprooted, persecuted, and starved.

The rebuilding of an international ethos would be in keeping with the great tradition of Christendom in the Western World. Medieval civilization in the West was mainly predicated on common values and a common faith. This common heritage, resolving itself largely into dogma and depending heavily on external authorities, has been broken during the modern period of nationalism. Contemporary churches must help once again to encircle the world with common moral convictions—convictions, not dogmas or authoritarian theocracies. Only so can any system of international law or international government be expected to function effectively. As the Oxford Conference of 1937 insisted:

All law, international as well as national, must be based on a common

ethos—that is, a common foundation of moral convictions. To the creation of such a common foundation in moral conviction the Church as a supra-national society with a profound sense of the historical realities, and of the worth of human personality, has a great contribution to make.

The Church can make this contribution not only because it transcends national lines but also because of the universalism of its message. It declares that all men owe their primary allegiance to one Sovereign God who judges all nations. Under this Sovereign God all men are equal and are bound together in solidarity. Discrimination on the basis of race, nation, religion, or class is therefore presumptuous of judgment higher than God's judgment. Each man is a creation of God, and has rights more fundamental than political systems. In its universalism and in its individualism, the Church attempts to draw men together without losing the distinctive character of any individual. At the same time, the Church knows that the loyalties of men are divided and that their fellowship is broken, with the consequent necessity for regulatory and corrective institutions. In its traditional theology, therefore, the Church possesses convictions by which order and freedom may be related to each other throughout the world, and in terms of which international institutions may be justified and supported.

Other religious doctrines, if taken seriously, may contribute immeasurably to an international ethos and world reorganization. A deepened sense of sin in past selfishness may help lift the United States above reversion to isolationism. Recognition of the redemptive possibilities of sacrifice is necessary if victorious nations are to avoid using victory for self-aggrandizement. Faith in universal purposes for an ongoing history will be a powerful bulwark against postwar social reaction. Above all, the injunction to forgiveness and the insistence that vengeance belongs to the Lord must be made to ring clear when fighting ceases and the opportunity for retribution arrives. Certainly individuals who have transgressed

most of the known laws of God and man must be punished, unless devotion to social justice is to become a mockery. But such punishment must proceed from justice rather than hate. A writer in the December issue of *Harpers Magazine* warns that "Never in history has such a volume of hate been generated as will be released on Armistice Day." He fears that orderly reconstruction may be delayed for years if this hatred is allowed to run amuck, and urges that it is the peculiar mission of the churches to allay the passion for retribution which will seem so fully deserved.

III

In addition to the tasks which pertain especially to their own tradition and genius, the churches must face directly the political and economic problems of postwar reconstruction if their moral judgments and international aspirations are to be relevant. Only so can they help to imbed their principles in social reality. To be sure, churchmen are not expected to be experts in these fields, but they can probably do as well as the professionals have been able to do in the past. Further, the Church is in an especially advantageous position for receiving the testimony of the people on such matters, and for representing to the people the alternatives involved.

Many religious groups are at work already on postwar problems, studying various proposals, seeking to accumulate and disseminate factual information, and striving to arrive at general principles for a just and durable peace. All the major faiths of Britain and America have devoted special attention to such pursuits during the last two years, in keeping with a concern for world peace which has been mounting steadily in religious circles since the first World War. Pope Pius XII has made several addresses pertaining to the principles of peace; Catholic leaders in several nations have joined other religious leaders in issuing manifestoes; many branches of the Roman church have set up special committees for study and action. The Jewish communities are similarly engaged, with a special incentive

to study the relief and rehabilitation of Jews after the war. Protestant committees and conferences to date are legion in number, ranging in size from small groups in local churches to large representative gatherings at Malvern and Delaware.

If judged by their public statements, the churches have come to substantial agreement on many principles, and must henceforth seek to influence public opinion and policy makers in favor of these conclusions. They agree that national sovereignty must be limited, and that international agencies of some sort are necessary for a stable and just world order. Little agreement has been achieved on the particular structures to be supported—a deficiency understandable in light of the general confusion of conflicting plans and of the experts themselves. The churches have also been especially favorable to mutual and progressive disarmament, provisions for peaceful change, and the fair treatment of colonial resources and peoples. In the economic field, they are virtually agreed that human need rather than the profit motive must be the basic regulative principle of economic life and that a better distribution of economic opportunity between nations is a prerequisite of international peace. They are demanding security for all groups in the population, and most religious statements urge that organized labor shall be given greater responsibility in economic affairs. In wider social fields, religious groups are fairly unanimous in condemning anti-Semitism and other forms of racial discrimination, and in urging assistance for the victims of war in many lands. Study has also been devoted to hundreds of other particular problems. To date the chief form of disagreement has been in respect to relative emphases rather than in direct contradictions.

A number of problems have been relatively neglected, including several of the more thorny ones. Concrete plans for the rehabilitation of wasted nations and the relief of starving populations must be made. The relation of capitalist countries and of the churches (and especially the

Roman Catholic Church) to Russian communism must be faced more frankly, with efforts to find avenues of rapprochement which go beyond a temporary military alliance. The possibilities of combining effective economic planning with basic civil liberties must be explored. Reintegration of the armed forces into civil life and the transition from a war economy to production for civilian demands will pose alternatives which must be studied in advance if public opinion is to be adequately prepared. Redemption of a "lost generation" in all lands, and especially of the Hitler Youth, will become a central task of religious and educational institutions. These and countless other questions challenge the churches to hard study and diligent preparation. As developments throw into clearer relief the shape of postwar conditions, the churches must become increasingly specific in their answers to the fundamental questions involved, and progressively more successful in winning public support for their proposals.

If the churches are to provide any significant leadership for postwar reconstruction, they must begin immediately to wrestle with the political and economic conditions of their own communities. Most of the problems of international scope are mirrored in miniature in a local parish, and the churches can hardly hope to contribute effectively to the solution of the larger issues unless they have demonstrated ability to work intelligently and courageously in their own back yards. Indeed, they may begin within their own corporate lives, recognizing their involvement in guilt for the condition of the contemporary world, and setting out to put their own house in order. The rich lord it over the poor and the mighty grind down the faces of the weak in many churches and in most communities. Peace begins at home; it comes when, as the Psalmist put it, "righteousness and peace have kissed each other." If the churches prove themselves faithful in little things, they will be more capable of influence and courageous of spirit in that great decisive moment toward which our world is hastening.

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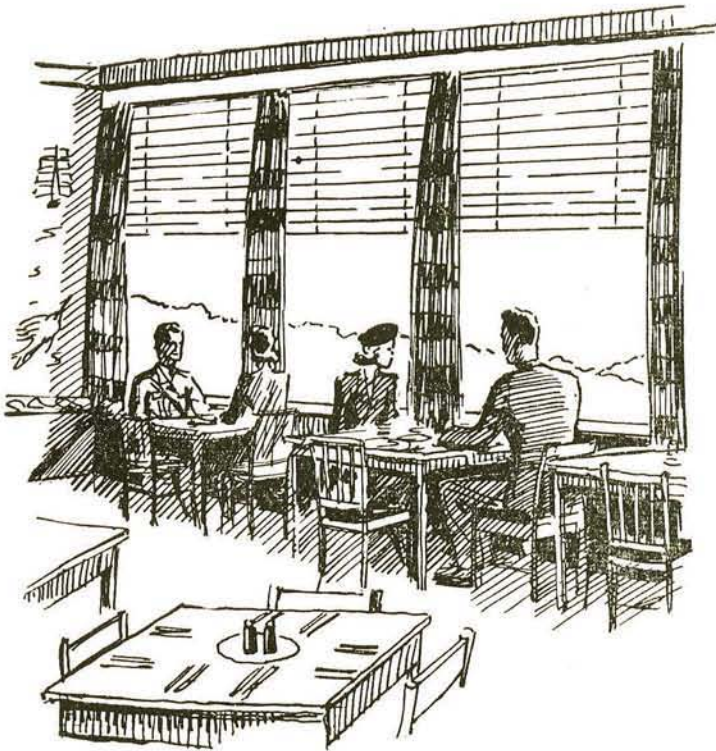
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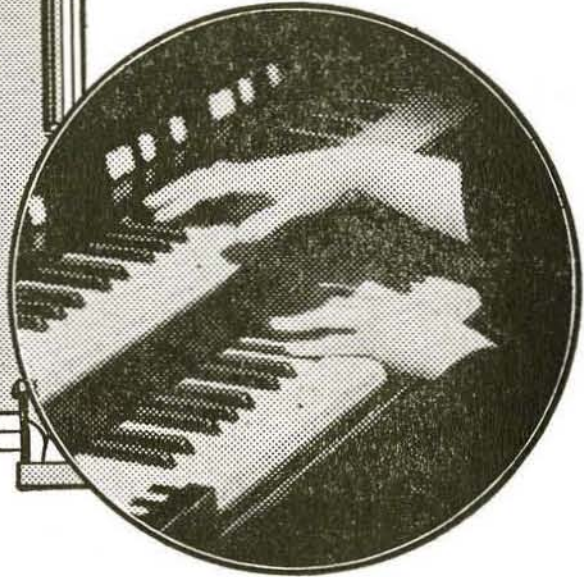
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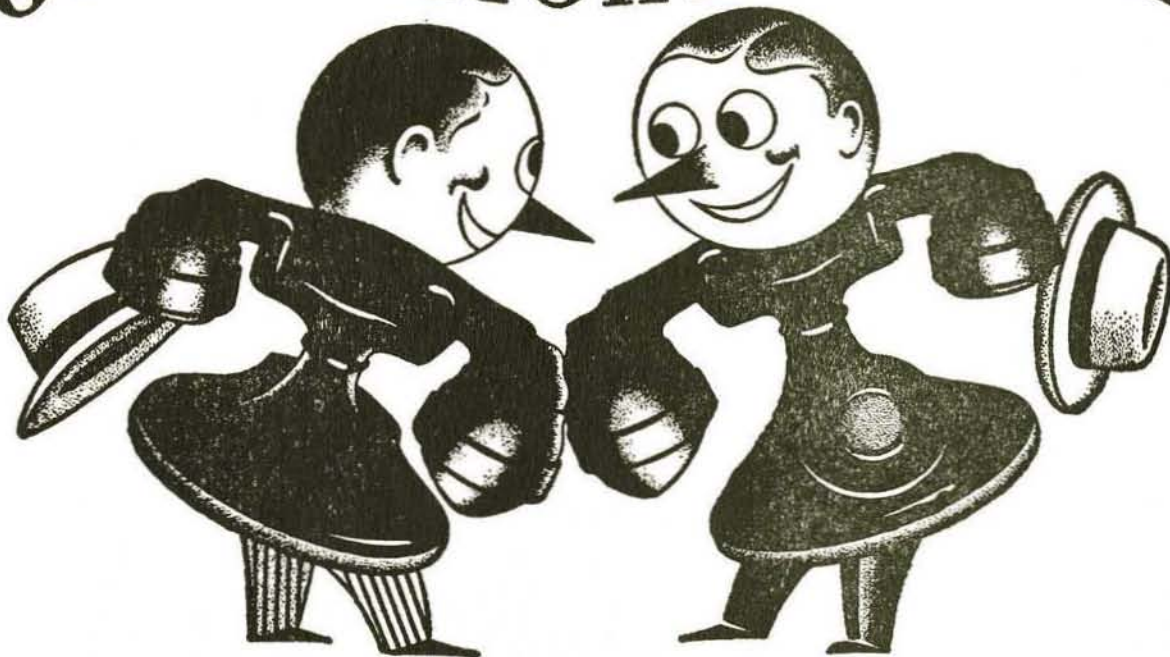
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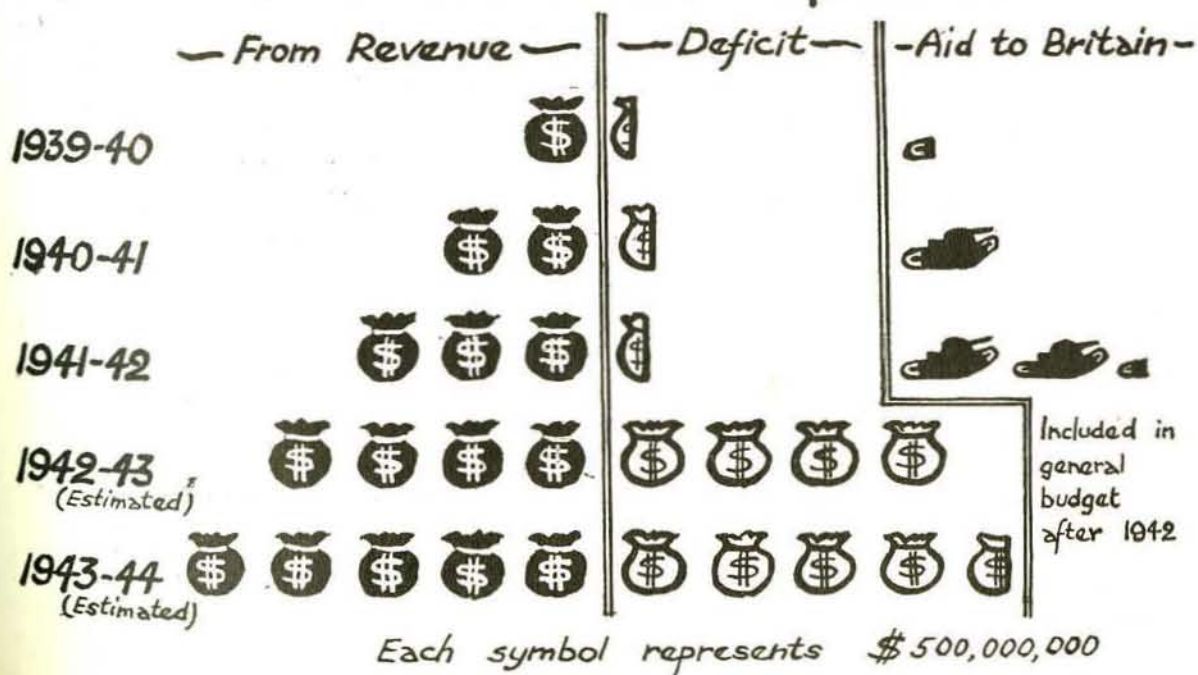
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—Total Federal Government Expenditures—



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The Atlantic Charter and Beyond

by EMERY REVES

I

WHEN the Atlantic Charter was first proclaimed, the democratic world was thrilled to the marrow. That thrill derived more from the event itself than from the contents of the proclamation. After a series of Brenner Pass Meetings between Hitler and Mussolini, each the prelude to further Axis triumphs, the high seas meeting between Roosevelt and Churchill was novel and dramatic; and it held the promise of triumphs for the enemies of the Axis.

But the time has arrived for sober consideration of the text of the Charter. Discussion of the subject, indeed, is growing. Some ask whether the Atlantic Charter applies only to the Western world or to all mankind. Others object that the document is not clear and specific enough. But nearly all the divergent critics assume that the Charter as it stands is basically right and points the way to a better future.

It is precisely that assumption which needs to be examined. Now that the United Nations have taken the offensive in a number of arenas of battle and the shape of victory is beginning to emerge, such an examination becomes especially urgent. Does the Atlantic Charter—does the world-view implicit in that document—offer a new approach to the solution of international problems?

We all know by this time that our military victory in 1918 was meaningless because we were unable to implement it with a workable peace. Military victory in this war too, will be meaningless if we do not begin immediately to clarify principles on which a workable world order can be built.

The underlying idea of the Atlantic Charter is expressed in its third paragraph:

"They (the President of the United States and the British Prime Minister) respect the right of all peoples to choose the form of govern-

ment under which they will live; and they wish to see sovereign rights and self-government restored to those who have been forcibly deprived of them."

This is a reiteration of the old doctrine of self-determination, upon which we built the world of 1919 which crumbled so miserably and so quickly. The Atlantic Charter again proclaims the right of every nation to choose the form of government it desires—or the form imposed upon it by a ruthless minority. It bows abjectly before the fetish of "national sovereignty" with all that it implies: unlimited terror and organization for aggression within any nation so inclined; non-intervention in military epidemics until too late; blind isolationism and neutrality in a world made small by science and made interdependent by industry.

The Atlantic Charter promises to divide the world into more and yet more nations, each of them absolutely independent of the others, unlimited in its sovereign right to do mischief. It accepts the right of any country to be as undemocratic and totalitarian as it pleases, a law unto itself. It fails to recognize and to implement larger sovereignties that transcend national sovereignties, human rights that take precedence over national rights.

Self-determination is no guarantee of independence. The sad fate of the small nations set up at Versailles proves that. Even before their freedom was finally expunged by the rampant self-determined nationalism of Nazi Germany they could maintain the illusion of independence only by accepting the patronage and protection of one of the powerful nations. Independence in its absolute form produces only fear, mistrust, conflict, slavery—because it penalizes pacific nations and gives the right of way to aggressors and trouble-makers among countries.

II

It is unfortunate that in dealing with social and political problems we have

EDITOR'S NOTE: Dr. Emery Reves is manager of the Cooperative Publishing Company, Incorporated, New York, and the author of *A Democratic Manifesto*.

not yet escaped the dialectic method of analysis, the method of the ancient Greeks that arbitrarily establishes exclusive opposite notions—good and bad, heat and cold, dark and light. Science, of course, has long ago discarded the procedure. It recognizes that these “opposites” are in fact the same phenomenon, differing in degree.

Of all the “exclusive opposites” which dominate our political thinking, the most dangerously misleading are those that assume “freedom” to be the opposite of “compulsion,” “dependence” the opposite of “independence.”

In our individual lives in an organized democratic society, we are free men only because there are a great many things we are *forbidden* to do and a great many things we are *compelled* to do. We are forbidden to make a nuisance of ourselves, to break laws, to put pet ideas into practice if they hurt the community. We are compelled to observe hygienic regulations, to pay taxes, to do military service. If each of us were entirely free to do whatever he wanted, we would all live in a state of permanent terror. The individual freedom and security we cherish in a democracy are ours only because strict limitations on freedom of behavior are prescribed and enforced by organized society.

If all compulsion were removed we would have not freedom but anarchy and insecurity. We had a mild approximation of such a society on the American frontier not so long ago. Anyone who has ever seen a “western” movie knows the joys of a free community where bad men gain control by force and terrorize the righteous. We are familiar with the efforts of honest individuals in such a society to band together and establish law, backed by the armed compulsion of sheriffs and deputies and sometimes the Army.

The synthesis of freedom and compulsion long recognized in the organization of our social life is still ignored in the field of international relations. So far as nations are concerned, we still believe in freedom in its absolute form. We make a fetish of “sovereignty” and shrink from

imposing limitations on a country in the exercise of its free will, regardless of the consequences to other members of the worldwide community. The nations of this earth still exist in the state of anarchy that once characterized the western American frontier. Each of them goes as fully armed as he can afford. All are ready to “shoot it out” when their honor or interests are at stake. The “good” nations depend on moral suasion because they are fearful of infringing on the “freedom” of trouble-makers—until finally obliged to band together and use force to subdue “bad” nations run amuck.

We cannot possibly prevent new world conflicts until we temper independence with law, until we acknowledge that freedom—for nations as for individuals—implies legal brakes on their free will, the sacrifice of some national prerogatives as the price for safeguarding the rest.

III

The ideal of national independence and national sovereignty was born as a wholesome reaction against monarchy and colonial exploitation. At its inception it was a significant forward impulse in the story of human progress. The American Declaration of Independence, the French Revolution, following on the development of representative institutions in England, were tremendous incentives to other peoples to seek independence and sovereignty.

The climax of this process was reached in the peace treaties of 1919, when more nations than ever before became wholly independent and sovereign. Twenty years later all those proud sovereignties were trampled and bloody. Why? Because the political system established in 1919 was an apotheosis of Eighteenth Century political ideals in total contradiction to the realities of the Twentieth Century.

Independence, sovereignty, nationality as the basis of states were wonderful achievements at a time when the industrial revolution had not yet begun, when people lived largely under rural conditions, when communications were slow and every large territory was more or less economi-

cally self-contained. Under those conditions national sovereignty was indeed a great democratic ideal.

What, exactly, did this ideal mean to the Eighteenth Century philosophers and writers who championed it? It meant that sovereign rights were to be transferred from one man, from the sovereign, to all men, to the people. It was clearly stated that sovereignty rested in the community—*la souverainete reside dans la communaute*. "The Nation" was the widest horizon conceivable as a self-supporting unit. An advance of "nationalism" at that stage meant, in the first place, the enlargement of the society, the merging of small groups into large ones.

That interpretation no longer applies today, when some hundred sovereign states exist in an industrialized and interdependent world, when it takes less time to travel from continent to continent than it did then to go from Lyons to Paris or from Boston to Philadelphia. Because the horizons of the community have been extended by the industrial revolution until they embrace the whole globe, sovereignty no longer resides in the community at all. It is exercised in unlimited and absolute style by segments of the community we call nations—an absolute contradiction to the original conception of democratic sovereignty.

In short, where the ideal of the nation in the Eighteenth Century meant a broader basis for sovereignty, today it means a narrower basis. The word is the same; the meaning has changed. If we want to lay the foundation for a new epoch of human progress, this conception of sovereignty must be revised. The idea of national independence must be interpreted in conformity with the living facts of this day, rather than inherited and outlived fetishes.

The writer is aware that such notions run against the grain of accustomed attitudes. To doubt the eternal verity of the Eighteenth Century national ideal sounds "unpatriotic". Nationalism has become as deeply rooted as the tribal emotions of primitive times. Its defenders

are intolerant guardians of a dogmatic religion. Nevertheless, the exalted cult of the nation is the greatest obstacle to life, liberty and happiness today. It must somehow be made clear to the mass of mankind that restrictions on national independence, the limitation of sovereignty by law, has become the sole guarantee of enduring peace. The new ideals—international law and supranational sovereignties—are fully consistent with local patriotism, pride in one's own country, ambition for one's own country, just as love for one's family, pride in one's city, personal ambition are fully consistent with the limited law-bolstered freedom of the individual in a democratic society.

IV

The crisis of the Twentieth Century came in 1914 and its end is still far off. It is the climactic conflict between nationalism and industrialism.

These two currents, which have dominated history since the beginning of the Nineteenth Century, are fundamentally opposed to one another. Nationalism is a process of differentiation. Industrialism is a process of integration. Industrialism—reaching out for raw stuffs in far parts of the globe, distributing its products throughout the world, dependent on freedom of exchange—seeks to break down the walls erected by nationalism. For about one hundred years it was possible for both processes to develop without catastrophic friction. But the limit of compromise and adjustment, the saturation point, was reached at the beginning of the present century. The explosion came in 1914 and is continuing in 1943; unless resolved by a bold renunciation of national sovereignty in its extreme forms, further explosions must come at ever shorter intervals.

By this time the clash of nationalism and industrialism is so titantic that it must end either in the victory of nationalism or its dethronement. If the nationalist ideal wins out (and this may happen despite the defeat of the Axis), it will put brakes on industrial development, push back the human race to a lower standard

of living and to primitive existence under autocratic regimes, casting the attainments of human progress as sacrifices on the altar of the modern goddess: the nation. The dethronement of the goddess can be accomplished only by setting up a worldwide political society within which nations, large and small, would for the first time in our epoch, have the possibility of enjoying true independence: the kind of freedom buttressed by law, autonomy in local matters, collaboration in larger affairs, the observance of elementary "political hygiene" at home to prevent the epidemics of war. Once the issue is clearly recognized, there can be no hesitation on the part of the democracies.

The meaning of the crisis of the Twentieth Century is that our shrinking planet must to some reasonable degree be brought under unified control. Our task, our duty, in this crucial period of transition is to institute the unified control in a democratic fashion. First of all we must proclaim the principles. We must re-educate the peoples of the planet, in order to loosen the hold of outlived ideals. To attempt to organize the world again on the pattern of 1919 does not make sense. It would turn our present sacrifices into a mockery and make the next war inevitable.

Many people aware of the weakness of the 1919 system and the futility of a league of nations without force are now fostering the idea of an international police force. That idea, in fact, is also implicit in the Atlantic Charter. That is just another illusion. An international police force is inevitable and unavoidable. But alone it is inadequate and will not solve the problem. A police force can be effective and useful only if it carries out the decisions of courts of law. Police without law lacks moral justification and in the long run cannot function so that the peoples against whom it acts will accept its authority without revolt.

The cardinal point in any organization on a worldwide democratic basis must be the introduction of the principle of *law*. That is the only foundation for social life in a modern state—the foundation

must be extended to the relationship between nations. We cannot rely on men's promises not to murder, on their pledges not to cheat. Neither can we regulate international relationships by mutual pledges, promises and treaty agreements.

Brute force will always be pitted against law until we accept compulsions, limitations on actions, and an organized power with the legal use of force. The old system crumbled because a peaceful collaboration of "sovereign" nations on the basis of mutual goodwill is an impossibility. The independence of a country, as of an individual, does not rest solely on the freedom of its own actions but on the degree to which the freedom of action of other nations may infringe on its own independence. The essence of freedom for nations therefore comes down to regulations of their *interdependence*.

Peace is not a period when it happens that nobody is shooting. Peace is order based on law. The operation of force, provided it is based on law and equality of peoples under such law, is just as indispensable to the conception of international peace as prisons and executions are indispensable to social order.

V

The need now is for a Declaration of *Interdependence*, a Charter of Twentieth Century principles upon which a lasting world peace can in time be erected. It will be to the United Nations of the future what the Declaration of Independence was in 1776 to the colonies which later formed the United States. The conception must precede the birth. We must make the beginning now by proclaiming the principles of interdependence. The Declaration of 1776 did not create the United States of America. Independence had to be fought for on the battlefield; and after that it took thirteen years of painful gestation before the new nation was born in the Constitution. To create the truly Interdependent United Nations will take an even longer period. Now is the time to begin.

The tragic fact, however, is that we are

not heading or thinking in that direction. The pronouncements of individual leaders of the United Nations with few exceptions presuppose a return to the old pattern of absolute national sovereignties. The Atlantic Charter—the only document stating our aims in this struggle—accepts unquestioningly the anachronistic ideals of nationalism. It does not point the way to integration, to a closer unification of nations, to a system that would embrace all nations in ever larger and larger units. On the contrary, it again asserts that each nationality has the right to its own sovereign state and to its own form of government, no matter how anti-democratic. It again gives some nation, in another decade, the right to set up another Hitler regime if it so wishes, because—let this be quite clear—there can be no intervention until too late even if we possess an international police force so long as we base our international life on the notion of full national sovereignty.

The point is not that the Atlantic Charter lacks clarity—it is all too clear—but that its principles are basically false, and will lead us back into the morass of war. It is a recapitulation of the utopian Wilsonian ideas, which we have seen in

operation between the two world wars. It is folly to imagine that they will operate otherwise after the present war, because they remain at variance with the realities of the industrial epoch in which we live.

The Atlantic Charter must be seriously reconsidered. Its two authors, in particular, must ponder the perpetuation of nationalism, implicit and explicit in that document. To endure, the new democratic world order must be built upon a rock and not upon sand. We need to lay the foundations now of a democratic world order that will make intervention a duty, whenever the laws of the established order are violated. We need a new interpretation of "the nation" and of sovereignty—one that gives all nationalities total autonomy and full sovereign rights in their own cultural, national and local problems, but not beyond that. Only a division of sovereignties—reserving national sovereignty for national matters and international sovereignty for international matters—can give us the framework of a world constitution which will express again the democratic thought that sovereignty "resides in the community."

Towards a Greater Freedom

By ERNEST BARKER

THE British Empire is a growth of more than three hundred years. Each state of the growth was intended; the whole result was not. Each geographical part was incorporated by design: the whole mass was formed without planned design or previous resolution. That is the way in which things "grow" in the course of history—if we may use the word "growth" of human doings, which can never be strictly a matter of growth.

When things have grown in this way, and we find that we have builded better

than we knew, we have to take stock: we have to consider the whole result: we have to enquire what it means—and, still more, what it can be *made to mean*. That is what has been happening to us who are members of the British Empire: we are "taking stock." It is an old process, which may be said to have begun over a hundred years ago, in the beginning of the reign of Queen Victoria, with the publication of the Durham Report of 1839 on the problem of colonial self-government.

It is a process which was speeded up, a quarter of a century ago, about the year 1917, when the idea of Dominion

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status swam into view, and the progressive realization of responsible government in India was enunciated as a goal of policy. It is a process which has been speeded up again in the course of the present war, when the position of the colonies in Africa, the West Indies, and the Far East, is being brought under review.

We have been asking all along, and we are asking more than ever to-day, "What does it all mean, and, still more, what can it be made to mean—not only for us, but also for the rest of the world, which may possibly find some help, some rallying-point, and some model, in this majestic, unintended, but always growing thing?"

Free Institutions Are the Life Blood

The British Empire, as it now stands, is a triple society. It is, in the first place, the British Commonwealth of Nations, or a Union of the United Kingdom and the self-governing Dominions in a voluntary association which is not a federation, nor even a confederation, but has none the less the intimate warmth of a common allegiance to the same Crown and the same ideals.

"Free institutions are its life-blood: free co-operation is its instrument." Such is the first, and such (in the genius of its freedom—but only in that genius, and simply by virtue of that genius) is the dominating, society of the British Empire.

In the second place, the British Empire is the Indian Empire—an empire standing next to the British Commonwealth of Nations, an empire coloured and moved by the genius of the Commonwealth, an empire already beginning to enter the Commonwealth, and destined to enter it plenary; but an empire so great, so varied in its communities, and raising such vital and peculiar problems of the contact and co-operation of East and West, that it must always stand as something unique and something entirely of its own kind. It offers, on a long view, the greatest opportunity in human history—the opportunity of bridging and uniting the Occident and the Orient, the two great halves of mankind.

Last, and in the third place, the British Empire is the colonial empire, or, as it is sometimes called (perhaps less happily) the dependent empire—an empire of colonies ranging, by infinite gradations, from the responsible government of Ceylon to the system of tutelage or trusteeship in other areas, but an empire which is being educated, and is more and more educating itself, to an ultimate consummation of full self-government in which it too, like the Indian Empire, will enter the British Commonwealth of Nations.

Meanwhile the colonial empire is the most remarkable of laboratories, full of tentative experiments in the great art of human government, tentative experiments always directed to the greater broadening of freedom. (On the day on which these words are written, the Colonial Secretary has just announced the offer of a new constitution for the island of Jamaica, in the West Indies, with a new scheme for an executive government half elected by a popular assembly, based on universal suffrage, and half nominated by the British Governor. The progressive experimentation of the great laboratory never stops.)

Control That Gives Way to Liberty

All the three societies of the British Empire are *one* round the pivot of the United Kingdom of Great Britain and Northern Ireland—*one* round its King, who is not only *its* King, but the King of all the societies that are one round his person. To be one "round a pivot" is not necessarily to be controlled by the pivot. To some the pivot may be simply a magnet, drawing them into a system of voluntary co-operation for common and mutual benefit.

That is the case with the Dominions: it is coming to be the case with the Indian Empire: it is coming to be the case with the parts of the colonial empire which achieve responsible government. To others the pivot may be a control as well as a magnet. That is the case with the major part of the colonial empire.

But it is a control exercised in the interest and for the well-being of those

over whom it is exercised—and not only that (for that in itself might be a dominating and domineering thing, however well-intended), but also a control intended to give way to the liberty of free self-government, and so exercised, in the meantime, as to encourage and elicit the capacity for such government.

Political systems generally cohere by virtue of a large element of compulsion—legal or constitutional compulsion, backed in the last resort by that compulsion of force which always stands behind the compulsion of law. The political system of the British Commonwealth of Nations, which sets the tone and gives the colour to the whole of the Empire, is the only political system hitherto developed which coheres neither by law nor by force, but purely and solely by consent and the common acceptance of a "gentleman's agreement" as its basis.

A gentleman's agreement—a set of uncodified and unlegalized, but not unexpressed and certainly not unfelt, understandings—that is its foundation, and that too is its cement.

All Brothers Under the Skin

The compulsion of law, backed by the ultimate compulsion of force, may still continue to exist for a period of transition, in the Indian Empire; and it will continue to exist, for many years, in the colonial empire—but in differing degrees in its different parts—during the period of its progressive education and emancipation. But it is just and proper to repeat that the genius of the Commonwealth colours and inspires the whole; and the pattern of the Commonwealth is set before every part as the ultimate pattern and design for the structure of its own life. That pattern and design is one of agreement and understandings—not of law and force.

All this is a lesson and an example in the art of keeping together and living a common life—the art of tolerating differences, and of weaving differences together in a common agreement which is all the richer for the differences. It is a proud thing to be a British citizen in

company with the Australians and New Zealanders, the South Africans and the Canadians—in company with Punjabis and Bengalis, Rajputs and Sikhs, Hindus and Mohammedans—in company with Ceylonese and Malayese, Africans of Nigeria and Africans of Uganda, the peoples of the West Indies and the peoples of the Pacific Islands.

It is not only the magnitude or the dimension of so great a company that makes one proud; it is also, and it is even more, the rich sense of variety, and the feeling of a community in all the variety. We are brothers under the skin: we know how to keep together: we know how to pull together. Human fellowship—human neighbourliness—is a great and cardinal virtue. If we are to have peace in our children's time, and their children's time, it is a virtue that must be practised. The British Empire, with all its defects, deserves a salute from those who honour that virtue.

The Genius of the Empire

In that Empire all hold together; but each develops the genius of his own idiosyncrasy. We take the holding together for granted; nor have we greatly worried about systems and plans for securing cohesion. Ideas and schemes of imperial federation have indeed been mooted; but they have not been carried or practised. We desire no cramping system; we prefer an easy and loose-fitting vesture which permits and encourages growth; and the working of this preference may be seen in the proceedings of all our Imperial Conferences, and especially in those of the Conference of 1926, which gave us the great outlines of our working agreement and understanding.

The thing in which we are really interested, and the idea with which we are most concerned, is the idea and practice of variety of free growth—of the cultivation of every garden on its own lines, for the free production of its own fruits: this is the genius of the Empire; and it is the genius particularly and peculiarly of the colonial empire, with all its mosaic

of differences—a mosaic susceptible of no general pattern.

There is no typical colonial constitution for the colonial empire. May there never be any such thing! It is far better, infinitely better, to have the rich crop of experiments, each adjusted to local circumstances and local needs, which gives us the peculiar pattern of Ceylon (where one of the most significant and suggestive experiments has recently been made), the peculiar pattern of Nigeria (where a system of Indirect Rule began

which is one of the boldest of the Empire's constitutional experiments), the peculiar pattern just offered to Jamaica, and everywhere else, in all the continents and seas of the varied and diversified colonial empire, pattern on pattern as varied and diversified as the colonial empire itself. To proliferate, to germinate, to experiment, to grow—this is the genius of the colonial empire; and this is the genius of the whole empire, of which the colonial empire is so fascinating and so richly promising a part.

Adult Education and the Crisis of Democracy

By WATSON THOMSON

THE history and evolution of modern Democracy can be read between the lines of the story of Adult Education. From the beginning the two have gone hand in hand. Where democracy has flourished best (as in Britain, the Scandinavians, New Zealand, and certain parts of North America), there adult education also has been a sturdy growth. When democracy has been most heartily given over to individualism and the private profit motive, then was adult education mostly an affair of vocational evening classes to better one's economic and social status. And again, latterly, the glory having departed from the *laissez-faire* system, adult education comes to consist of handfuls of puzzled and disconsolate citizens meeting together as study-groups to discuss "the economic problem." It is not surprising therefore that the present war, being a struggle in which the very existence of democracy is jeopardized, is also a time when adult education has to accept changes which alter its character and may transform it out of existence, so far as any liberal understanding of the term is concerned.

Let's see, then, what's been happening to adult education in Canada in recent

years. The depression decade was the "study-group in economics" phase just described. But the meaning of that phase is worth fuller analysis. As compared with the earlier, vocational type, this later sort of adult education was more free from academic discipline and was an education, not of workers and careerists, but of citizens and persons. It was, in fact, more *total*; first, because it was a response to a deeper and more complex need; and secondly, because in the study-group setting it involved a more active and personal type of participation. Very often, too, in that same period, it was made still more inclusive and total by virtue of being related to an active social or political objective. Cases in point are the credit-union and cooperative study-groups of Antigonish and the partisan study-groups of the CCF and of Social Credit in Alberta. Needless to say, it was extremely worrying, if not positively distasteful to the academic purist, to find that, in such study-groups, emotional values crept in alongside the intellectual, and that tendentiousness of one sort or another began to undermine the straight, factual objectivity beloved of scholarship.

Then came the war. I well remember, as I sat up through that cataclysmic night listening to radio flashes confirming

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the fact that all unleashed were the dogs of war—I remember thinking to myself that adult education was finished. We had failed. In retrospect, one can see that as a highly emotional over-simplification. But it was sound to this extent that adult education was about to suffer a sea-change the consequences of which were destined to be revolutionary.

After a period of suspension—the “phoney war” period—the new currents began to set in. Most typical of these, in my view, was the National Film Board’s rural-circuit plan for the showing of Public Information films through the country districts of all the nine provinces. Here was obviously a powerful instrument of adult education from which it would be folly to dissociate oneself. But there were also such new features as the CBC’s Labour Forum, the Farm Radio Forum, and educational material emanating from the War-time Prices and Trade Board, as well as from the Information Bureau in Ottawa.

In such ways, the national emergency asserted its transcendent importance over any more local or personal concern. Adult education found itself drawn into the national preoccupation, compelled to gear itself to the single-purposed national drive and to utilize instruments and materials related to this central national purpose.

Now, all this is of course good for national unity and the winning of a war, but how are we to assess its effects on adult education itself? First, let us look at the positive factors. In many ways, it has brought a widening of horizons which is entirely valid, educationally. When a provincial farmer’s organization, with its special interests and specialized idology of protest, changes over to the National Farm Radio Forum for its discussion material, there is an immediate broadening—less “preaching to the converted,” more recognition of the complexity of social relations in which the farmer’s problem is embodied. If they can be persuaded to take into their organized listening a programme like the current series “Of Things to Come,”

the broadening effect is, of course, even greater.

But, to turn to the other side of the picture, there are features in all this “national” education which might well give us pause. There is, first of all, the obvious charge that much of it is not education at all, but propaganda. Now, I don’t think any of us really knows where the line can be drawn between these two. Propaganda does not necessarily distort or suppress the facts, and education does not, in practice, always convey the whole truth and nothing but the truth. Indeed, we are beginning to realize that there is in both processes an element of tendentiousness which is no more salutary in the case of education because it tends there to be more unconscious. The more conscious and deliberate (and therefore more obvious) bias of purposive intention in the case of propaganda may actually do less social and educational harm.

No, our reservations about national propaganda-education refer more justifiably to its forms rather than to its content. In the nature of things, it uses the great instruments—radio and film chiefly—which appeal to masses of people in their generality. And, again in the very nature of things, the characteristic feature of these instruments is that they are mechanized and that they demand no active personal response at the receiving end. Just about the time it began to seem we had realized, as a first principle of pedagogy, that the best learning was by doing, we produce new and irresistibly attractive instruments such as the movie and the radio which involve less “doing” than ever!

Now it can hardly be denied that, in effect, radio and film are instruments not so much of education in any real sense, as of mass-conditioning. The fact that they are favourite tools of Herr Doktor Goebbels does little to discourage us from that view. Is there then a totalitarian potential in the very nature of modern technology? This is a disturbing thought, with enough evidence in favour of an affirmative answer to terrify us

legitimately. How do you derive anything but totalitarianism and depersonalization from the conditions of a modern corporation with its tens of thousands of workers, its time-clocks and assembly-line methods? Or out of citizenship in political units which necessarily tend to become ever larger in extent (again by technological pressures) and ever more centralized?

Yet the only fair answer for us at present is still in the words of a popular song—"It ain't necessarily so." For there are creatable counter-trends, even in direct relation to the conditioning instruments of film and radio. With the Public Information film-show in the rural community can be correlated the work of the local study-group. They can stage panel-discussions about the subject-matter of the films and start a citizens' forum; thus turning the one-way traffic of the mass-conditioning process into the two-way traffic of a sturdy democracy. Active participation and personal contribution *can* come back into the picture. In Manitoba, these showings of Public Information films produced by the National Film Board now reach 175 rural communities monthly, and in over a third of these a forum discussion is now an established and appreciated part of the proceedings, with steadily increasing audience-participation.

So also with radio. National educational programmes can have organized listening such as in the highly successful Farm Radio Forum groups. These add the same elements of local and personal contribution (and retort) to the centrally produced and centrally disseminated material.

Looking, then, at the whole picture we see that adult education as a matter either of vocational "subjects" for the individual career or of some academic purity of objectivity is now more than ever overwhelmed by a type of adult education coloured by collective purpose and designed to issue in collective action. Yet most of us would agree, I think, with the ancient dictum that the "end of knowledge is right action." And,

without doubt, there was in the recent past all too much of the education which contained itself in some cloistered unreality or was for some petty purpose of self-advantage. But is it possible to have large collective purposes, to unify and dynamize a whole nation towards any goals which are not so crude and oversimplified as to do violence to all the careful accuracies of science and the subtleties of true knowledge? A dynamic democracy is an end devoutly to be desired. But are not its roots inevitably in some mass-emotion, some warm unanimity which flouts logic and is too impetuous for any really careful thought?

Emerging from these trends and from our understanding of these trends, there is, it seems to me, a choice both for adult education and for our transforming societies. One road—a road still open to us—leads unquestionably to the totalitarian state. Thither, and nowhere else, will drift and inertia lead us, for all the characteristic instruments and institutions of our age make for the creation of the mass-man responsive only, in a subhuman automatism, to the crude stimuli of a centrally-controlled propaganda machine.

The other road has as clear a goal but a far subtler method. The goal is not, this time, the totalitarian state but the total (that is to say, the whole, the integrated) person. Now this does not imply individualism, the continuance of the latent (and sometimes not so latent) anarchy of *laissez-faire* democracy. For social chaos and incoherence are offensive to anyone who is achieving coherence in his own personality. And no man is even approximating to "wholeness" in himself who is not able and willing to accept an ever-widening and deepening sphere of loyalty and obligation—to the local community, to the nation and to the world. In short, the social goal on this road would be that minimum of central control and planning necessary not only to preserve the national society from disintegration but also to create those orderly and progressive conditions out of which can proceed further devolu-

tion of authority and control, the stimulation of free and creative impulses from below, and the growth of self-sustaining individual personality.

I have just said there was a choice before us all between a road ending in the totalitarian State and another leading to the "total" person. But really the alternative is only specious. The modern fascist regime has in it the "seeds of its own destruction" more obviously than most systems. Born out of a petulant refusal to bear the pain of transition to a higher social form, necessitated as much as anything by the fact that the common citizen was growing up and away from his dumb acceptance of conditions, the fascist states have everywhere thrown their citizens back into a lower and more primitive system of social relations by playing on atavistic, sub-personal impulses of tribalism and hero-worship. But in Canada there is no such tribalism available. The appeal would have to be not to one but to half-a-dozen tribalisms and, although there have been incipient moves in that fatal direction, it would so obviously defeat the streamlined unity desired of totalitarianism that it could hardly be entertained seriously as an effective technique. In short, fascism in Canada would not only, as elsewhere, be foredoomed as an attempt to push human consciousness back to a lower level than it has in fact reached and to crush the indestructible spirit of man; but it would also be, in this country, deprived of the only cloak which, in Germany, Italy and even Japan, covers the naked brutality of despotism—namely, glorification of a particular racial culture.

It is just conceivable that we may try a little longer to maintain the anarchy of *laissez-faire* individualism, though its day is so obviously over that this seems hardly likely, even as a forlorn hope. That leaves us with the alternative of a colourless finance—military totalitarianism or—the new "personalism." We have the germs of the latter in existing social and adult educational forms. What is needful is a more conscious social

philosophy about it, and a renewed devotion to our tasks in fostering its growth.

I have used the word "personalist" to describe the social and educational form of the future democracy. It is a useful word, suggesting an important distinction from "individualist." A person, we are beginning to realize, is not just an individual, separate and isolated, but an individual-in-good-adjustment-to-his-social-context. The best proof of "wholeness" of personality is socialization, that is, the achievement of rich, manifold and constructive relations with the human beings and human groups surrounding the individual life.

That is why the small discussion-group, with its continuous process of rubbing-off rough edges of personality, and building up an increasing coordination of the minds and wills of citizens and neighbours once divided by shallow understanding (or equally shallow misunderstanding), is the very type of the personalist adult education which democracy desperately needs. Here a whole new world opens up of the possibilities of a co-personal mutuality and of cooperation in community action. Around such a nucleus of increasing cooperation-about-life-in-general can develop a whole network of specific "cooperatives"—consumers' and producers' coops, community canning bees, cooperative small industry, and so on. Everything indeed which works towards the breaking down of all these obsolete old barriers—of race, occupation, creed, sex or age-group—is a natural extension of the more personal kind of social integration in small study-groups. All are part of the great process of this century which is lifting men and women in every corner of the globe out of century-old ruts in which they were less than persons because they were mainly or merely such lesser things as "British" or "farmer" or "Protestant" or "Liberal" or "female."

By the same token, all those activities which endorse a man's or a woman's, personal worth—the discovered ability to make with his or her own hands a

better and more beautiful article than the department stores have to offer: the renewed love of the personal practice of music or painting or drama; the awakened interest (love succeeded by curiosity and curiosity by science) in the free delights of birds, flowers and all the creatures of the fields and the forests—all these will have a place in the adult education which has this objective of a personalized society and socialized personalities.

Let us, however, face the essential difficulty. All that we speak of as desirable, all that seems so clearly the *only* desirable new social pattern, is nevertheless by no means in the natural, that is to say the unconscious, tendency of the times. Although the war has given us new institutions, like farmers' production committees, community war-service councils, labor-management cooperative committees which are in the desired direction, it would nevertheless be naive folly to suppose that the current is assuredly set this way. All these war-created forms of personalized, functional "get-togethers" are still few in number and hard to keep alive. The forces of depersonalization in the mass-industries of the city, in the stultifying toil of the farms and in the canned entertainment of radio, film and juke-box, seem everywhere overwhelmingly dominant. Every-

where there are monstrous forces creating a sub-personal uniformity of thought and of taste which, on analysis, originate with the monopolizing tendency inherent in modern finance-industry.

For that reason, it seems not only inevitable but profoundly right that the adult education which has such a humanist and personalist vision of society must ally itself with those groups and social forces which are in protest against their bondage to these anti-democratic and irresponsible economic institutions in our own society. Not, be it noted, to identify itself completely with any political or "cooperative" movement, but to act as guide, counsellor and friend to such groups, friendly enough to uphold most scrupulously amongst them the highest standards of knowledge, science and truth.

But the day of adult education as an affair of individual self-advantage or as a learned process conducted in an academic vacuum, is ended. Adult education is, as we all are personally, involved in the crisis of our times and, with democracy itself, it has to choose and to act. It becomes more and more a matter, not just of the mind, but of the mind and the heart and the will. Like war, it becomes "total." And, as we have said, total can mean either totalitarian or wholly personalist.

How Good is the Canadian Gallup Poll?

By WILFRID SANDERS

FOR nearly 18 months, newspapers across Canada have been regularly publishing bi-weekly articles purporting to set forth what the division of Canadian opinion is on a wide variety of subjects, from air raids to war aims, from by-elections to Vitamins.

Who is it who claims to speak with such neat, tabular authority, on such a daedal subject as mass opinion? What is their

authority, and how accurate are they? Finally, what is their function—good, bad, or indifferent?

Let's look at some facts.

The Gallup Poll, or, to give it its full title, the Canadian Institute of Public Opinion, is one of a chain of affiliated Institutes operating in the United States, Great Britain, Australia, Sweden, and Canada. The American Institute is now in its eighth year, the British in its seventh, and the Canadian, Australian

and Swedish in their second years. These five Institutes exchange their findings with the result that, (if you assume for a minute the accuracy and validity of their findings), a pool of information regarding democratic thought is being built up. More important still, because of the fact that in all these countries the Institute is supported by an independent press, this information is given wide circulation. In Canada, potential readership represented by the 26 member newspapers is around four million.

The Canadian Institute is a co-operative, non-profit organization, participated in by 26 leading Canadian dailies. These newspapers are published in all parts of Canada, from Halifax to Victoria, inclusive. They represent all shades of political opinion, and include two of the leading French language newspapers. Membership includes small dailies as well as large ones. This geographical, political, racial, and economic diversification is, in itself, one of the best guarantees of objectivity and impartiality in the operations of the Institute.

Here, then, is the answer to the first question posed above. The organization responsible for these reports on public opinion is a non-partisan venture on the part of Canadian newspapers, who believe that what people think is just as much news as what they do. It is also part of an international organization with similar aims and objectives, and similar techniques.

But on what authority does it purport to find and report public opinion? Is it accurate?

Here again, it is not necessary to depart from fact. In gauging public opinion, the poll uses the familiar sampling method, in which care is taken to see that all significant component parts of the population are represented, in their right proportion to the whole, in a cross-section of the population. The scientific construction of this cross-section is the crux, the determinant, of the poll's accuracy. It is the factor that makes a modern opinion poll as different from the old-fashioned straw vote, as a modern dive

bomber is different from the machine flown so precariously by the Wright brothers at the turn of the century. The mathematical principle on which it is based—the law of probabilities—is as generally accepted and as indisputable, as the multiplication table.

Elections and referenda constitute the only pragmatic opportunity for checking the accuracy of the polls, and the soundness or otherwise of applying the sampling technique to public opinion. While public interest in the polls is probably highest just before an election, most pollsters feel that the prediction of an election's results a few days before voting starts is not, in itself, a particularly valuable contribution to the democratic process. From their point of view, the chief value in election forecasts lies in the fact that it provides a check on the accuracy of the cross-section, and at the same time demonstrates to the public that sample polling actually does work.

In the seven years of its existence, the American Institute of Public Opinion has made 114 state, local, and national election predictions, both on candidates and on issues involved. In 1936, when the Institute was formed, the average error was six per cent. From 1937 to the presidential election of 1940, this average error was reduced to four per cent. From 1940 to 1942, including the 1942 congressional elections, the average margin of error in the Institute's forecasts had been cut to 2.5 per cent of the actual vote.

Because of the fact that opinion surveys are based on principles of sampling, and the law of probabilities, they may fall short of expectations on occasion, but the overall record of seven years is one of constant improvement, and a narrowing of the margin of error.

The Canadian Institute has had only one chance to check the accuracy of its cross-section, and that opportunity arose only a few months after it had started operations in this country. From many angles, the plebiscite of April, 1942, on the question of methods to be used in raising men for military service, presented an unusually tough nut to pollsters. In

the first place, there was no precedent on which to rely, inasmuch as this was only the second national plebiscite in Canadian history, the first one being the prohibition plebiscite of 1898. Moreover, the issue involved was not clear cut. As it appeared on the ballot, the question was whether or not the government should have a free hand in deciding the methods to be used in raising men for military service, and the public was told by the Prime Minister that Conscription for overseas service was NOT, per se, the issue. But no advance information was given the public as to what course the government would follow if it were given a free hand. Opinion polls, prior to the polling date, indicated, however, that a majority of Canadians interpreted the vote as being directly for or against conscription for overseas service,—in other words, that a "Yes" majority would result in the introduction of overseas conscription, and vice versa. Other voters saw the plebiscite as a vote of confidence or non-confidence in the present government. This confusion of issues did not make the poll's job any easier.

Unlike an election, there were no local candidates to stimulate interest, and no precedent to go on in estimating the all-important factor of turnout. A "free-the-government's-hands" vote was advocated by all political parties.

The forecasts of the Institute and the actual vote results are now a matter of record. The national vote was correctly forecast within five per cent. The vote in each province was correctly "called", average margin of error by provinces being 5.2 per cent. In Quebec where religious, racial and political issues were thoroughly confused, the Institute's prediction was correct within 2½ per cent.

This plebiscite provided a test of more than the accuracy of the Canadian organization's methods. Prior to this forecast it had been charged by some critics of the polls that while their fitness for forecasting the voters attitude on a specific candidate had been admittedly demonstrated, the poll's ability to test opinion on less tangible issues had not yet been proven.

It would be difficult to find a less tangible, more complex issue than that provided by the Canadian plebiscite. Canadian editorialists are still arguing as to what the vote meant. The British and Australian Institutes have also had their opportunities, by way of elections, to test their methods, and have thus served to confirm the validity of the sampling technique, when applied to public opinion.

As to the third question raised at the outset of this article—that of the function of the polls—it is impossible not to introduce matters of opinion. However, facts need not be abandoned altogether.

Montaigne, the French political philosopher, described public opinion as being "a powerful, bold, and unmeasurable party." That it was unmeasurable was taken for granted in Montaigne's day. Even James Bryce, English observer of "The American Commonwealth", and penetrating student of democracy, wrote that the "obvious weakness of government by public opinion is the difficulty of ascertaining it." Bryce recognized that elections, newspapers, associations, political parties and other agencies for the expression of public opinion provided a rough gauge, but accepted none of them as sufficiently direct for his critical taste. To him, such agencies were too often advocates, rather than barometers, or weather cocks. Moreover, the risk of confusing the pleas of a small, highly vocalized pressure group with public opinion was too apparent. In looking forward to what he believed would be the next stage of democracy, "in which the will of the majority of citizens could be known at all times", Bryce appears to have come fairly close to forecasting the modern opinion poll, since the method he hoped for had two main characteristics, i.e. that it go directly to the people themselves, and that it be based on some unit or segment of the population smaller than the entire electorate.

It is rather intriguing to see how criticism and support of the polls divides along roughly the same lines as one of the oldest rifts in democratic thought—the rift represented by Thomas Jefferson's direct

democracy, and Alexander Hamilton's representative democracy. If one accepts the view that the great masses of the people are, by educational and intellectual standards, unfitted to determine what is in their best interests, then the results of the polls become virtually meaningless—"a tale told by an idiot, full of sound and fury, signifying nothing." But if one shares the Jeffersonian view—that in the long run, the people are less likely to misgovern themselves than any small exclusive group, then the continuous scientific, and impartial study of public opinion becomes an important supplement to the work of the people's representatives, whose main job, is, after all, to represent.

It has been said that newspapermen and politicians are much like doctors: they spend their days listening to people with a pain, or people in trouble. The man who misuses his ration coupon gets his name in the paper, but the housewife who uncomplainingly trims her household shopping list to comply with the spirit of the law, remains unknown. The man who stands up and says he is not going to fight England's wars, and will ignore his draft notice, gets national attention, whereas the lad who just goes and volunteers is unpublicized. Under our mechanics of news, it is the person with a pain, or the person in trouble, who IS news. So it is with pressure groups, and highly organized minorities, who often lay claim to much greater public support than they actually enjoy. The vast majority of the public remain virtually inarticulate, except at election time. By taking issues of the

day to the public, directly and at frequent intervals, pollsters feel they are helping to make the so-called average citizen articulate—to make his views known.

It is difficult to study the results of scientifically conducted public opinion polls without becoming convinced of the innate good sense of this average citizen. It would take more space than is available to catalogue the instances in which polls have found him to be actually in advance of his elected representatives, especially in connection with issues bearing on the prosecution of the war. Months before the 1942 budget increased the income tax in the lower brackets to unprecedented heights, the Canadian Institute found the public willing to bear more taxes. After the budget had put the increases into effect, the poll could find only one or two per cent of Canadians who felt that taxes were too high, or that they couldn't adjust themselves to the new levies. Again, months before the principles of compulsory savings were adopted, the poll published the results of a survey showing that the majority of Canadians favoured such a scheme. Long before the first ration card was ever issued, the public was found to be anxious for rationing of tea, coffee, gasoline, and sugar. For at least a year the public has wanted some form of health insurance. The record could go on and on.

Granting that the public is not infallible, the poll nevertheless appears to have proven the soundness of government by public opinion in war, as well as in peace.

The Canadian Budget 1943

By C. H. HERBERT

THE facts of the 1943 budget are simple. Expenditures for the fiscal year ending March 31, 1944, were estimated at \$1,030 million higher than in the previous fiscal year; tax increases were limited, in the main, to liquor, tobacco, night clubs and the postal rate; and these new taxes, together with an increased yield on certain existing taxes not previously in operation for a full 12 months, were only estimated to increase revenues (including refundable taxes) by \$444 million over the previous year. The deficit was therefore estimated at \$2,973 million, compared with an estimated deficit for the previous year of \$2,262 million.

In discussing the deficit, the question comes up as to how refundable taxes should be regarded. From the point of view of the government's ultimate liability to repay, they are loans and should therefore be considered as part of the deficit; but from the point of view of reducing consumer spending power they are the equivalent of taxes, for their payment is just as compulsory, and consequently if the deficit is to represent the "inflationary gap" rather than the government's debt liability, then refundable taxes should not be included in it. Since in this article we will be more interested in the problem of the "inflationary gap" than in the Dominion Government's debt liability, refundable taxes will be treated as revenue and will not be included in the deficit.

The most spectacular change in the tax structure this year was not, as normally is the case, one of rate but rather one of method of collection. It was the adoption of a "pay-as-you-earn" system for the income tax.

The Pay-As-You-Earn Tax

This system, which in its present all-embracing form is certainly an innova-

tion, nevertheless has developed logically and quite gradually since 1940. In that year an additional income tax (known as the National Defence Tax, but nevertheless in essence an income tax) was levied and was deducted from all salaries and wages at the time that they were paid. The twin principles of deduction at the source and of tax payment at the time the income is received were therefore introduced. In the budget of 1942 the National Defence Tax was dropped as from September 1st and was amalgamated with the income tax. The income tax (insofar as it affected income from wages and salaries) was placed on a deduction-from-the-source basis to the extent of 90% of the tax. It was felt undesirable, however, to go the whole way in putting the income tax on a pay-as-you-earn basis, but a step was taken by making deductions for the estimated tax on the 1942 income start in September, 1942.

This year the entire income tax is placed on a pay-as-you-earn plan, and half of the 1942 tax has been "forgiven" in respect to earned incomes. Some people had already paid half of their tax by the end of 1942, and most of us had paid a fairly substantial proportion of it; those who have not paid half the tax must make up the difference by December 31, 1943. In respect to income tax on unearned incomes above \$3,000, half the tax must be paid by December 31, 1943, and the remainder may be deferred until the death of the taxpayer. Farmers were also put on a pay-as-you-earn basis, with necessary variations in the manner of collection. Collection at the source in 1943 was stepped up from 90% of the tax to 95% of the tax.

Income Tax Adjustments

Minor adjustments were made in the income tax in order to avoid discouraging incentive in the lower income brackets. At the same time arrangements with

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regard to taxing men in the armed services were altered. The distinction between taxable and non-taxable members of the armed forces will henceforth be on the basis of income rather than on rank. Those who are taxable and serving in Canada pay tax at a rate slightly below that for civilians, but they do not have to pay tax for the first six months after their return from duty overseas; those who are taxable and serving outside of Canada but within the Western Hemisphere pay half the rate, unless their duties take them into the air or afloat, when armed forces serving in the rest of the world still pay no taxes.

Other income tax proposals were designed to encourage oil and base metal search. The increased rates of tax on commodities were confined to liquor, tobacco, night club expenditures and 1c in the postal rate.

Revenue and Expenditure for 1943-44

For the current fiscal year total expenditures are estimated at \$5,500,000,000 divided as follows: ordinary expenditures — \$610,000,000, war expenditures — \$3,890,000,000, and mutual aid (the distinctive Canadian version of lend-lease) at \$1,000,000,000. Old tax rates would have produced \$2,561,000,000 (including \$210,000,000 in refundable tax-

tion) towards meeting these expenditures. Had there been no change in taxes a decline in revenue was anticipated from customs duties, excise duties, sales taxes and war exchange tax, because of shortages of goods and difficulties of transportation. On the other hand the personal income tax would have yielded more money because 1942's higher rates would have been in effect for a whole year and because of increasing incomes. The yield of the corporation tax, which was not changed, is likely to decline, however, since in the last fiscal year the time of payment had been moved forward and more than one year's taxes were received.

On the basis of the tax changes mentioned above, total revenues for the current year are expected to be \$2,752,000,000 (including \$225,000,000 refundable taxes), thereby leaving a deficit of \$2,748,000,000. We shall, therefore, be meeting practically 50% of our expenditures out of revenue this year when including refundable taxes as revenue.

In comparing statistics of revenue and expenditure for this and other years one striking feature is the continued increase in the deficit. The table below which is illustrated by a pictorial chart (1) on the cover of this issue summarizes the Canadian budgets since the beginning of the war.

SUMMARY OF DOMINION GOVERNMENT REVENUES AND EXPENDITURES

\$(000,000's omitted)

	1939-40	1940-41	1941-42	Estimated 1942-43	Estimated 1943-44
Non-war Expenditures.....	563	498	545	667	610
War Expenditures.....	118	752	1,340	3,803 ¹	4,890 ²
Total Expenditures.....	681	1,250	1,885	4,470	5,500
Total Revenue.....	562	872	1,489	2,208	2,527
Refundable Tax.....	100	225
Deficit.....	119	377	396	2,162	2,748
United Kingdom War Financing in Canada ³ .	95	371	1,052	73	—
Deficit Including United Kingdom War Financing.....	214	748	1,448	2,235	2,748
				or 2,335	2,973
				when including refundable taxes as borrowing.	

(1) Includes \$1,000 million under War Appropriation (United Kingdom) Act 1942.

(2) Includes \$1,000 million under Mutual Aid Pact.

(3) This is represented by the repatriation of securities and the accumulation of sterling balances, and hence does not appear as a budgeted item.

(1) The refundable taxes and an item of \$73 million representing British securities repatriated in 1942-43 are not shown in the chart as the symbols would have been too small.

The two sets of figures for the deficit arise from the fact that British war financing in Canada was treated differently in the early years. In 1939-40, 1940-41 and 1941-42 the Canadian dollars which were advanced by the Canadian government to pay for British purchases were balanced by repatriated securities or by sterling balances, and since they thus represented the acquisition of tangible assets, they did not appear in the budget. In the fiscal year 1942-43 the Canadian government made a budget appropriation for \$1 billion under the War Appropriation (United Kingdom) Act, and in 1943-44 the government has included in the budget an item of \$1 billion under the Mutual Aid Pact. Both these items appear in the budget because they are not represented by any tangible assets. In the year 1942-43 a small amount of security repatriation (\$73 million) took place in addition to the billion dollar "gift."

To come back to the reason for the two sets of deficit figures: the true budget deficit in the first four fiscal years of the war must exclude United Kingdom war financing which represented the acquisition of assets, but from the economic point of view this financing should be included in the deficit, for it added to consumer spending power in Canada and represented a drain on Canadian productive facilities just as much as did money spent for the Canadian government's own account.

Why the Deficit Is Not Reduced

The continued increase in the deficit naturally raises the fear of inflation in many people's minds and makes them wonder why further substantial tax increases were not made. The officials of the Finance Department probably had both specific reasons for not increasing rates of any particular taxes and also a general overriding fear that any higher taxes which would bear heavily on the lower income groups (the place where a large proportion of the increased purchasing power is to be found) would produce an almost irresistible demand for wage increases.

To take the specific reasons against particular tax increases, first consider the income tax. The main flaw in the income tax as an instrument for drawing back excess purchasing power from individuals is its lack of selectivity. The whole principle of the income tax is based on the assumption that people with an equal income and an equal number of dependents have equal financial responsibilities. That is patently not the case. One man may have a healthy wife and children and the other an invalid wife and a delicate child. The doctors' and hospital bills of the latter will obviously be much greater than those of the former. Then again, one man may have incurred, prior to the tax increases, certain fixed obligations of which he cannot divest himself, whereas the other may have no such obligations. Some attempt was made to level out these inequities in the 1942 budget, by allowing limited deductions for doctors' bills from taxable income and by permitting life insurance premiums, mortgage payments on one residence, and certain other similar payments to be counted in the savings portion of the taxes. But these allowances, while decidedly a help, do not by any means smooth out the differences in financial burden. Furthermore, the income tax does not in practice fully recognize the increased financial responsibilities of a married man with a family, because the rebates allowed for dependents fall far short of the living expenses of the dependents. In short, then, a man with fixed financial obligations and with a medium-sized or large family, some members of which are in poor health, will find the financial burden of the income tax much greater than someone else in other circumstances. These burdens are relatively unimportant when tax rates are low, but they can become almost unbearable when rates are high, and attempts to "tailor" the income tax to individual circumstances to any greater extent than is now done, would make the tax so intricate as to be almost impossible to administer.

A tax that frequently has been sug-

gested as a method of getting money, particularly from the lower income groups, is the general sales tax. The overall price ceiling, however, has been so well sold to the Canadian public that a tax of this type would undoubtedly be regarded as a general price increase, and for that reason it might cause a great deal of bitterness, and probably would result in all those who receive a cost of living bonus demanding an appropriate increase in the bonus. Tax increases on luxury articles have also been frequently suggested, and to some extent that was done in the recent budget. Any further increases on other luxury articles (on which the tax in general is now quite high) would probably produce little additional revenue.

Then comes the disturbing problem of the effect of high taxes in general on the demand for wage increases. While the price ceiling is pretty widely accepted as a good thing by the vast majority of the Canadian people, particularly among the working classes, the wage ceiling is nothing like so universally accepted. This is not surprising, because the benefits of the wage ceiling to the working classes are a great deal less obvious than are the benefits of the price ceiling. Nevertheless, it is unfortunate, because many workers appear to believe that the price ceiling guarantees them a more or less stable purchasing power, and consequently if their purchasing power were substantially reduced by any form of tax—on sales or on income—they might press most strongly for general wage increases. The events of the past few months have given the government little grounds for optimism as to its ability to withstand such demands.

Then there is the problem of absenteeism. It is difficult to determine precisely the causes of absenteeism, but there is little doubt that an important factor is the feeling in the workers' minds that since the more they work, the more the government takes in taxes, the less they work the more they will have for themselves. The fallaciousness of this argument and the lack of patriotism that it

displays are both obvious, but that does not eradicate the fact that many workers believe it to be true.

The Inflationary Gap

The important question, of course, is how great will be the inflationary effect of the deficit. This will in large part depend upon the extent to which the National War Finance Committee is successful in financing the deficit by subscriptions to War Savings Certificates and Victory Bonds which are actually paid out of the subscriber's income rather than his accumulated capital and which consequently reduce his purchasing power. The experience of the past year is not encouraging, because considerable inflationary bank borrowing has taken place. Much of this has been done by the mechanism of deposit certificates, short-term notes which are issued to the banks in varying amounts week by week or as they are needed. At the time of the Third Victory Loan, deposit certificates outstanding had reached \$645 million, but shortly after the loan \$205 million were retired, leaving a total of \$440 million. Just prior to the commencement of the Fourth Victory Loan drive deposit certificates had risen to \$985 million. Furthermore, the Treasury Bill issue was expanded prior to the Fourth Loan, rising from \$270 million on February 16th to \$320 million on April 30th.

The "inflationary gap" is generally considered to be the difference between the total amount of purchasing power in the country and the value, at present prices, of the goods available to be bought by that purchasing power. To the extent that subscriptions to government loans are made out of income, this inflationary gap is reduced. Nevertheless, it is not quite true that all the money held by individuals in bank deposits has an equally inflationary potential; this will depend upon the reason for the individual holding a bank deposit rather than a government bond. If he does it in a desire for security, so as to have a "cushion" to meet some unforeseen calamity, then the possession of this

bank balance is not inflationary; it will not be used unless the calamity occurs, and in that event the individual would probably have had to obtain the cash anyway by some other method, such as the liquidation of a Victory Bond. If, however, the individual retains a bank balance because he is anxious to purchase more goods than those which are absolutely necessary, then it is inflationary for it represents an increased demand for the reduced supply of goods.

The Price Ceiling and Black Markets

The danger of the excess purchasing power is more in the direction of the development of black markets than in a threat to the price ceiling itself. The principal direct threat to the price ceiling comes from high costs—higher wage rates and lower labor efficiency due to increased turnover; higher prices for goods imported from the United States; and the continued pressure for higher agricultural prices. In fact, the danger of higher wage rates to the price ceiling may well have been one of the reasons which made the government reluctant substantially to increase taxes on the lower income groups. It is, however, true that if the demand for goods is buoyant, merchants will press more strongly their claims for price increases on other grounds.

Danger of excess purchasing power stimulating the development of black markets is a very real one. If people with plenty of money in their pockets find that the goods that they want to buy are not in the stores, they may be tempted to offer more than the legal price if a merchant can obtain the goods

for them; and equally they may be tempted to pay more for unlawful amounts of rationed goods. One of the more insidious troubles with black markets is that many otherwise quite law-abiding people may be tempted to patronize them for they will not feel that it greatly interferes with the war effort to pay a little more than the legal price for one article, or now and again to get a little in excess of the rationed quantity. It is true that an individual breach of this kind is no serious matter, but if the practice spreads, it will mean the collapse of the whole system of price control and rationing.

Conclusion

If the inflationary forces of the present large deficit, and possible future deficits, are to be checked, the following steps should be taken:

- (a) A continuation of the present intensive drives to get as large a number of Canadians as possible to subscribe to Victory Bonds and War Savings Certificates, and to hold these securities when they are purchased;
- (b) A vigilant watch against black markets and a continual emphasis of the danger of these markets;
- (c) An educational campaign to show to workers that a reduction in the general standard of living is essential in a total war economy, and therefore that tax increases cannot be considered as grounds for wage increases without endangering the whole economic structure of the country.

Part-time Farming in Nova Scotia

By ANDREW STEWART

"PART-TIME farming" includes all situations in which, in addition to participation in industrial or non-farm activity, some part of the available labour of the family is expended on the production of agricultural commodities. This is a broad, common-sense definition of part-time farming. It is not sufficiently precise for purposes of enumeration, and could undoubtedly be made to include many situations which would not be classified as "part-time farms" in a census classification. On the other hand it does focus attention on the essential feature of "part-time farming," namely, the combination of productive activities one of which involves the production of agricultural commodities.

Industrial developments in the early 80's broke down the earlier rural pattern in which non-farming activities were closely dovetailed with agriculture. The local craftsman was unable to compete with industrial techniques in urban industry. He tended to move into the city or migrate elsewhere, and those who remained to farm the land turned their attention to production for the market. The number of farms in the province declined substantially, and it is clear that a large part of this decrease in number of farms was due to a decline in part-time farming. However despite this trend the part-time farm has shown some capacity to survive. A large proportion of the farm holdings in the province to-day would have to be classified as part-time farms under any reasonable definition of the term; and there has been some evidence of an increase in certain areas. In connection with the Census of 1931, an analysis was made of all farm holdings, the families on which derived more than

half of their income from non-agricultural sources. On the basis of this definition, which is narrower than the one suggested above, 12,225 farms out of a total of 39,444, or 31%, were classified as part-time farms.¹

Part-time farming is a complex phenomenon embracing many significantly different conditions. It includes the case of the industrial wage-earner who, without family assistance, employs his spare-time in the production of garden produce, and the family farm where some members of the family work on the farm while others are employed elsewhere. The part-time farmer may be an industrial wage-earner or an independent worker. He may use his holding to produce only for consumption by his family, while in other cases a substantial part of the produce may normally be sold in the market. Agricultural activities are combined with many different occupations some of which provide steady and continuous employment, others seasonal employment, and still others intermittent or irregular employment. The Census study referred to above, indicated a wide variety of combinations of activities among part-time farmers in Nova Scotia. The most common non-agricultural occupations were fishing, unskilled labour, personal service, building and construction, transportation and communication, and commercial occupations. The occupations in which the largest proportions of workers engage in part-time farming appeared to be those already mentioned and, in addition, wood products, logging, and mining and quarrying (excluding coal mining). Some combinations, for example, coal mining, water transport, and farm labour, are found in marked concentrations in those areas where coal is present, at ports, and in districts with highly commercialized agriculture. From

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1. Unpublished material prepared by D. Lemieux, Dominion Bureau of Statistics.

many aspects the combinations of farming with fishing, coal mining, and lumbering are the most significant types of part-time farming in Nova Scotia.

The Inducements to "Part-Time Farming"

The industrial worker who is also a producer of farm or garden produce adds farm work to the effort he expends in his industrial employment: work done by a farmer in outside occupations is additional to his effort in running his farm. What then are the inducements which lead some people to extend their efforts in these directions, and to place themselves in situations where they can effect a combination of activities? Looking at the matter from the point of view of the person who is primarily a non-agricultural worker, there is, first of all, the added income derived from produce consumed by the family and from sales. Secondly, families living outside the boundaries of cities frequently find that they can live more cheaply. Perhaps the most important factor contributing to this is lower house rent or taxes, although other "savings" can be made through reduced expenditure on clothing, amusements, etc. However it is clear that some of these "savings" are due not so much to lower prices as to poorer services or less opportunity for spending. For example, house rent may be lower mainly because the houses are less well provided with conveniences than in cities, and expenditure on entertainment may be lower mainly because entertainment facilities are not so convenient. Moreover, the cost of transportation may be significantly higher.

Thirdly, the industrial worker may attach importance to his homestead as an insurance against unemployment and loss of earnings. He recognizes that should he find himself out of work, he will have something to fall back on, and from which he can make a contribution to the maintenance of his family. On the other hand his holding may tie him to a particular locality when he might be able to find work elsewhere; and it is possible that the fact that he has the holding as a means of support may weigh

against him in his search for work. Finally, the worker may feel that there are intangible advantages to himself and to his family in rural life and rural activities; but individuals are likely to differ appreciably in the importance they attach to these considerations.

To each person the problem is one of weighing the advantages in increased income, reduced expenses, greater security, and intangibles, against the disadvantages of increased effort, lesser conveniences, employment opportunities, etc. The decision will differ in individual cases.

The Farm or Rural Aspects of "Part-Time Farming"

The possibilities of successful participation in part-time farming depend on a number of factors associated with the farming or rural side of the combination of activities. Location is important because of its relation to the character of the land; accessibility to and from the place of employment off the farm; accessibility of markets for "surplus" products; and accessibility to social attractions.

The presence or absence, in part-time farming communities, of those services, facilities and conveniences which are generally available in urban centres may be an important factor affecting the success of part-time farming. In the case of industrial workers located close to cities there is a constant comparison between rural and urban life, and to secure decentralization of population it may be necessary to create, in suburban areas, conditions which, in respect to these conveniences, closely parallel the conditions of life in the urban centre. In the case of workers in more distinctly rural areas the contrast between the rural town and the surrounding country is less marked.

The attitudes and aptitudes of people themselves affect their adaptability to part-time farming. Experience suggests that there is no infallible test by which those who will prove successful might be selected. More satisfactory results are likely to follow where the decision to

engage in part-time farming is arrived at voluntarily and not under pressure, for example, actual coercion, over-zealous promotion, or the pressure of circumstances.

Although the organization of the holding may make the difference between success or failure, it is a mistake to suppose that there is a standard type of holding, uniform with regard to size, layout or enterprises, which is best in all situations. In fact each unit might with advantage, be adjusted to the labour available, physical conditions, location, preferences of the individual, and needs of the family. The holding should, of course, be large enough to provide profitable employment for the amount of labour-time and effort which the worker and his family might wish to give to it. Given the amount of labour the area of land might depend on the quality of the soil and the products which are to be produced. In view of the long hours which the part-time farmer has to work, at least at certain times, improvements, convenient buildings and layout, productive stock and labour saving equipment are likely to be particularly important. The part-time farmer is not a specialist in farm production, and it is difficult for him to keep as well informed on production techniques as the full-time farmer may. Moreover his production problems may be quite different from those of the commercial farmer. It is therefore not surprising if many part-time holdings are inefficiently operated, and there would appear to be a special case for advisory services on behalf of part-time farmers. In practice their agricultural problems may tend to be overlooked because agricultural advisory services are designed to meet the needs of commercial farmers, and those engaged in these services are fully occupied in what is recognized as their primary responsibility.

Production on part-time holdings is usually thought of as being primarily for family consumption. However it does not seem desirable to prevent produce sales, and many part-time farmers will

wish to market some produce. Some part-time farmers may wish to specialize, for example, in the production of eggs or fruit, for market. The nature of the local markets and marketing facilities may therefore be important. However, in view of the small amounts sold by individuals and the possibility of disruption of the market through disorganized selling, there is a strong case for organization of marketing to prevent disturbing irregularities in the flow of produce to market.

The Nature of the Non-Agricultural Employment

The problems of part-time farming vary with the nature of the non-farm activity. The peculiar characteristic of agricultural production is that in order to get the best results the processes of production must be carried out at definite times; and if any results are to be obtained at all, there is only a limited range of time during which each production activity must be completed. It is further characteristic of agricultural production that the timing of the production activities is seasonal, with a substantial concentration of labour requirements during the summer months. It follows from this that the possibilities of effectively combining other activities with agriculture depends in part on the timing of employment in other occupations.

This aspect of the problem may be illustrated with reference to the combination of lumbering, fishing and steel-working with agriculture. Employment in lumbering is concentrated in the winter months. Lumbering consequently dovetails well with agriculture. It is possible for the farmer to operate a moderate size of farm which will contribute to family living and bring in cash income, and to utilize the labour not fully occupied in farm activities during the winter months in lumbering operations. There are other considerations which make this a favourable combination of activities. Both farming and lumbering are rural occupations, and, at least in part, the skills

required are common or on a common level. In a province like Nova Scotia farming is, in many areas, closely associated with timber resources, and the problem of location does not arise. However, where the timing of activities is different the problem of location is less acute than in other cases. It appears therefore that this is a type of part-time farming which should be encouraged, and should be capable of expansion in the Province of Nova Scotia.

In contrast with lumbering, fishing tends to compete for labour at times when it is required for agricultural production. This is a serious limiting factor to the extension of part-time fishing and farming. It tends to restrict the extent of the farming operations which can be undertaken. Experience in Nova Scotia indicates that effective combination of fishing and farming is not impossible. In the North Shore fishing districts and in Lunenburg, despite unfavourable periods, there is evidence of a substantial degree of stability, and of conditions of life among farmer-fishermen which do not present any marked contrast to those in districts dominated by other occupations. This cannot be said of the shore fishing communities on the Atlantic Coast. Here the fishermen have never carried on farming operations on a scale comparable to that in the North Shore districts. The reason for this is to be found in the unfavourable physical conditions for farming on the Atlantic Coast. These conditions combined with the competition of the two activities for labour, appear to impose formidable limitations on the extension of part-time farming activities in the Atlantic Coast districts.

Seasonal variations in employment are relatively small in the steel industry, and steel workers may be considered as being steadily employed throughout the year, including the summer months when the bulk of the agricultural work must be done. Here again therefore the extent of the farming operations is limited by the nature of the non-agricultural employment. Moreover, steel is an urban industry and the worker must live within

reasonable distance of the place of employment. These considerations suggest that part-time holdings for steel-workers will tend to be small, and concentrated in areas readily accessible to the plant. In such cases the part-time holding may be substantially limited to a rural or suburban home and garden.

All occupations are subject, in greater or larger measure to irregularities of a recurrent nature, and periods of full employment are followed by periods under- or un-employment. Part-time farming can help the worker through periods of under- or un-employment. But the organization and operation of a holding is difficult under these conditions. If periods of full-time employment are anticipated, the worker cannot operate a large holding at these times. On the other hand a small holding with limited production potentialities cannot go far in providing for family requirements during a period of unemployment. Some flexibility of production from the holding is possible but expansion during a period of unemployment may require resources at a time when the worker does not have them. It seems therefore that under these conditions the holding will tend to be small and can, at best, provide only partially for the unemployed worker's needs. However this contribution, although limited is by no means insignificant. In Nova Scotia the coal and steel industries have been subject to this type of irregularity. If they continue to be affected in this way an expansion of part-time holdings among workers in these industries would be a stabilizing factor. The appropriate type of holding would appear to be a small homestead with enough land for production of garden produce.

"Part-time Farming" Under Changing Conditions

Under changing conditions employment in some industries may be expected to decline, and some workers may be permanently unemployed. It is obvious that, by its nature, the part-time holding is incapable of providing any adequate

solution to the problem of the permanently unemployed worker. Where therefore a local industry is so affected that it cannot be expected to sustain the previous level of employment, the industrial problem cannot be evaded by recourse to part-time farming, and other means of meeting it must be found.

Again under changing conditions new industries and new opportunities for industrial employment may appear. These possibilities may be related to part-time farming in two ways. Growing knowledge and changing techniques may make it possible to establish new industries in rural areas. These will offer new sources of employment to farm families, and an extension of part-time farming will occur. Indeed, because of the small size of many farms in Nova Scotia, the limited employment they can provide, and the limited income which can be derived from them, the establishment of such rural industries would be a beneficial and stabilizing influence in rural communities. It is therefore desirable that such opportunities as present themselves should not be missed. The possibilities should be fully explored, and such encouragement and assistance provided as may be consistent with the establishment of local industries on a per-

manent and self-supporting basis. While the decision in each case would require a close consideration of the particular circumstances, it seems reasonable to suppose that the diversified resources of the Province of Nova Scotia can provide favourable opportunities for development along these lines.

In the second place, where new industries develop in or adjacent to towns, and attract new workers to the area, the associated housing development calls for consideration of the provision of part-time farming facilities. While the preceding discussion implies that the possibilities will vary with the particular circumstances, there is a strong case under any circumstances for providing the workers with at least enough land to provide them with the opportunity to establish a garden.

Within limits part-time farming can be expected to make a significant contribution to promoting more stable and generally satisfactory conditions in the Province of Nova Scotia. The interests of the provincial government, local governments, employers, workers' organizations, and individuals are involved, and development can be most effectively promoted through the sympathetic and active cooperation of all concerned.

Public Transportation in Canada After the War

By JOHN L. McDougall

THERE are four chief transportation media, air, road, rail and water, all of which have their part to play. It is probable that, after the war, air travel will take a large part of the high-class passenger travel and first class mail for distances beyond 6-800 miles. Both road and water carriage are of present importance and will probably grow in relative importance as time goes on.

But rail transport is now and will long remain the basic carrier in a country of continental extent such as Canada.

It is highly probable that far too much attention has been given to the "railway problem" in Canada and far too little to the disorganization of the economy which has had sharply unfavourable effects upon railway operations and earnings. Since 1920 there has been a most extraordinary disparity between the returns to those engaged in rural pursuits and to those in urban industry without

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arousing that degree of public interest which might have been expected. From 1929 to 1940 there was a continuously low level of output, of investment and of employment (and an even greater spread between rural and urban earnings than in the 1920's) which many were willing to deplore but which few were willing actively to remedy. Omelettes are made by scrambling eggs, depressions are remedied by equally drastic and irreversible remedies; but in the 1930's we seemed to decide that it was better to worship the egg in its roundness and to dream of the omelette in our sleep than to find a basis on which we could agree to get on with the work of production. It was no longer fashionable to talk of producing real goods which men could eat and wear, houses in which they could live, electric power stations to light those houses and to drive the machinery with which men worked; instead, one spoke of the "faulty distribution of purchasing power."

It was as if we all of us hoped to live like petty rentiers when once the government had learned to mumble over our heads the appropriate abracadabra. There was an infinite amount of discussion of how much the ideal society would give to its fortunate citizens, and no move to take up the task next to hand in order to work toward that millenium.

The war has broken that evil spell. We have got to work again. The fact now stares us in the face (I cannot say that we have digested it) that if we are willing to work we cannot only make great capital investments in war goods, but that we can also hold up our production of goods for current consumption. Indeed, until at least the middle of 1941 we were able to increase our net consumption while recruiting an army and producing for its equipment.

It is clear also that the people on the low side of the income scale—the unemployed and common labour in the towns, fishermen, farmers, farm labourers and workers in the bush have all been greatly improved in their relative position. The efforts of the 1930's to "improve the

condition of labour" had helped those who, having employment, stood least in need of having their bargaining power bolstered. Full employment has given the relatively weak a share in the national output which they could never have got otherwise.¹

The railways which suffered as much if not more than any other non-extractive industry in the 1930's are now phenomenally prosperous. They have also proven themselves to be in remarkably sound operating condition. In the year ending August 31, 1942, they produced about 30 per cent more ton miles and 45 per cent more passenger miles than in the peak year 1928. They have done this in the face of significant reductions in the number and in the aggregate tractive effort of their locomotives, in the number and aggregate carrying capacity of their freight cars, and in the number of their passenger cars. They have also reduced their labour force about 20 per cent. If comparison is made with 1938 as the last year of nominal peace, then freight traffic is now double what it was and passenger traffic two and one-half times. They have demonstrated their operating efficiency and their profitability under existing conditions. Because their ratio of annual gross revenues to capital investment is so low they are inevitably sluggish in adjusting to new conditions, but they have made great reductions in their operating costs over the last fifteen to twenty years and the process is by no means ended. Their future is largely a matter of traffic volume which is not under their control. It is a function of the economic health of the whole com-

1. Indeed, one of the serious problems of war finance is the very rate of improvement in the position of agriculture. Urban labour was given a cost of living bonus on earnings up to \$25.00 per week. The rise in farm prices threatened to push this bonus beyond the present high levels. The War-time Prices and Trade Board is now engaged in a desperate rearguard action to hold agricultural prices down. If they succeed then the problem will become one of stemming the exodus of workers from the farms into an industry hungry to absorb them and able to pay much higher for their services. Agricultural output is also important, and we shall probably come finally to admit that our desperate struggles to maintain some of the conditions of a *status quo* which we all deplored when it existed deserve to stand alongside other equally strenuous and fatuous efforts to support experiments "noble in purpose" which might better never have been made.

munity. If we are ready actively to push toward the maximum in output and employment after the war, then the railways will be all right; if not, they will languish as they did in the '30's. This is not a condition which they can control. They are too small a proportion of the whole society to have a decisive influence upon it.

Canada has always been organised around her export trades. They still employ a very high proportion of the gainfully employed, but since 1930 our attitude toward such trade has been ambiguous. We have upon the one hand, laid out great sums for the maintenance of the structure of certain industries the great bulk of whose products must be sold abroad. The wheat industry is the outstanding example, though it does not stand alone by any means. Upon the other, we have pursued tariff, currency and wage policies which have hindered the development of normal trading relationships.

At the present time the price of wheat for export is strictly a domestic matter. The funds for its purchase are provided out of the Dominion Treasury and we are eager to send abroad all that can be shipped. That situation is by its very nature unstable. It is hard to imagine it persisting except as part of a war situation; it is equally hard to see a revival of a normal two-way international trade until the mechanisms set up in the last three years for the national control of our economy have most of them been wiped out. One need not be regarded as a pessimist for fearing that it will be much easier to reduce the armed forces to a normal size than to separate the army of bureaucrats in Ottawa from the truly enormous and nearly uncontrolled power which they now exercise. Yet it will not be through controls but through a high level of productive output and through a willingness to trade that prosperity will be won.

Within the narrower field of transportation there are perhaps three problems which call for consideration. The first is the conflict between Dominion

and Provincial jurisdiction. The solution of 1867 which assigned roads to the provinces as purely local works and railways and waterways to the Dominion as works for the general advantage of Canada, has broken down. Agencies operating on all three of them are now carrying long-distance traffic. Those whose minds run toward the extension of central controls may take that as a reason for bringing all road traffic under the Transport Commission. It is not the only answer to the problem. The railway rate structure is founded upon the assumption of complete monopoly. Since the 1890's it has been so strongly affected by public pressure that it seems from many aspects to be an arm of the taxing power for the redistribution of costs rather than a means of maximising profits. Even at 1920 it was an uneasy compromise. By 1939 it was an anachronism. The monopoly was no longer there. Year by year the rail share of the total market was being reduced. If the present situation is allowed to continue then the three agencies will shake down into a working adjustment in which each will tend to get that traffic which it is fitted to carry. Regulation by the Dominion, on the other hand, would almost inevitably end in an attempt to protect the *status quo* in rates and to smother the technical developments in highway and water carriage.

The second problem is that of the competition in subsidies between the Dominion and the Provinces. The fear of a railway monopoly has been one of the main motivating forces and the movement of railway rates toward a cost basis would do something to ease the pressure; but it is probable that, until the impact of the internal combustion engine upon society has worked itself out, something of this will remain.

The third problem is that of cooperation between the two railways. Ten years ago high hopes of great economies from this source were held out—and very little was realised beyond a limited passenger pooling in the Toronto—Quebec area. For this there are good reasons.

It is hard to maintain competition over large areas while enthusiastically co-operating in others. Habits of mind formed in one environment cannot be sloughed off easily. The very fact that there are only two railways makes it, in certain ways, more difficult than it would otherwise be. If there were five railways all engaged in pooling in various parts of their respective territories no one need lose face by such a change; when there are only two that is impossible. That aspect of face is important, at least as important as the fact that economies through cooperation did not prove to

be as rich as they seemed at first to be.

Transportation is one part only of the national economy. If we can resolve the social tensions which kept the whole economy at subnormal levels in the 1930's and if those who are charged with the administration of transportation agencies can keep a reasonable balance between their capital outlays and the revenues reasonably to be expected, we shall get along. But there is very little to be expected from laws to protect fools from their folly and the same holds for administrative devices addressed to the same end.

Farming in Nova Scotia in the Seventeenth Century

By O. J. FIRESTONE

IN the course of some research work on early Canadian agricultural history which has recently been undertaken by the writer it became necessary to explore the question of the boundary arrangements of farms in Nova Scotia in the French period and the layout of the fields. Since no satisfactory answer could be obtained from contemporary reports and historical monographs a search was made for a map which would give more detailed information on the topic.

A good map exists for New France, as the Province of Quebec was called in the French period. This map gives a detailed description of the field system which was used by the French settlers along the St. Lawrence. The plan was prepared by Sieur Gédéon de Catalogne at the request of Monseigneur le Comte de Ponchartrain in 1709 and was drawn by Jean Baptiste Decouagne. The original map is kept in Paris while a copy is available in the Public Archives in Ottawa. In addition to the map, Catalogne prepared a minute report on the conditions of the settlements in New France entitled "On the Plans of the Seigniories and Settlements of the Govern-

ments of Quebec, Three Rivers, and Montreal" which he completed in 1712. Besides the French text, an English translation of this memorandum will be found in the Public Archives in Ottawa.¹ The original manuscript is in the Colonial Archives in Paris.

Though there exist a number of good maps for Acadia completed in the French period, none of them seemed to go into such detail as to show the field system similar to the work undertaken by Catalogne. The writer therefore undertook to search for such a map in various archives and museums. Thanks to the tireless assistance of Mr. Norman Fee of the Public Archives in Ottawa, a copy of a map was finally found which contained the desired information.

Completed in 1708, this map bears the title "Plan de la Banlieue du Fort Royal a Lacadie et de ses Environs". It gives a detailed description of the Annapolis Basin indicating not only the settlements which existed already at that time but also the shape of the farms and the arrangements of the dykes which were built as a protection against the floods.

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1. Series C 11 A, vol. 33 a.

The original of this map is kept in Paris² but a copy of it was made by Mr. Charles Boudouin in 1926 for the Public Archives in Ottawa. The designer of this map is not known though it has been established that the work was undertaken at the request of Daniel d'Auger de Subercase, the last French Governor of Acadia.

In this connection it might be of interest to discuss shortly agricultural conditions in Acadia and New France as in existence at the turn of the seventeenth century. Thanks to the courtesy of Dr. Gustave Lanctot, the Dominion Archivist, it was possible to reproduce sections of both maps: the plan of Acadia dated 1708 (map I) and Catalogne's plan of New France completed in 1709 (map II).

Map I shows Port Royal and the adjacent settlements. Villebon in his "Memoir on the Present Conditions of Port Royal—Its Situation and the Reasons for Fortifying It" described this oldest permanent settlement in Acadia with the following words: "The site and neighborhood of the old fort of Port Royal are in a very fine and pleasant situation, and there is no other place to fortify, for nothing overlooks it. The fort is on a point of land; on one side, the Port Royal River, which has no tide, turns within musket range to the east; on the other, a small river, a pistol shot in width, runs south east. The face of the fort towards the basin is steep and rises from a cliff about thirty feet in height; this is undermined each spring by the high tides which beat against a condition which could easily be remedied, as will be set forth hereafter. Very near at hand is rich soil with hardy grasses suitable for turf which could be obtained in any quantity."³

The outstanding feature of the ground cultivated in Acadia was that it consisted of marsh land which had been enclosed and drained. Dykes had been built to keep the salty water of the spring tides away from the cultivated ground. The Agricultural technique of the French in

Acadia in the seventeenth century is well described in a survey entitled "A Geographical History of Nova Scotia" from which the following quotation is taken: "The French chose this Part (Minas) to settle in for the Conveniency of the Marshes, of which there are Millions of acres hereabouts. In these Lands there was no Timber to be cleared off, no Morasses to be drained, upon a little Trail they found the Soil rich, knew it would want but little manure, and was easy of Tillage. It was observed, that they were only flooded at Spring Tides, and therefore it would be no very difficult Matter to fence out the Sea, by making it a joint-work to raise Dykes for that Purpose. These Dykes being made with dry Sods, intermixed with Marsh, grow very compact in a little Time, the Marsh serving the use of Mortar to the Sods: they are soon covered with Grass, and furnish the Farmer with Footways to his Lands. These Marshes join close up to the Verge of the Uplands, by which means they receive all the Washings from them which are brought down the Rivers every Flood. These Washings are very good manure, and help greatly to enrich the Soil, in-somuch, that the Land, with a little Labour yields fine Crops of Corn the second Year after it is drain'd and, in a few Years more, will produce both Scotch, and several other kinds of Seed Grass. Thus the Farmer is furnished with both Corn and grazing Land in the Marshes, and a small Part of Upland supplies him with Garden-Stuff. The great Disadvantage that attends Estates of this kind is very obvious and well known, I mean the Danger they are exposed to, of having their Dykes broke down as well by extraordinary and unexpected Floods, as by several other Accidents; whenever this happens the Damage is severely felt, since besides all other Losses, nothing will grow upon the Land for two or three Years after."⁴

In the French period as well as in the period after the treaty of Utrecht in 1713 when Acadia became English, numer-

2. Archives du Service Hydrographique de la Marines Paris, Portefeuille 133, Division 8, Pièce 5.

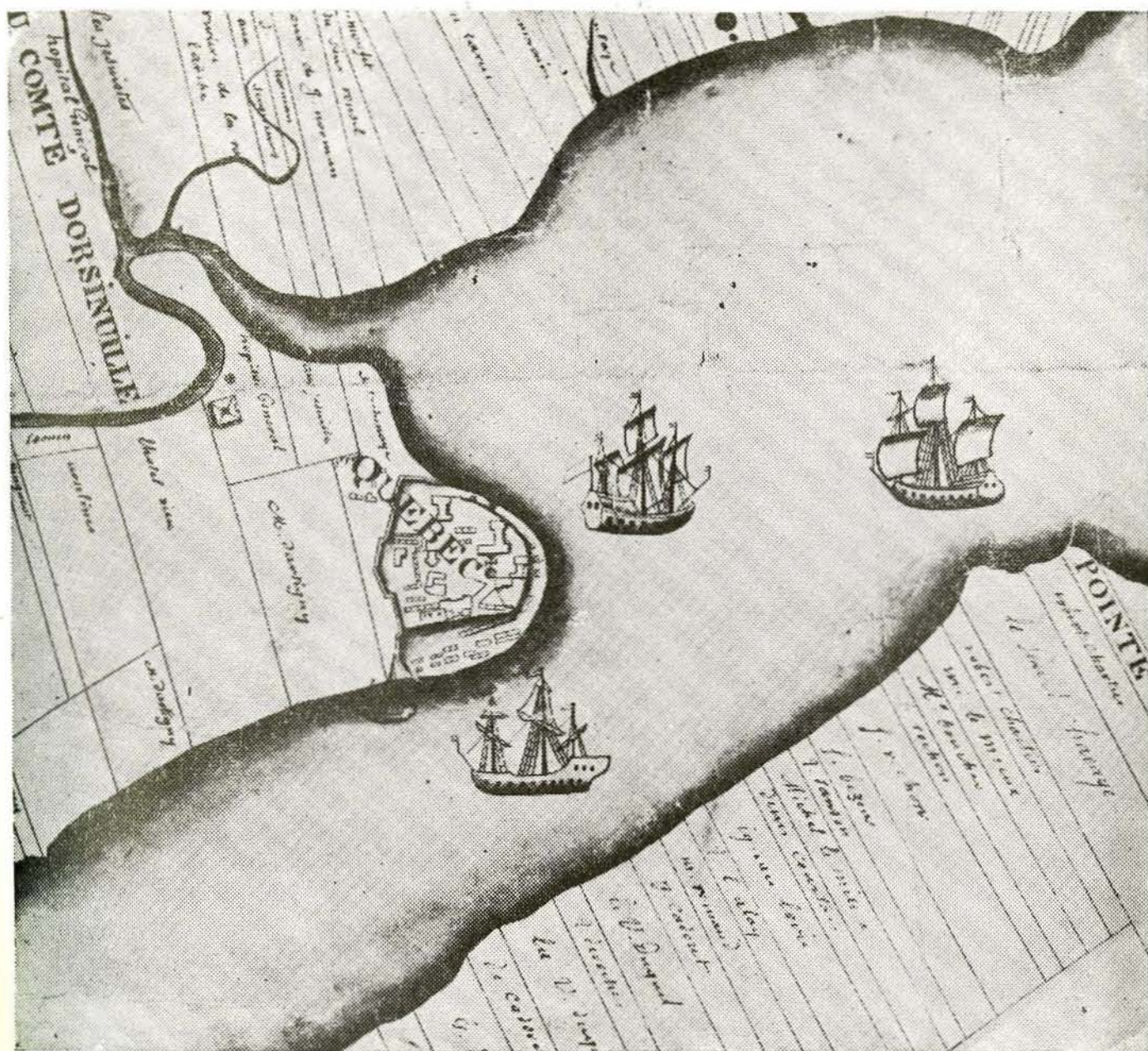
3. J. C. Webster: *Acadia at the End of the Seventeenth Century*, Saint John, New Brunswick, 1934, pp.129-130.

4. H. A. Innis: *Select Documents in Canadian Economic History 1497-1783*, Toronto, 1929, p. 189.



Map 1—Port Royal in 1708

Explanation of markings on page 157



Map 2—Quebec in 1709

ous complaints were made that the French settlers in Acadia had mostly cultivated marsh land and had neglected to clear the adjacent woodlands which were no less fertile though the cultivation of this ground required a great initial effort. Villebon wrote in 1699 that the settlers around Port Royal, "who had numerous children, established some above Minas and in the direction of Beau-bassin, for they were unwilling to clear the uplands because the work was too hard, although they are much more reliable than the marsh lands, which can be cultivated with less trouble, but are sometimes flooded when high tides are accompanied by strong winds; after such inundations the lands must be abandoned

for two years to allow time for salt to be washed out."⁵

Colonel Richard Phillips the British Governor of Acadia (1717-49) also criticized the lack of clearing the woodland in 1734. He described the French settlers in Acadia to be rather backward in their agricultural methods. "They raise (it is true) both Corn and Cattle on Marsh lands that want no clearing but they have not in almost a century clear'd the Quantity of 300 Acres of wood Land."⁶

The system of dykes is clearly recognisable on map I. The dykes are marked in the plan with thick lines next to the

5. J. C. Webster: *Acadia at the End of the Seventeenth Century*, p. 133.

6. H. A. Innis: *Select Documents in Canadian Economic History 1497-1783*, p. 188.

main river and the rivers and rivulets which water this region. Since the ground consisted of cultivated marsh land and dykes were built irregularly so as to afford the best protection against the spring tides, the fields were shaped in an irregular form, just as it was found best to cultivate them. The irregular shape of the fields is clearly recognisable on the map. This feature is one of the most distinguishing marks of the Acadian field system when comparing it with the strip system which became popular in New France.

As long as the dykes were kept in good order, the marsh lands were very fertile—even though the Acadians did not use manure. In 1699 Villebon reported that the marsh lands around Port Royal have “up to the present time, been very productive, yielding each year a quantity of grain, such as corn, wheat rye, peas and oats, not only for the maintenance of families living there but for sale and transportation to other parts of the country. Flax and hemp, also, grow extremely well, and some of the settlers of that region use only the linen, made by themselves, for domestic purposes.”⁷

It is of great interest to note from map I that farms are described by adding the names of the settlers to the word “marais” which means marsh, e.g. “marais de Bellineau”, a farm situated north of the fort. This description indicates clearly the character of the soil. A little distance north of Port Royal—the place does not appear on the section of the map published in this issue—a farm is situated, described by adding the name of the settler to the word “terre” indicating that the settler had cleared wood land. Acadians thus distinguished between fields which had formerly been marshes and those which were obtained by clearing the wooded uplands.

Settlers in New France had no extensive marshes to drain, so they went to the much harder task of clearing the territory around Quebec and later on, the wood lands along the banks of the St. Lawrence.

Map II shows Quebec in 1709 and the shape of the farms in its neighbourhood. It will be noted that all farms are of a rectangular shape and that every settler had an outlet to the river. This arrangement of farms is called a stripe system to indicate that the fields were all shaped in long and narrow stripes. The main reason for the establishment of this stripe system was the fact that in an age when good roads were an unknown luxury, the St. Lawrence was the best communication system available in this region. The river served not only the peaceful purpose of exchanging goods and communications but assisted the settlers to rally quickly to each others help in times of danger. Especially at times when England and France were at war, or when Indians were on the war path, was the river road to safety of great importance.

Sieur de Catalogne praised in his report the fertility of the soil of New France. He said that in addition to the plants which were already known to the Indians, the following kinds of grain and plants had been brought from Europe to New France: wheat, rye, barley, oats, lentils, hemp, and flax. Furthermore the following fruit trees had been introduced in New France: apple trees, pears, cherries, plums, peaches, quinces, vines and currants.

Catalogne concludes by saying that there is great abundance of agricultural produce in the country. To describe conditions vividly, he applies the proverb “Tel veaut l’homme, tel veaut la terre” which means the land is worth what man makes it by his work. He adds: “This proverb is so true that the three fourth of the peasants in Europe would die of hunger if the lands were not cultivated better there than they are here. From this I conclude that this is the best country in the world for farmers, as there is not one who is in want of good wheat bread.”⁸

The habitants, as the settlers in New France were called, were known to have been an industrious colony. They had

7. J. C. Webster: *Acadia at the End of the Seventeenth Century*, p. 128.

8. Public Archives, Ottawa, Series C II A, vol. 33 a pp. 12-13.

to work hard to clear the forests and to cultivate their fields. They loved their land and they stuck to it. Acadians were perhaps more fortunate in the beginning since the building of dykes did not require as much work as did the clearing of wooded land. They were therefore not as used to hard work as the habitants and were less industrious than their neighbours. Villebon in a "Memoir on the Settlements and Harbors from Minas at the Head of the Bay of Fundy to Cape Breton" praises the fertility of the Acadian soil by saying that the "lands are very advantageous for crops, such as wheat, rye, peas, and oats

and all sort of vegetables, which are found there in abundance." He adds: "If the people were as industrious as the Canadians, (settlers in New France) they would in a short space of time be very well off, but the majority work only when it is absolutely necessary for the maintenance of their families. As for the women, they are always busy, and most of them keep their husbands and children in serviceable linen materials and stockings which they make skillfully from the hemp they have grown and the wool produced by their sheep."⁹

9. J. C. Webster: *Acadia at the End of the Seventeenth Century*, p. 132.

EXPLANATION OF MARKINGS ON MAP 1

The following explanation is identical with the inscriptions found on the original map.

PLAN DE LA BANLIEUE DU FORT ROYAL LACADIE ET DE SES ENVIRONS

- A—Le fort.
 B—Maisons et jardins de M. de Bonaventure
 C—M. de Subercase.
 D—Grange au roi.
 E—Maisons, et terres de M. Defalaise.
 F—Maisons, et terres du sienur Descoutis.
 G—Maison du marquis de Jean Labat.
 H—Maison au sieur Cahot.
 I—Maison du sieur Pontif, chirurgien major.
 K—Maison de Lachaume Sergent.
 L—Magasin Dallain. Brûlé.
 M—Maison de Beaumont—forgeron—Eboulée.
 N—Maison de Maurice Charpentier—Idem.
 O—Maison du sieur Lopinot—Idem.
 P—Maison de Flan.
 Q—Maison de la dame Treneuse.
 R—Maison et isle de Brouillan. Brulée.
 S—Maison du sieur Déchaufours—Idem.
 T—Maisons de Jean-Charles et Antoine Belliveau—Idem.
 V—Maison de Sanson—Idem.
 Y—Maisons de Langevin—Idem.
 Z—Maison de François Coste—Idem.
 c—Maison de Seinseine—Idem.
- a—Maison de Jean Cobineau—Éboulée.
 b—Retrauchements faits par les anglais en juin 1707.
 e—Maison d'André Simon. Éboulée.
 d—Maison de Sd. Louis—Éboulée.
 e—Maison à Denis.
 f—Maison à Lavergne—Éboulée.
 g—Maison du sieur de Labat—Éboulée.
 h—Maison de Nighan Robicheau—Éboulée.
 j—Maison de Prudent Robicheau. id.
 k—Maison de Pierre Landry—id.
 l—Maison de Claude Landry—id.
 m—Maison de Pierre Pellerin—id.
 n—Maison de Villate—id.
 o—Charles Doucet—id.
 p—Maison de Bernard Doucet—id.
 q—Maison de Maillart—id.
 r—Montagne appelée Le Lion Rampant ou est enterré le coeur de M. de Brouillan.
 s—Retrauchements faits en 1708 pour empêcher le passage de la petite rivière aux ennemis.
 t—Moulin de Louis Allain ou les ennemis passèrent le 7 juin, 1707 pour venir bloquer le fort.
 u—Maison dudit Allain Eboulée.
 y—Maison de Charles Robicheau—id.
 z—Moulin des Landris.
- Remarques que tous les marais qui ne sont pas fermés sont joinondes aux grandes marées.
1. Maison de Robin.
 2. Bassin—commencé cette année pour mettre les barques.

Industrial Relations and Social Security

Joint Labour-Management Committees in Canadian Industry

by D. B. CHANT

IN the past year or two a great deal has been heard about joint committees in industry. A fairly large and steadily growing mass of material has become available dealing with such committees and the results of their operation in Great Britain, in the United States and to a lesser degree in Canada.

The International Labour Office has issued a number of comprehensive reports which go rather thoroughly into the origin history, purposes, functions and achievements of such committees, particularly in Great Britain and the United States. The War Production Board in the United States also issues a series of factual bulletins citing accomplishments in stepping up production of essential materials and goods for war purposes which were made possible by the work of joint labour-management committees in American plants. Some of the production increases described in these releases are truly amazing: all are important.

In Britain, the Amalgamated Engineering Union, a labour organization with more than 600,000 members in the most vitally important war industries, made a survey of 740 separate plants employing 900,000 persons to find out how much workers had contributed to greater production by their suggestions.

In those plants where there were no labour-management committees it was found that suggestions and ideas from workers had been responsible for production increases of 6.2%, while in 160 plants employing 270,000 persons, with joint committees in operation, production increases of 34.5% had resulted from suggestions originating with workers and developed by the committees. That is a

difference of more than 500% in the flow of actually usable production suggestions.

Just a few random examples may be given for Canadian firms:

Two aircraft workers proposed an extremely simple procedure which eliminated a great deal of "stock-chasing" for parts, saving 360 man-hours per week; equal to the full time of 6 or 7 workers.

Drawing on previous experience in a totally different industry, another bright lad was able to propose a device which saved 2925 man-hours of tedious hand labour per month in his plant.

Another, by designing a new type of tool, avoided 75% of the rejections previously coming from one operation, thus saving a tremendous quantity of valuable semi-finished material and preventing the continued waste of skilled man-hours.

All these examples relate, however, to increased production or improved productive efficiency or economy. Joint labour-management committees possess other potential values which are less easy of measurement but may prove no less important in the broad picture of industrial effectiveness on which so much depends in winning the war and securing the benefits of the peace.

In sponsoring these committees in Canada and in urging their development through the National Selective Service set-up the Government was actuated by the belief that their operation generally would go far toward improving industrial relations by helping to bring about better mutual respect and confidence, all of which are essential ingredients, along with good-will and sincerity, in good, sound, workable and proper relationships in industry. It is felt that better industrial relations would assist in:—

1. Reducing waste of manpower through absenteeism, labour turnover, disputes, strikes and slowdowns.
2. Improving productive efficiency.
3. Increasing production volume.
4. Securing a readier acceptance of controls and restrictions of individual liberty of action by facilitating better understanding of the necessity for them in war-time.
5. Preparing for the difficult problems of post-war reconstruction and rehabilitation by developing now to the fullest possible

extent the habit of cooperation and the mental attitude necessary to their successful solution.

Notwithstanding the strong belief in their value and usefulness, it was felt to be undesirable to make such committees compulsory. Nor was it thought wise to propose a ready-cut plan for them. The former might achieve quality, but would be quite unlikely to beget quality. Cooperation, to be effective, must spring from a genuine wish to cooperate. It cannot be forced into being or driven into more intensive action. On the other hand, no blue-printed plan could possibly allow for the many differences and peculiarities between plants and companies. Apart from everything else, the variation is so great with regard to unionization of workers in Canadian industry that any plan contemplating either full union recognition or a complete lack of it would be bound to fail to suit the actual situation in a large number of plants. And that is not by any means the only characteristic variant between different establishments in the same industry or in the same geographical area. What has been well called the "personality" of plants or companies has a distinct bearing upon the question and cannot safely be disregarded.

Despite the absence of a "drive" for the formation of these committees in Canada, a good many of them have come into being in the past 9 or 10 months. Quite recently, the Minister of Labour, in reply to a question in the House, reported that 631 such committees are now in existence in this country, which is not a bad score, all things considered, but still far short of the number there should be to make them the rule rather than the exception in Canadian industry.

To assist in co-ordinating the activities of different departments of Government aimed at the common end of encouraging the development of joint committees and to give added impetus to the entire movement, an Inter-departmental committee has been formed in Ottawa, as announced not long ago by the Ministers of Labour and of Munitions and Supply, jointly. It consists of three men: H. J. Carmichael,

Director-General of Production, (Department of Munitions and Supply), M. M. Maclean, Director of Industrial Relations (Labour) with H. C. Goldenberg, Director-General of Economics & Statistics (DMS) as Chairman. In future all official activity looking toward the extension of the program for joint labour-management committees will be carried on under the general direction of that committee and plans are being worked out for giving practical aid in the formation and operation of such committees wherever this is needed.

Significant as an indication of the thoroughness of the planning in this regard is the advisory body already formed to aid this inter-departmental committee. It consists of representatives of organized labour (Trades & Labour Congress, Canadian Congress of Labour and Federation of Catholic Workers) and of organized employers (Canadian Manufacturers Association and Canadian Construction Association) with the addition of other interested groups provided for, if found necessary.

There is no apparent intention on the part of this committee to depart from the general principles hitherto followed in encouraging the formation of joint labour-management committees and, in fact, the advisory body has approved those principles and urged that they be adhered to, but the official Governmental blessing given the entire program by the creation of the inter-departmental committee can be expected to produce greater activity and speedier results.

As has already been said, there has been no attempt to develop a ready-made committee plan for universal adoption in Canadian industry. Each plant is urged to work out the details of its own scheme to suit its own peculiarities and conditions. Certain general principles were, however, adopted as applicable and desirable everywhere. These are based upon the best information available on what has been proven to be sound practice in Britain and the United States and it is thought that it would be most unwise to depart from them in Canada.

They are few in number, basic in character and general in application so as to serve as the framework around which each plant can erect its own details in evolving the plan best suited to the ideas of its workers and management. The importance of adhering strictly to these basic principles in setting up joint committees is such that they can hardly be over-emphasized or too often repeated. They are as follows:—

- (1) Labour representatives should at least equal in number the management representatives and should be *bona fide* employees below the rank of foreman.
- (2) Labour representatives should be chosen in a democratic manner by secret ballot in a free election by the workers they are to represent.
- (3) Representation should be by departments, natural divisions of the plant or according to some other reasonable arrangement of "constituencies" rather than "at large" from the entire working personnel.
- (4) Powers of committees should be advisory and recommendatory only and *not* executive. Management should, however, recognize the obligation to examine all proposals and recommendations of committees with care and consideration and to give a reasonable explanation in case of non-acceptance.
- (5) The committees of any one plant or company should be separate in all respects from those of any other plant or company.
- (6) There should be no third party in the operation of the committees.
- (7) Wages, hours and conditions of work and similar matters which are ordinarily regarded as subjects for determination by collective bargaining procedures should not be dealt with by the committees.
- (8) Where machinery exists by agreement or by recognized custom or otherwise for the handling of grievances, the committees should not assume that function or interfere with the orderly operation of such machinery.

As the scope and functions of the committees are not defined except in the negotiations covered in items 7 and 8, it may be helpful to suggest somewhat more directly the nature and range of subjects with which such committees ought to deal. That can very appropriately be done by quoting the following list of subjects included specifically in the formal constitution of a plan for joint labour-management committees in a large (Cana-

war-production plant, as coming within the proper scope of the committees and seemingly quite acceptable to both the workers and the management in that plant where these committees have been operating successfully for several months.

- (a) Changing of obsolete practices.
- (b) Conservation of materials, tools and equipment.
- (c) Elimination of waste effort, unnecessary planning or routines.
- (d) Adherence to standard methods.
- (e) Fullest utilization of capacities and skills of personnel.
- (f) Protection of personnel and plant.
- (g) Efficient transportation of materials, personnel and products.
- (h) Improvement of design and use of tools and fixtures.
- (i) Simplification of handling, storing and moving materials and products.
- (j) Promotion of fuller understanding of the common interests and objectives of labour and management.
- (k) Reduction of absenteeism from all causes.
- (l) Promotion of educational, recreational and welfare activities.
- (m) Support of war finance activities.

The frequent use of the word "production" with reference to these committees in general discussion has carried with it a certain amount of misunderstanding as to their actual purposes and functions. Many seem to give an extremely narrow interpretation to the word "production" and to think, therefore, that only matters directly and closely connected with actual production should be handled or discussed by these committees. Experience has shown this to be both impractical and undesirable. The interpretation has to be broad enough to cover everything of mutual interest to labour and management, except those matters ordinarily handled by the collective bargaining machinery.

Quoting from an ILO report:—

Other questions that have been dealt with by production committees are special problems arising out of the training of newly engaged workers, particularly women; arrangements for the solution of shopping problems of married women workers; and in general arrangements for better transport, canteens and other matters relating to the workers' comfort, which have affected the output of factories.

Under the Essential Work Orders, production committees have been particularly charged with questions of absenteeism and with examining the individual cases as well as considering the general methods of preventing unnecessary absences or persistent lateness.

One development of these committees in the United Kingdom which should hold more than general interest in Canada's mining areas is to be found in their extension into the coal mining industry, where "Pit Production Committees" have been set up in many collieries with excellent results, according to various observers of their work. The Minister of Fuel and Power has stated that he "regards pit production committees as an extremely important part of the organization of the coal industry", and that "it is the Government's intention that pit production committees should have an effective voice in dealing with all matters relating to production, with, of course, the proviso that the statutory responsibility of a manager for safety within a mine must stand".

Communications issued by the Ministry of Fuel and Power through its Regional Controllers include specific suggestions as to subjects to be dealt with at the weekly meetings and the Pit Production Committees are looked upon as valuable and effective factors in securing satisfactory coal production.

Fifth Maritime Conference on Industrial Relations

Some eight representatives of Maritime industries attended the Fifth Maritime Conference on Industrial Relations which was held at the Nova Scotia Technical College on April 15 and 16. The Conference, which, as in past years, was sponsored jointly by the Institute of Public Affairs at Dalhousie University and a Committee of leading industrialists, was concerned with the problems of industrial organization and social security.

Mr. D. R. Turnbull, General Manager, Acadia Sugar Refining Co., Limited,

Halifax, presided over the opening session. The first speaker was P. C. Armstrong, Canadian Pacific Railway Company, Montreal. He had for his subject "Canadian Industry in the Fourth Year of War." He was followed by D. B. Chant, Department of Munitions and Supply, Ottawa, who discussed the policies of the federal government with respect to Joint Production Committees of labour and management. Mr. Chant pointed out the benefits to be derived from these committees in the way of increased and more efficient production.

Hon. L. D. Currie, Minister of Mines and Labour for Nova Scotia, was special speaker at Thursday's luncheon meeting. He spoke on the underlying causes of industrial friction and ways and means of avoiding it.

The afternoon session, under the chairmanship of R. J. R. Nelson, General Manager, Halifax Shipyards, was devoted to the second aspect of war-time industrial organization—the problem of personnel. The first speaker, A. C. Cook of the Dominion Department of Labour discussed job analysis and placements methods. He was followed by E. K. Ford, also of the Dominion Department of Labour, whose illustrated paper dealt with the training of supervisory personnel.

The final session, presided over by S. C. Miffen, Dominion Steel and Coal Corporation Limited, Sydney, was given over to a consideration of social security. Dr. George F. Davidson, Executive Director, Canadian Welfare Council, Ottawa, discussed the Beveridge and Marsh Reports against the background of Canadian conditions. He was followed by Dr. Mollie Ray Carroll, Social Security Board, Washington, who gave a paper on "Social Security in the United States." The last speaker was Miss Susanna Larguia, Buenos Aires. Her subject was "Social Security in Latin America."

The conference was brought to a harmonious end at a luncheon meeting which was presided over by D. R. Turn-

bull and at which Dr. A. Stanley Walker, President of King's College, spoke on "The Future of Industrial Democracy."

A highlight of the Conference was the announcement of the formation of a permanent Bureau of Industrial Relations. The Bureau will undertake certain studies of industrial problems in the field of industrial relations. Its research and other facilities will be at the disposal of Maritime industries.

A new slate of officers for the coming year was elected. The chairman is D. R. Turnbull, General Manager, Acadia Sugar Refining Company, Limited, Halifax, while the committee consists of the following: R. E. Dickie, Canadian Lumber Co., Limited; H. W. L. Doane, Standard Paving Maritime Limited; J. B. Hayes, N. S. Light & Power Co., Ltd.; J. H. M. Jones, Mersey Paper Company; T. C. Macnabb, Canadian Pacific Railway Company; S. C. Miffen, Dominion Steel and Coal Corporation Limited; E. B. Paul, Dominion Coal Company; W. A. Winfield, Maritime Telephone & Telegraph Co. Limited, and Dr. L. Richter, Dalhousie University (Secretary).

Personnel Association for the Maritimes

A Personnel Association for the Maritimes has been formed following the example set by similar organizations in Ontario and Quebec. The plan grew out of a Course in Personnel Administration which was held last winter under the auspices of the Institute of Public Affairs at Dalhousie University.

The official name, Maritime Association for the Advancement of Personnel Administration, is also indicative of the purposes of the group. Membership is open to officers and officials engaged in personnel work in Maritime industries. At present thirty odd persons have become members.

The President of the Association is S. C. Miffen, Dominion Steel and Coal Corporation, Sydney; Vice-Presidents, A.

S. Farrell, Canadian Car and Foundry Co., Limited, Amherst; and J. D. B. Howard, Bathurst Power and Paper Co., Bathurst; Treasurer, A. J. Baker, Imperial Oil Limited, Dartmouth; and Professor L. Richter of Dalhousie University functions as Secretary. The office of the Association is located at the Institute of Public Affairs at Dalhousie University.

The Marsh Report and the National Health Plan

While these lines are going to press two important measures meant to improve the welfare of the Canadian people are being discussed in Ottawa by the newly formed Social Security Committee of the House—Dr. Leonard Marsh's Report on Social Security and Honourable Ian MacKenzie's National Health Plan. The text of the documents has not yet been published though a more or less detailed outline of their contents has been carried by the Canadian press. What recommendations the Parliamentary Committee will adopt and what final legislation, if any, will result during the present session, is still uncertain. That the documents though open to criticism in some respects would greatly improve existing social services, there can be no doubt. As soon as their ultimate fate can be foreseen more clearly the Marsh report as well as the National Health Plan will be made the subject of special articles in this journal. At present only a few introductory remarks may be allowed.

The Marsh Plan is not, as many people seem to think, a formal bill. Drawn up by a scholar on the request of the government and not committing anybody except the author it is used as a basis for discussion before a Parliamentary Committee. It shares this fate with the famous Beveridge Plan in England which has been described in several articles in the recent Reconstruction issue of PUBLIC AFFAIRS. Beveridge's influence is also recognisable in many of the proposals which Marsh puts forward: health services for the entire population, insurance

against loss of wages for which the insured person is not responsible, be it due to unemployment, sickness, invalidity or old age, federal contributions to the cost of raising a family by the granting of family allowances.

But it is not quite correct to call the Marsh Report as is often done "a Canadian Beveridge Plan." Sir William's main objective, a uniform, coherent and all embracing system of social insurance based on one single contribution, has no counterpart in Dr. Marsh's plan. Admittedly such an ideal is difficult of achievement owing to our constitutional setup.

The National Health Plan has, like the Marsh Report, not come before Parliament in the form of a bill, though government whose officials have during the last two years been engaged in preparing the plan is perhaps more closely identified with its proposals than with those of the Marsh Report. The main part of the document deals with public health. While responsibility is to remain with the provinces, the Dominion government proposes to assist them with conditional grants-in-aid. Such grants would be provided for the principal divisions of public health work, namely tuberculosis control, mental illness, general public health work, venereal disease, professional training for public health physicians, engineers and sanitary inspectors, special public health investigations. Besides a program of physical fitness for youth will be put in operation; it will be embodied in a special bill to be introduced in the present session. It is expected that the federal contribution towards all these services will amount to \$7,000,000.

These grants for public health will be available to the provinces only under the condition that they set up a provincial system of health insurance. The scheme is to be financed by contributions of the insured persons, the employers, provincial government and again by federal grants-

in-aid. Provisions for the services to be maintained under the scheme are left to the provincial governments but must be similar in character to a model which is part of the health insurance plan now before the Parliamentary Committee. Criticism will have to wait until the details of the plan are better known.

Progress in War Emergency Vocational Training

Excellent progress has been made during 1942 in war emergency training under the Dominion-Provincial program according to a report just received from Ottawa.

Total enrollment in 1942 was 119,478, of which 23,871 were women. The number of men almost doubled while the number of women was seven times the number given training in 1941.

Of the 1942 total, 23,774 were in courses to provide basic training for enlisted R.C.A.F. personnel, either to qualify them as tradesmen or to qualify for entrance to aircrew schools. Of these, 15,316 completed their courses, as compared with 6,334, in 1941.

Full-time industrial classes were attended by 40,353, a gain of 25% over 1941. More than 40% of their pupils were women, as against 11% in the previous year. 30,452 completed their courses and were placed in employment; in 1941 the number was 18,378.

Part-time classes last year served 16,884—eight times the number for the year before.

Two important new developments in the War Emergency Training Program were made during 1942. One was the establishment of plant schools, to give trade instruction within industrial plants. 64 schools of this type were set up, and of the total enrollment of 7,036, 4,787 students had completed their courses and were engaged at production work by December 31.

Current Public Affairs

Indo-Canadian Trade

By SIR ATUL CHATTERJEE

THE trade between the Dominion of Canada and the Indian Empire which was slowly growing in value and volume in the late nineties has received a phenomenal impetus in the first three years of the war. During the four years immediately preceding the war, imports from India into Canada exceeded in value twenty million rupees or roughly seven million (Canadian) dollars, while Canada's exports to India amounted to about half that sum. The reason for this disparity is simple. The two largest single items of Canada's imports from India consisted of jute manufactures and tea, goods in which India has comparatively few competitors. Other articles imported from India were of a miscellaneous character, such as woollen rugs and carpets, peanuts and other seeds, raw jute, spices and cleaned rice. Canada on the other hand had only one major class of goods for export to India, namely, motor vehicles and parts, and in these she had a very powerful competitor in her neighbour, the United States. There was also a variable but minor trade from Canada in paper and paste board, machinery, provisions, chemicals and metals. Since the beginning of the war, for obvious reasons, Canada has very greatly developed her imports of Indian tea and jute manufactures. Her consumption of other Indian goods has also expanded rapidly. Similarly India now imports very large quantities of paper, (mainly newsprint), metals, etc. and the value of motor vehicles and parts sent from Canada to India is also much greater than it was before the war. As a result the value of the trade became practically equal on both sides and the

total value of imports and exports between the two countries was in the year 1941-42 more than four times as large as it used to be during the years immediately preceding the war.

It is difficult to say what has been the effect on this trade of the Japanese aggression in the Pacific and the consequent interference with the normal trade routes between Canada and India. There can be no doubt however that the development of economic relations between the two countries which characterised the first three years of war is a matter of sincere congratulation. It is earnestly to be hoped that after the war, this trade will be stabilised and lead to a further expansion of the commercial relations between India and Canada. For these two components of the British Empire do not compete with one another in any important class of products. Jute is virtually a monopoly of India and the country in the vicinity of Calcutta enjoys special facilities for the manufacture of jute goods. Tea comes down to the seaboard of India mainly by water transport and the transit charges are consequently kept down to the minimum. Most of the other articles exported from India to Canada are either food products, such as rice, coffee, nuts and spices, or other raw materials which cannot be grown in Canada. On the other hand, India is not likely to be able for very many years to supply from her own factories the rapidly increasing number of motor vehicles and parts needed for her expanding internal transport. The Indian people are daily becoming more newspaper-minded, and the spread of literacy among the four hundred millions of the Indian population will mean a very much increased demand for paper of all kinds. Raw material for the manufacture of paper is not available near the large cities of India such as Calcutta or Bombay, and sea transport from Canada

EDITOR'S NOTE: Sir Atul Chatterjee, G.C.I.E., LL. D., is Chairman of the Council of the Royal Society of Arts in London and a former High Commissioner for India to the United Kingdom.

compares favourably with land transport from the Indian mountains. Metals and machinery from abroad will be needed by India for many decades in order to supply the requirements of her expanding industry. In a country where comparatively little meat is consumed, there is naturally a growing demand for bottled fruit, vegetables and other provisions. These instances could be multiplied. It is clear that for a long time to come the products of the two countries will be complementary instead of competitive, and the development of mutual trade can only redound to mutual benefit.

There remains the question of a trade agreement between the two countries. Conversations on this subject were initiated at the Imperial Economic Conference at Ottawa in 1932. For various reasons it has unfortunately not been possible to conclude the necessary agreement, and in view of the special circumstances of the war it may be doubtful whether this is an opportune moment for an agreement of this type. The Atlantic Charter envisages a freer system of exchange of goods between the countries of the world than has prevailed in the twenty years since the close of the last war. The political and economic relations between different nations, and more particularly between the integral parts of the British Empire, are likely to undergo substantial changes. India has enjoyed during the last twenty years complete fiscal independence, and will remain competent to take her full and free share in the economic arrangements that will follow the war. It is to be hoped that in the post-war period the economic ties between Canada and India will become even closer and firmer than they have been during the war.

A World Food Plan

In these weeks an International Food Conference of the United Nations is meeting to discuss the difficult problem how the continent of Europe and especially the Nazi occupied countries can be

saved from starvation at the end of the hostilities. But the international food problem has much wider implications. They involve an improvement of nutritional standards for all the world and a more equal distribution of the sources of food supply. Is this not an Utopian ideal? Sir John Boyd Orr, the famous British nutritionist and social reformer, thinks not. In the March issue of the *International Labour Review* he puts forward a plan of his own meant to realise these ideals. It is a bold plan, appealing to the best instincts of mankind and aiming at international solidarity.

Sir John points out that food requirements for the maintenance of health are well established by science though not frequently realised, especially in the lower income groups. These standards of health are equal throughout the world. A food plan based on human needs would therefore be applicable to all nations.

To produce the necessary food in peacetime for all groups of the population should in Sir John's opinion, not be too difficult a task. If governments show anything like the same resolution and energy in providing for the primary needs of the people in peace that they have shown in providing food and armaments in war, the problem can be readily solved, Sir John contends. He also points to the Canada-United States agricultural production agreement which aims not merely at feeding the people of the two countries, but also fills the needs of Britain.

The policy, embodied in this agreement, should be further extended and an international organization set up which would enable the nations to cooperate with each other in regulating food production and to develop their industries and trade on a world basis to their nutritional advantage. Special commissions should be set up to facilitate international trade in food and in the things needed for food production. Arrangements would also be necessary for long term credits which would be needed for the first few years to enable the poorer countries to bring the diet of their people up to the health standard.

The Bookshelf

SOCIAL SECURITY AND RECONSTRUCTION IN CANADA. By Harry M. Cassidy. Toronto. The Ryerson Press. \$2.50 (cloth); \$2.00 (paper).

In these weeks when the Beveridge Report is being discussed all over the world and Ian MacKenzie's Health Insurance Bill and Dr. Marsh's plan are before the Canadian Parliament, Dr. Cassidy's latest contribution to the literature on social security in Canada is of particular value. The little book is full of constructive suggestions although the author does not purport to put forward a plan of his own. He renders an even more important service by giving a critical analysis of the situation with which present and future planners in Canada are faced, by examining the constituent elements which must go into such plans and by discussing the various methods for combining and integrating these elements in an effective and unified system of social services. In doing so he reviews not only past Canadian experience and reform plans such as the one recommended by the Rowell-Sirois Commission, but draws also upon the experience of other countries, especially Great Britain, New Zealand and the United States.

Among the most stimulating chapters in the book is, in the opinion of this reviewer, the one dealing with provincial and municipal activities in the field of social welfare. While we do not agree with Cassidy's suggestions to have the poor-houses in the Maritimes taken over by the provinces (page 167) we underwrite his statement that the transfer of operating responsibilities from local authorities to the provinces has already gone too far. We feel that it is not only possible as Cassidy states, but highly desirable to delegate the administration of the whole field of public assistance—including old age pensions, mothers' allowances, etc.—to local welfare departments under provincial supervision, provided of course that municipal units are—by another program of reform—made large enough and given the necessary financial strength to discharge these responsibilities.

Professor Cassidy who has dealt with these problems in several articles published in this journal during 1941 will make them the subject of another more comprehensive study that is soon to be brought out by the Ryerson Press. If it has the same fine qualities which distinguish the book under review we can look forward to it with great expectation.

HISTORY OF CANADIAN PEOPLE. By Mordon H. Long. Vol. 1, NEW FRANCE. The Ryerson Press, Toronto. 1942. \$3.50

THE SOCIAL DEVELOPMENT OF CANADA. By S. D. Clark. University of Toronto Press. 1942. \$4.00.

CANADA MOVES NORTH. By Richard Finnie. The Macmillan Company, New York. \$4.00.

The three books under review cover the entire history of Canada from the conquest of the territory which is now Quebec by the French to the conquest of the North by the aeroplane in our times.

As the title of his book indicates, Professor Long is concerned with the history of the Canadian people and not merely with the political history of the country. There are accordingly in the first volume which is devoted to the French period, comprehensive chapters on the physical and racial background, on the economic life, the seignorial system and the role of the church. The statesmen of the time were guided by the principles of mercantilism and state control permeated all spheres of the community. Parallels to the conditions of the present war economy are therefore frequent. The author describes for instance a system of family allowances in force at Quebec in the seventeenth century which might have served as a model for Sir William Beveridge. The book does not give unknown facts and new insights but it is a very able and readable presentation of the material which historical research has accumulated.

The Maritimes which are only incidentally mentioned in Long's book on New France, come in for more extensive discussion in Professor Clark's "Social Development of Canada". The author propagates the thesis that social organisation in Canada is bound up with the opening of new areas of economic exploitation and he describes in his book how social welfare, prevention of crime and the maintenance of moral order, cultural organisation and education, as well as religious institutions fit into the economic pattern of the frontier region. He illustrates his thesis by the development of the fisheries in the Maritimes, while Quebec is characterized by the fur trade, Upper Canada by the timber industry and British Columbia by the mining industry. The final chapter shows how the trans-continental railways and the industrial capitalist areas have in our days changed the pattern of society. The bulk of the book is made

up of documents referring to the above mentioned industries and in each case Professor Clark has written an introduction depicting the general pattern. Students of economic history will find in the book a wealth of information and the hope expressed by the author that the volume will serve as an introduction to further studies in the field seems fully justified.

The fur trade, mining and farming are also dealt with in Finnie's book on the Canadian North, the first popular book on the North West territory as a whole. But Mr. Finnie has by no means written a treatise on Economics: the geography of the North country and the character of its inhabitants, the communication system and especially the role of the aeroplane, past history and a promising future are discussed. It is the work of an explorer and journalist, fascinatingly written, illustrated with beautiful photographs: a book which gives rich food to our imagination and makes us desirous of going north with the author.

UNION POLICIES AND INDUSTRIAL MANAGEMENT. By Sumner H. Slichter. The Brookings Institution, Washington. 597 pp. \$3.50.

If the author had a flair for sensational titles he might have called his book "Industrial Democracy in the Making". For this is his thesis: as political government is characterized by the rules of law and by the machinery for its enforcement, so will industrial management eventually be based on "civil rights" recognised by both parties and conducted by rules rather than by arbitrary decisions. How do these rules come into existence? Which are the union policies aiming at their recognition? These are the questions which occupy Professor Slichter's attention. He tries to answer them by explaining the unions' attitude against the background of the conditions prevailing in the various industries. The major problems,—which have proved controversial in labour agreements—come up for critical examination, such as the control of apprenticeship, of hiring and of lay-offs and the unions' position towards technological changes and systems of wage payments. The last six chapters of the book are devoted to the various types of union management cooperation. Again Professor Slichter is undogmatic: he shows why cooperation succeeded in some industries and failed in others, and he is satisfied to explain the conditions which are essential for the proper functioning of the new organ of industrial democracy.

The book is replete with information taken from speeches of labour leaders, extracts from trade union journals and official and unofficial

reports. No thesis is put forward which is not based on solid facts and the author's familiarity with the techniques of a great many industries is truly astounding. But the greatest value of the book is in its penetrating analysis. Problems which are regarded as highly controversial in the negotiations between management and labour, issues which are often obscured by slogans, are shown in their proper social and economic setting. The road thus is opened for an understanding which may eventually lead to harmonious solutions.

The book is "must" reading for employers as well as union leaders. It is certain to become a standard work in the literature of Industrial Relations.

MUNICIPALITIES AND THE LAW IN ACTION. Proceedings of the 1942 War Conference of the National Institute of Municipal Law Officers. Edited by Charles S. Rhyne. Washington, D.C., 1943. \$7.50.

METROPOLITAN GOVERNMENT. By Victor Jones. University of Chicago Press, 1942. \$4.00.

MUNICIPAL AFFAIRS: By Ernest W. Steel. International Textbook Company. Scranton, Pennsylvania. 1941.

The first book, the latest edition of an annual compilation of the Institute's proceedings, presents an "over-all" picture—perhaps the most complete yet published—of the effect of the war on American city governments. Among the many and varied problems discussed, there are such specific topics as national defense, civil liberties, housing, zoning and planning, revenues, financing, tax exemptions, public utilities, airports, personnel and wages, tort liability, controls to meet social problems, and federal-state-municipal relations. Canadian municipal authorities will find the carefully indexed discussions of these matters very useful in meeting similar problems as they exist or arise in this country.

The second book deals with one of the major prerequisites to successful post-war reconstruction—the problem of re-organizing the governments of metropolitan areas in order to provide efficient and effective democracy in those areas. The author traverses the whole field and has assembled and analyzed the basic considerations—technical, social, economic and political—affecting the problem. The various inventions and techniques of government that have been proposed or tried as solutions of the problem are analyzed and critically evaluated. This is a brilliant contribution to a clearer understanding of a complex situation not only as it exists in the United States, but also in Canada. Further,

while the author is concerned primarily with metropolitan areas, many of the problems and principles discussed pertain as well to municipal areas.

Effective democracy in local areas requires more than a proper adjustment of areas and a proper allocation of functions. It may require the development of new political ideas and ideals; in every case, it requires scientific organization of government and efficient administration. The third book combines a discussion of the fundamentals of city government with the functions of the various departments and the techniques of administration. The emphasis on practical matters commends the volume to city officials, while the concise treatment of basic principles makes profitable reading for the layman and for the student who is approaching for the first time systematic study of "Municipal Affairs".

J. A. MACALLISTER.

CAPE BRETON OVER. By Clara Dennis. Ryerson Press. Toronto, 1942. Pp. XIV, 392.

In this volume Dr. Dennis continues the labour of love for her native province begun in *Down in Nova Scotia* and continued in *More About Nova Scotia*. Like the preceding, this volume is in the form of a travelogue and is a happy combination of description, dialogue, folklore and local history. It is illustrated by choice photographs taken by the author, and written in plain, straightforward style.

Dr. Dennis catches the real atmosphere of Cape Breton: the charm and simplicity of its rural life; the nearness of its people to the Scottish highlands and to former days; the romance and tragedy of the sea which lies about it like a garment; the links with the 18th century in Louisburg, St. Ann's and Acadian communities; the smoky, noisy reality of the present in the steel and coal towns; the variety and beauty of nature, symbolized like that of the Scottish Highlands in its place names. Like the Hon. A. L. Macdonald who writes a foreword, Cape Bretoners abroad who read this volume will grow homesick. Others who know not Cape Breton, will want to discover it for themselves.

Dr. Dennis is to be congratulated on her whole trilogy on Nova Scotia. In the reviewer's opinion this is the most interesting of the three, perhaps because the subject has a uniqueness which even mainland Nova Scotia does not possess.

R. A. M.

PAMPHLETS

The latest pamphlets of the National Planning Association in Washington are devoted to problems of Reconstruction in the United States and in the international field. They are No. 16, *Regional Resource Development* by Alvin H. Hansen and Harvey S. Perloff; No. 17, *Relief for Europe* by an NPA Study Group; No. 18, *The Economic Pattern of World Population* by J. B. Condliffe and Nos. 19 and 20, *Business Reserves for Post-War Survival: Their Impact on Capital Adjustments* by Mark S. Massell. Price 25c each; Nos. 19 and 20, 50c.

Post-war problems are also the subject of some recent pamphlets of the Public Affairs Committee in New York: 74. *How Can We Pay for the War?* 75. *Where Can We Get War Workers?* 76. *Workers and Bosses Are Human;* 77. *Women at Work in War-time* and 78. *The Airplane and Tomorrow's World*. Price 10c each.

Behind the Headlines, the pamphlet series of the Canadian Institute of International Affairs and the Canadian Association for Adult Education, emphasizes Canada's part in the war. The last pamphlets are: *An Anglo-American Economic Policy; Will Food Win the War and Canada in a Hungry World* by Andrew Stewart; *Canada's Last Frontier* by Trevor Lloyd and *Canada—Crossroads of the Airways*. Price 10c each.

Of the Oxford Periodical History of the War published by the Oxford University Press and written by Professor Edgar McInnis, Nos. 11 to 14 have come out dealing with the war from January until December, 1942. Price 25c each.

Finally may be mentioned two new pamphlets in the Series America in a World of War which is brought out by the Oxford University Press of New York: the one deals with radio in war-time, the other contains a very valuable "Atlas of the U.S.S.R." with sixteen maps and explanatory text.

What Municipalities Are Doing

Contributions from Municipalities to this Column will be most welcome

Municipal Reform in England

Municipal problems at the present time seem rather similar the world over. A report on the reform of local government structure in Great Britain submitted to the British Government by the National Association of Local Government Officers reads as if it had been drafted by a group of Canadian reformers to meet the needs of our municipalities. But it might require in Canada even greater courage and more disregard for tradition than in present day Britain to put forward so bold a program. Those who have initiated it are evidently led by the conviction that the present "revolutionary moment of the world's history is a time for revolutions not for patching" (Beveridge), and that the war which has destroyed so many historic landmarks may also justify a thorough overhauling of municipal institutions which have outlived their usefulness.

It is not an analysis of municipal government in Nova Scotia or in Ontario but a criticism of local authorities in Great Britain, when the report states that "the major defect of the system from which many of the lesser defects arise, is the existence of a large number of small local authorities lacking the population, financial resources and qualified staff to provide services of the standard and technical efficiency required to-day."

Of the 1,530 local authorities in England and Wales, it is pointed out, 964—nearly two-thirds—serve populations of fewer than 20,000 while 249, including 63 boroughs and 149 urban districts, have populations below 5,000.

"Other outstanding defects," the report continues, "are the lack of adequate machinery for cooperation between local authorities; the division and overlapping of services among them; the maladjustment between areas and functions of

local authorities; and the absence of public interest in the operation of local government. Only fundamental reform will effectively remedy these defects. The principal objective of such reform should be the provision, in every area of the country, of all-purpose local authorities possessing sufficient population, financial resources, and administrative powers to enable them to administer all local government services within their areas."

The report points out the many advantages of associating services under unified control and management in the same area—notably the saving in overhead costs, and the easier means of coordinating the service to cater adequately and efficiently for the need of the citizens. "Combined with this objective," it states, "there should be provision for effective cooperation between local authorities; coordination of services requiring wider areas than those of the proposed all-purpose authorities for their effective functioning; revision of areas and boundaries to meet changing circumstances; and the preservation and development of civic interests among all members of the community."

In Canada reform plans of this type are often frustrated by the opposition of municipal units which would have to give up their independence. This problem is also present in Great Britain. The authors of the report have seen its danger and recommend remedial action. In a mainly urban area, the whole area would be administered direct by the one all-purpose authority. Were this system to be applied to mainly rural areas, however, it would involve the disappearance of many historic boroughs and urban districts with a keen civic spirit—a policy to which the report is opposed. To preserve the best features of these smaller local authorities, while providing for

their areas the advantages of large-scale coordinated administration, the report recommends that the area of a mainly rural all-purpose authority should be grouped into suitable administrative units, to which the all-purpose authority would delegate purely local functions.

The report strongly recommends that all these reforms should be planned now and implemented at the earliest possible date. "To wait until after the war will be too late since by that time the burdens thrown upon local government are likely to be so great as to make extensive changes difficult."

The above summary is mainly taken from *The Municipal Review of Canada*. The program outlined in the British report is of such vital importance for Canadian municipalities that PUBLIC AFFAIRS will try to secure a special article on the subject written by a British expert.

New Municipal Legislation in Nova Scotia

The 1943 Session of the Nova Scotia Legislature enacted several changes in the laws relating to local government. Perhaps the most significant was the authorization of Special Reserve Funds. The local council may now establish a special fund into which may be paid or credited all or any part of any past, present or future surplus of the town or municipality. But the importance of the fund is much greater. Recognizing that the financial resources of local governments are very limited, that their responsibilities will be very great in the post-war period, the Legislature has empowered them to pay into the fund such amounts as may from time to time be voted, rated or appropriated for the purpose of providing for post-war capital expenditures. To ensure that this fund will be used for proper purposes, it is provided that no portion may be withdrawn except on the written consent of the Minister of Munic-

ipal Affairs. This provision should facilitate the proper integration of post-war programs undertaken by all governments—local, provincial and national. Two less significant changes in fiscal powers were also made: automatic machines, such as slot machines (so-called), other than gambling devices, may be regulated and licensed, and municipalities may assess the expenses of paying the owners of any sheep killed or injured by bears.

The Legislature strengthened considerably local powers relating to the enforcement of curfew by-laws: parents and guardians may be required to prevent minors from being about within the prescribed hours. Two changes in the law relate to the governmental structure itself. No person may hereafter be nominated for the office of municipal councillor unless his rates and taxes have been fully paid at least ten days before nomination day. A similar prerequisite has for some time been applicable to candidates for town honours. The second minor change enlarges and makes more certain the powers of a mayor to call a special meeting of his council.

Other significant changes in the law were proposed, but finally withdrawn. The original bills required candidates for civic honours to post bonds, to possess certain educational qualifications, and would have required constitutional officers to keep up payments of taxes during tenure of office. In addition, the Minister of Municipal Affairs was to be given the power of suspension, removal and substitution over certain local officials; the task of approving local auditors, other than chartered accountants; and the power to modify and approve any by-law made by a local government under the authority of any act of the Legislature. These provisions, although in no sense more drastic than certain of the existing provisions of the law, were hotly contested as an unwarranted infringement upon local democratic rights.

Post War Planning

The best way for a municipal government to plan for the post war period is to get its house in order now.

The principal methods of getting ready for the post war period are through the reduction of debt, maintenance of revenues, development of reserves, reducing expenditures and reorganizing the administrative structure.

Debt reduction now and care to prevent future defaults must be taken **now**.

In years of war the maintenance of revenues and the development of reserves help to cut the threat of inflation.

Revenue systems can be overhauled easier during a period of plenty than during a lean period.

Such plans must be made and carried out locally as part of the National effort.

J. H. MacQUARRIE

Attorney General and
Minister of Municipal Affairs

Halifax

May 6, 1943

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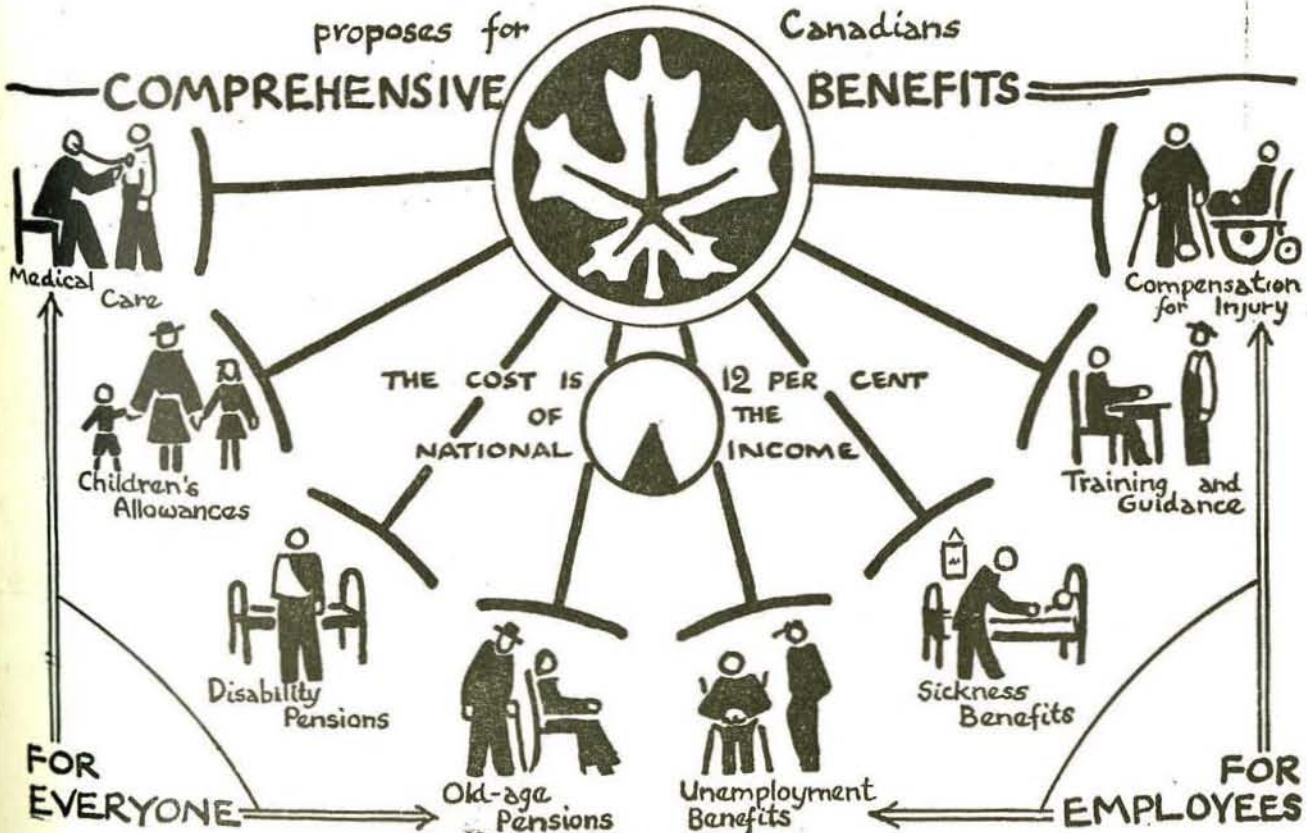
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proposes for Canadians

COMPREHENSIVE BENEFITS



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Canada's Program of Social Security

THE MARSH REPORT AND THE REPORT OF THE ADVISORY COMMITTEE ON HEALTH INSURANCE

By A. E. GRAUER

I

THE MARSH REPORT

THERE are three main points of view regarding social policy in Canada; first, the belief in free enterprise and the necessity of doing away with both war-time and peace-time restrictions on free enterprise; second, the view that socialism should be introduced as soon as possible; third, the belief that the system of free enterprise supplemented by state planning and some control is in the direct line of development of our social processes. The "Report on Social Security for Canada," prepared by Dr. L. C. Marsh for the Advisory Committee on Reconstruction, does not formally discuss its points of departure but implicit both in its title and contents is the third or "planning" approach to social policy. This is clearly shown on the title page opposite the Table of Contents for Part I which reads: "Social Security for Canada: The Requirements for Post-War Planning." This article will discuss the Marsh Report within the confines of its own point of departure and will be more concerned with the principles involved in planning social security for post-war Canada than with details of the Marsh Plan.

The Report is written as a preliminary report for a governmental advisory committee, and therefore ultimately for the benefit of governmental policy. A preliminary report of this type might be expected to do two things. First, it should meet the responsibilities of the planning approach by indicating how post-war planning for social security in Canada fits into the planning programme

as a whole. The part cannot be intelligently developed and delimited without relation to the whole. Second, it should outline the main policies and problems in the social security field as more narrowly defined, with a discussion of alternatives where they exist.

The Marsh Report an Instrument of Planning

The Marsh Report deals almost exclusively with the second of these, a limitation which is, to my mind, unfortunate.

If we are now entering the era of the Planning Revolution, as Julian Huxley has called it, then we must surely plan the planning. The social security plan must not reach out to do things which could be better done in other ways, and it must develop from what we have now. Furthermore, "social security," with its slogan of "cradle to the grave" protection, has unusual popular and therefore political appeal. The full Marsh Plan involves an admittedly heavy claim upon the national income. The hurried implementation of the full Plan might therefore mean pre-empting the national income unduly for "social security" as against less striking but perhaps worthier social claims.¹ The field of education, for instance, must be made a full partner in any significant discussion of social security. The potentialities of the educational system for democratic countries are enormous, and they are intimately connected with social security.

The social sciences in general have their contribution to make to a sound and enduring programme of social security.

EDITOR'S NOTE: Dr. A. E. Grauer, for many years on the staff of the Economics Department at the University of Toronto, is the author of the reports on "Public Health," "Public Assistance and Social Insurance" in Canada which were issued by the Rowell-Sirois Commission. He is at present with the electric railway system of his native British Columbia.

1. It is unfortunate that the term "social security" has achieved such currency. It is a dishonest term because it implies so much and it has raised expectations among low income groups far beyond its scope. The title of The Beveridge Report, "Social Insurance and Allied Services" gives a more correct description of the field.

For instance, the economic condition of full employment is admittedly necessary for the full Marsh Plan and economic considerations enter at many other points (e.g. financing, relationship to the taxing system, investment of social security funds). Psychology is given no recognition although the impact of the full Marsh Plan on Canadians would be such as to warrant serious thinking about the social psychology of social security. Again, there has been a striking development in the field of social work on this Continent, with an accompanying accumulation of valuable information on questions of insecurity, and techniques for constructively meeting the human situation created by insecurity.

The Marsh Report represents a quick jump from the idea of social insurance for industrial wage-earners to that of social security for everybody. The small body of welfare economists, who were our experts on social insurance, have assumed responsibility for a broad programme of social security with implications affecting our whole economy, social and economic. I do not decry the valuable contribution of the welfare economists in general and of Dr. Marsh in particular, who has done a splendid job under what must have been conditions of great pressure, when I suggest that our statesmen, before deciding upon "full" social security, should have the benefit of the integrated thinking of representative social scientists, including educationalists and health experts, as to the significance and scope of "social security" and its relationship to the requirement of post-war planning in general. The Government of Canada could do no greater service at this stage than to bring together representative figures from the various relevant fields for a year or more of continuous research and discussion designed to integrate our knowledge and shake down our thinking.

Raising the Social Minimum

Having noted the fundamental desideratum of the relationship of the Marsh Report to the Canadian programme of

post-war planning as a whole, we shall turn our attention to the full programme of social security which the Report advances.

The purpose of the full programme is to abolish poverty, and to this end it proposes several measures designed together to secure the "social minimum" for everyone. This concept of the social minimum is rather elusive. It is a materialistic concept postulating that everyone should get enough money to prevent want, but not enough to upset existing wage-rates and encourage anti-social habits like idleness. It would be interesting to have the views of educationalists, psychologists and other social scientists on the validity of this concept. It is obviously easier to keep benefits related to wage-rates than to human conduct. But even wage-rates are diversified in a big country like Canada with its significant regional differences, a point to which we shall return later.

The Plan advanced by the Marsh Report to achieve the social minimum may be divided into two parts, first, there is the conventional programme of social insurance; second, there are newer policies that have not been commonly implemented by western industrial countries in the past. The constituents of the former—unemployment, industrial accidents and disease, medical care, cash benefits for sickness, old age, permanent disability, widows and orphans, and maternity—have been successfully tested in other countries, at least as far as industrial workers are concerned. The aim of this programme has been to protect workers by social insurance against hazards which will not strike all of them and which fall with uneven impact when they do strike. The various parts of this programme also have the common characteristic that they do not represent new social costs, but simply the planned meeting of costs that are at present largely hidden.

Least important of the newer policies proposed by Marsh is provision for funeral benefits. As death is unavoidable for everyone, provision for funeral bene-

fits is largely planned saving for an inescapable contingency. There can be little objection to the state making provision for a socially desirable distribution of such planned savings but it is very doubtful if public finances should contribute. Public finances have more constructive objectives to carry. For instance, what farmer would not rather have state aid for electricity than for burial?

Children's Allowances

The most important addition to the conventional system of social insurance recommended by Marsh is children's allowances. The argument is that the maintenance of children is a continuous requirement which cannot adequately be met by many persons for a variety of reasons, e.g. irregular earnings and the fact that the wages system is attuned to productivity, not to the size of the family. The proposal in its complete form is to pay a monthly allowance of somewhere between \$8.00 and \$14.50 per month per child out of revenue from taxation for each of the 3,500,000 children under 16 in Canada, the allowances being paid to the parents; but there is a discussion of various alternatives for lowering the cost. The New Zealand Social Security Act of 1939, which is the only existing legislation requiring children's allowances for the whole nation, provides approximately \$1.50 per week for every child, payable only when the bread-earner is not otherwise receiving benefit.

A careful reading of Marsh and other advocates of children's allowances has not convinced this writer that the place of children in social security has been thought through. For instance, Marsh speaks of "the national value of healthy children" and Beveridge looks to children's allowances to increase the British birth rate, which he considers necessary. Healthy children are brought about by health measures in a broad sense, not by small cash payments to parents; and an increased birth rate has nothing to do with the social security of children. Few would disagree with Marsh's state-

ment "... children should have an unequivocal place in social security policy",—but it is difficult to see how children's allowances accomplish this end.

To my mind the proposal regarding children's allowances arises from the failure to put the social security programme in its proper setting, to which reference was made at the beginning of this article. The Marsh Report has approached the "unequivocal place" of children in social security policy simply as an extension of social insurance, and hence arrived at the universal cash benefit. If our general resources for attaining social security had at first been explored, would we not have arrived at an integrated, qualitative approach to children focused upon their specific needs? This is a big subject which can only be indicated here and the working out of which requires the getting together of qualified people from several fields. The point of departure would be our educational system, which would mean starting from what we have, and it would be very strange if educationalists, child psychologists, nursery school experts and experienced administrators of child welfare could not among them work out a much more meaningful programme for children, and at a lesser cost.

By way of example, let us look for a moment at what would certainly be one aspect of such a system, the addition of the nursery school to our public educational system. Educational and child psychologists stress the early years of childhood for their crucial formative importance, yet as a nation we have done nothing about this period. These are years in which the child forms attitudes not only of great consequence to his own future happiness, but of the utmost significance to the well-being of the democratic state; and contemporary history shows that the democracies need the support of the best educational system they can devise. Who, with knowledge of the nursery school, has not been impressed to see it take hold of youngsters of three, four and five whose environments have taught them no

respect for the rights of others, and transform those children through group techniques into well adjusted youngsters who as a matter of course respect the rights of others and know that they have duties as well as privileges? The nursery school, too, is the best sort of medium for taking care of the health, diet and other aspects of the child's welfare, while it would obviously be a godsend to the harassed mother with too many responsibilities.

Contrast this type of social policy and expenditure, focused directly upon the child, to the negative, onerous and indiscriminate paying out of small monthly cash allowances to parents. It will no doubt be argued that we can have children's allowances and all the rest too. But let us do first things first.

National Employment Programme

The remaining important addition of the Marsh Report to the conventional system of social insurance is its proposal for a national employment programme which is designed to "offer wages rather than subsistence maintenance to the farthest extent to which it is possible." Besides this basic permanent function, the works programme is advanced as having a special place in the transitional period of six months to three years which Dr. Marsh sees between the end of the war and the time when the peacetime demand for labour will have been built up to present war-time levels. The works programme, then, is the positive proposal of the Marsh Report for maintaining the full employment which is assumed for the purposes of the rest of the Report. Full employment in the Marsh Report means substantially that required by the roughly eight billion dollar national income of to-day.

The national employment programme is distinct from the rest of the Marsh Plan in that its validity rests upon purely economic grounds. It is a proposal full of complicated inter-actions with both national and international economic structure, and of great significance for

good or bad to the national credit. It cannot be said that there is substantial unanimity among economists or even a consensus of opinion about the feasibility, content and effects of such a plan. A great deal of work has been done from a variety of approaches by economists of many nations on measures to offset depressions and to achieve full employment. A works programme is one approach.

What is so obviously needed is the bringing together of representative economists from various nations for as long as is needed to integrate present thinking and to do necessary research. No problem is more important to our democratic way of life, and these economists should have no other duties until they have made their report. What we are getting now is largely the efforts of individual economists working under the pressure of a multiplicity of demands upon their time. That is not good enough. This problem is so vital and has so many ramifications that it demands the undivided and sustained attention of a representative group of the world's economists. A report or reports from such a source would have great authority and would be of the utmost aid to social policy. Failing such a report, and in any case supplementing it from the point of view of Canadian peculiarities, Canadian statesmen will want to bring together a representative group of Canadian economists. This might be difficult under war-time conditions but no problem is more important for the immediate post-war period.

It should be noted in passing that the Marsh Report rightly stresses international collaboration in the development of a works programme. Canadian statesmen will no doubt appreciate that international collaboration is basic to the whole concept of social security. The social security of Canada is only as secure as the ability of international society to control the causes of wars and the causes of depressions. This is another and fundamental aspect of the broad setting in which social security must be viewed.

Universal Coverage

In its treatment of the more conventional programme of social insurance the Marsh Report makes an important recommendation regarding coverage. A distinction is made between the "universal risks" like medical care and old-age retirement, and the "employment risks." The proposal is to cover substantially all citizens against the universal risks. This will largely meet the oft-heard objection that social insurance pampers the industrial wage-earner and ignores the farmer. There are other approaches to the security of the farming population which are no doubt being studied by agencies of the Dominion Government, but few will deny the validity of having the broadest possible coverage for medical care, permanent disability, old-age retirement and widows and orphans.

Regional Differences

The question of regional differences in a country of the size and diversity of Canada, presents many thorny problems. Even within provinces the differences are striking as, for instance, between the relatively prosperous counties of the St. John river valley in New Brunswick and the poor counties of the north and east; while the further complication exists of depressed areas requiring reconstruction or the resettlement of their inhabitants. The Marsh Report recommends graduated benefits for the "employment risks," which would tie them in with regional wage-rates, and flat-rate benefits for the "universal risks." The difficulty with such a system is that the minimal flat-rate benefits will be relatively ample for some regions, while obviously meagre for others. This will immediately set up political pressures for increases, and as all the universal benefit plans are to be administered by the Dominion, the increases will from a political point of view have to be nation-wide.

The possibilities of new political pressures under the Marsh Plan loom large

and this is, of course, a serious consideration for the healthy functioning of a democracy. There would not only be regional pressures, but pressures on the concept of the social minimum. The social minimum is advanced by the Marsh Report as almost something static, which the nation achieves as soon as the full social security plan is in operation. There is little likelihood of the social minimum being static under the play of political pressures. Experience on this Continent with pressure groups has not been happy, which is probably one of the reasons why the new social security bill in the United States, the Wagner-Dingell Bill, proposes to finance itself by contributions from employers and employees, (6% each on payrolls). There are no easy solutions to this question. A reasonable measure of direct contributions by those covered and an awareness of the possibilities of social planning in other directions than distributing cash benefits are perhaps the best safeguards.

II

HEALTH INSURANCE REPORT

The publishing of the "Report of the Advisory Committee on Health Insurance," under the chairmanship of J. J. Heagerty, Director of Public Health Services, Department of Pensions and National Health, draws attention to the fact that the biggest single measure in the Marsh Plan, medical care, is ready for implementation. The Heagerty Report incorporates its proposals in a Draft Bill for enactment by the Dominion and each Province, respectively.

This Report, of some 550 pages, does not contain a discussion of the considerations which led to the decisions incorporated in the Draft Bill nor does it deal with important financial aspects of the programme such as the method of arriving at the \$26.00 per year basic contribution. For these, one must go to the testimony of the Honorable Ian Mackenzie, Dr. Heagerty, and Mr. A. D. Watson before the Sub-Committee on Social Security.

Coverage

The Draft Bill does not purport to cover permanent disability or cash benefits for sickness, which it believes are better fitted into other measures of social insurance, but it provides coverage for all persons resident in Canada for complete medical care including specialists, hospitalization, nursing, drugs and dentistry up to the age of sixteen, which is all that the existing supply of dentists will allow for. In addition, the Bill stresses prevention, makes provision for the closer integration of medical care and public health, and for a substantial expansion of the latter.

In all these respects, the Marsh and Heagerty Reports find themselves in complete agreement. And Dr. Heagerty's testimony before the Special Committee on Social Security would indicate that the Canadian Medical Association is in substantial agreement too. This represents a resilient and co-operative attitude on the part of the medical profession which is most commendable and in direct contrast to what has been that attitude of the profession in the United States.

Aside from its constructive importance to the national health, health insurance was cast by the Marsh Report as the administrative backbone for the "universal risks," just as unemployment insurance is for the "employment risks." Canada would therefore be building its programme of social insurance on a sound foundation if it followed unemployment insurance with medical care.

Dominion-Provincial Relations

It should be noted that of his proposals for new legislation, medical care is the only one that Marsh assigns to Provincial administration, and even here he favours concurrent Dominion-Provincial jurisdiction "to assure uniformity in a field which is of vital significance for all future social security planning." The Heagerty Report leaves jurisdiction with the Provinces but depends upon the Dominion Government to bring about Dominion-

wide coverage by two types of conditional grants, first, for specified public health purposes; second, for the medical care Fund. To obtain these grants, each Province must enact legislation "for the economic and efficient use" of both grants. The second type of grant runs counter to the Rowell-Sirois findings against Dominion conditional grants for major and continuing Provincial purposes; the first type was acceptable to that Commission.

Although neither the Heagerty Report nor the Marsh Report refers to it, their proposals again raise the whole question of Dominion-Provincial financial relations. Nothing has since happened to change the Rowell-Sirois conclusion that the various Provinces have a highly uneven capacity to meet expenditures on social welfare. The Heagerty Report as it stands, could place heavy responsibilities on the Provinces. Along with the question of financial capacities, the matter of jurisdiction should be settled. The Marsh Report advocates Dominion responsibility for at least seven measures of social insurance now within Provincial competence. What is needed is another Dominion-Provincial conference on the Rowell-Sirois recommendations and the appropriate jurisdiction for the various measures of social insurance.

Administration and Finance

The problems of organizing and administering health insurance will be great. Just how great may be visualized when it is remembered what superhuman efforts attended the launching of unemployment insurance, and when it is realized that the problem of launching medical care will be several times as big. The evidence of Mr. A. D. Watson before the Special Committee on Social Security was that it would be beyond the personnel and administrative resources of Canada to put into force more than one type of social insurance at a time. Medical care will undoubtedly be the most difficult type of social insurance to organize and administer, and a consideration of the Draft Bill's proposals regarding contribu-

tions and collections leads one to wonder if they would not make a difficult problem an impossible one.

Besides the Dominion and Provincial Governments, the Draft Bill provides for contributions from "employed insured persons" (i.e. wage-earners), "assessed insured persons" (all others), and employers. The basis of arriving at contributions from employed insured persons has been criticized for being complicated², and the method of computing contributions of assessed persons is even more so. It involves the annual computation of each contributor's real and personal property and the income thereon. The methods of arriving at the contributions of the employer and the Province respectively, are also complicated administratively because they are based upon possible deficiencies in the individual's contribution. The Marsh Report recommends strongly that every male contributor should be required to pay the same rate and that this rate should cover the wife, unless she is a wage-earner, and all children. The Draft Bill agrees, in essence, about the flat rate but makes a distinction between "children" and "dependents," the latter being chiefly the wives of contributors. It provides that a contribution must be paid on behalf of a dependent but

2. Canadian Welfare, April, 1943.

not of a child. From the social and administrative points of view, Marsh appears to be on the stronger ground.

From the point of view of the social security field as a whole, the Marsh and Heagerty Reports each has its place but neither should be regarded, nor is intended to be regarded, as the final word. The Marsh Report represents the valuable general contribution of the welfare economist whose objective is to provide against poverty by a logically complete system of benefits. It does not attempt to discuss or evaluate valid alternative claims upon the national income, some of a more constructive nature. The Heagerty Report deals specifically with the most important single measure of social insurance to be enacted and advances its findings to the point of a Draft Bill. This Draft Bill should be thoroughly discussed by interested parties, and Dominion-Provincial financial and constitutional matters should be cleared; but there would appear to be no reason unduly to delay the enactment of health insurance. Its successful execution, aside from considerations of health, will contribute materially to our resources of knowledge, personnel and administrative experience which we now lack to such a degree as to make the immediate implementation of the full Marsh Plan almost foredoomed to failure.

The Beveridge Report

By MARGARET BONDFIELD

THE Beveridge Report is undoubtedly a great state paper, and it deserves all the praise that has been showered upon it. But it is also an extremely practical document. It is not sufficiently realized, I think, how much of social service has already established itself in Great Britain. I have taken part in the campaigns for these services so that I can say confidently

that in every case the Acts of Parliament were preceded by campaigns throughout the country which had an educational value for the citizens, especially those directly affected.

The Workmen's Compensation Act of 1897 at first applied to a limited number of occupations and was made general in 1906. Its administration was left by employers largely to the insurance companies with whom they insured against the risk of accidents in the works, and

EDITOR'S NOTE: The Right Honourable Margaret Grace Bondfield is the well known trade unionist and labour leader. Miss Bondfield was Minister of Labour for Ramsay Macdonald's second Labour Cabinet from 1929-31.

most of the trade unions started legal advice departments, adding to their benefits free legal advice to the members.

In my opinion it was only those injured persons who had the support of their unions behind them who really got the compensation the Act intended, poor as was its provision.

In regard to Unemployment and Health and Death Benefits, the unions led the way providing certain optional cash benefits in return for a small addition to the Trade Union contribution. The other great pioneering democratic organizations were the Friendly Societies which made voluntary provision for sickness and death benefits. One or two unions attempted superannuation schemes but the financial commitments were too great to be borne at that time and the movement as a whole placed its energies and crusading zeal behind the campaign for Old Age Pensions as a national service.

The first Pensions Act (1908) gave only five shillings a week at the age of 70. But in 1925 that benefit was increased and based upon the contributory principle.

Health Insurance (1912) and Unemployment Insurance (1912) were also strongly supported by the trade unions and the Friendly Societies. They disagreed with the great concession made by Mr. Lloyd George in the Health Insurance Scheme at that time by including the industrial insurance companies which now claim about 50% of the machinery of administration. From the start to the present time, in the light of experience, a succession of amending acts have dealt with various phases of these great services, most of all in connection with unemployment insurance. Between 1921 and 1931 no less than 30 Acts of Parliament were passed relating to unemployment insurance.

It is with that background of trial and error that Sir William's committee began its survey. Perhaps earlier we had taken the lines of least resistance in allowing each separate service to be allocated to the different Ministries. The Home Office, Ministry of Labour, Ministry of Health, Ministry of Pensions, Public Assistance

Board, the Board of Customs and Excise, and the Treasury were all involved. But undoubtedly it was a wasteful division of administrative power; practically all those associated with the administration should welcome most heartily the recommendations for unification in respect of contributions, and in respect of administration, although on detail there will be plenty of debate.

The supersession of Approved Societies means turning out a vested interest but as Sir William points out there is no reason to suppose that the part of administration belonging to the voluntary organizations, viz., the Trade Unions and the Friendly Societies, cannot be grafted on to the new scheme. We quite anticipate the vested interests will fight to retain their positions as administrators—unsuccessfully—we hope.

I do not think there will be any curtailment of the activities of the Friendly Societies and the trade unions in relation to administration. It will simply take a slightly different form and will shut out the profit making societies, which will be a very distinct advantage.

We gladly welcome the recommendation for the supersession of the present scheme of Workmen's Compensation, including provision for industrial accident, or disease, inside the unified social insurance scheme. That will bring the treatment of Workmen's Compensation more into line with the system adopted in the United States and in the Dominions and will put an end to the disgrace of gerrymandering compensation claims by unnecessary litigation and will give security for payment of compensation justly awarded.

The proposal to separate medical treatment from the administration of cash benefits and the setting up of a comprehensive medical service for all citizens, covering all treatment under the supervision of the health departments, is one of the major changes which has received almost universal support. It is most gratifying to discover that there has been a real attempt to rise above personal interests and to consider the claims of the

whole of the citizens. There is a widespread conception of the State as a servant or agent of the community. The reports of such widely divergent organizations as P.E.P., the British Medical Association, and the Socialist Medical Association of Great Britain have points in common. The definition of the objects of medical service as proposed by the British Medical Associations planning Committee have been embodied in the Beveridge Report as

- (a) to provide a system of medical service directed towards the achievement of positive health, of the prevention of disease, and the relief of sickness.
- (b) to render available to every individual all necessary medical services, both general and specialist, and both domiciliary and institutional.

It may sound odd to say that perhaps the most important recommendations of the Beveridge Report are not part of the social insurance scheme. They are, however, vital to the success of the social insurance scheme. They are contained in the Three Assumptions:

- A. The provision for children's allowances up to the age of 16.
- B. Comprehensive Health Service.
- C. The maintenance of employment.

While we recognize that unifications of contributions, of benefits, and of administration will be an enormous improvement over the present higgelty-piggelty system, nevertheless it will fail to mature unless we can give to these other three phases of social planning a practical application. And the situation in this respect is very promising.

These three assumptions are the subject of special investigation by three other committees set up by the government Central Planning Committee under the chairmanship of Sir William Jowett, and their reports will be eagerly awaited. The fact that the principles embodied in the three assumptions have been already accepted by the government will give firm foundations to the nature of the reports these committees will be expected to make.

The new status given to married women is cordially welcomed on all sides. Whereas under the present arrangement she is recognized as a dependent in the unemployment insurance scheme, and as an unoccupied woman in the census reports, while in health insurance she is not mentioned at all, the Beveridge plan makes her a partner in her husband's benefits as well as giving her special security in her own right as a contributor to the national wellbeing. Beveridge holds that she is a member of a team, each of whose partners is equally essential, as the great majority of married women must be regarded as occupied on work which is vital though unpaid, without which their husbands could not do their paid work, and without which the nation could not continue.

I note that there is a strong feeling on the American continent against the flat rates of benefits and contributions. We in Great Britain on the other hand prefer this method, primarily as a means of lifting the bottom levels of labour to a greater security from want during periods of sickness or unemployment. There is ample opportunity for the better paid workers to voluntarily increase their insurances as many do already under the existing schemes of insurance. The important thing is to maintain a standard of life at the base below which no family shall fall into want—a subsistence level of security on which by their own efforts all may improve that standard. However, in view of the nationwide application of the plan, there may be proposals for higher contributions with consequent higher benefits being included ultimately in the scheme.

The government has accepted about 70% of the report in principle. Six points are left open for further consideration, and one only has been rejected—that which deals with the low levels of industrial life insurance. The attitude of the government in backing out from a fight with the insurance companies provoked a hot debate in parliament, as did the desire on the part of a large proportion of the House to set up immediately the

Ministry of Social Security; instead, legislation covering the Report is being prepared by existing government departments. We shall continue to debate these questions that are still unsettled; the fact that the government has temporarily turned down the setting up of the Ministry will not end the matter, and it is to be remembered that Parliament will have the final word.

In considering how near to fulfilment is the Report, it is important to bear in mind the attitudes of the Trade Union Congress General Council, and of the Prime Minister toward it. So I will quote: *Labour*, the organ of the Trades Union Congress (T.U.C.) writes in its March issue:

“To a large extent, the problem is now one of timetables, the main principles of the Report (and, indeed, a very great deal of its detail) having been accepted by the Government.

The TUC will exert legitimate pressure towards securing the implementation of these far-reaching proposals as fully and as quickly as possible.”

In his broadcast of March 22, Mr. Churchill made his own and the Government's position very clear:

“The time is now ripe for another great advance, and anyone can see what large savings there will be in administration, once the whole process of insurance becomes unified, compulsory, and national.

“You must rank me and my colleagues as strong partisans of national compulsory insurance for all classes, for all purposes, from the cradle to the grave.

“Every preparation, including, if necessary, preliminary legislative preparation, will be made with the utmost energy, and the necessary negotiations to deal with existing worthy interests are being actively pursued so that, when the moment comes, everything will be ready.”

Social Security Plans of the U. S. A.

The Report of the National Resources Planning Board

By EVELINE M. BURNS

The Task

THE Security, Work, and Relief Policies report of the National Resources Planning Board, which was transmitted to the Congress by President Roosevelt in March, represents the culmination of over two years of intensive study and research. Toward the end of 1939 the President had authorized the Board to study the operation of the various programs which had been developed in the preceding 10 years, to meet the problems arising out of loss of income

or loss of jobs and to make recommendations for long-range policies.

It is important to note the character of the terms of reference. In and of themselves they involved study of a very broad group of social policies. In the 7 years following 1933, the United States had developed a series of measures which went far toward equipping the country to grapple with the problems of economic insecurity. In all, by 1940, there were some 17 different types of public aid programs in operation in the United States. These included various social insurance measures, work programs for adults and for youth, special public assistance programs, special measures for needy farmers, and the distribution of surplus commodities. All these were supplementary to, or superimposed upon, an existing system of

EDITOR'S NOTE: The Security Report of the National Resources Planning Board in Washington is the United States counterpart to the Beveridge Plan in England and the Marsh Plan in Canada. Dr. Eveline Burns, the author of our article, has as Director of Research been mainly responsible for the drafting of the Report. Before taking a position with the National Resources Planning Board she was on the staff of the Graduate Department of Economics at Columbia University and the London School of Economics.

general public relief which operated with varying effectiveness in different parts of the country.

Because of the very speed with which these programs had been introduced and because of the general sense of emergency which had characterized American thinking during this period, it was scarcely reasonable to expect that at the end of the period the various programs would have been fully coordinated or integrated. In fact the reverse was the case. Special measures had been developed to meet emergency situations as they arose, bold and novel experiments such as the WPA and youth programs had been undertaken, and certain more permanent security plans had been adopted through the Social Security Act of 1935 but the various parts had not been welded together into an integrated whole. The need for an examination of the operation of these many closely interrelated programs and an assessment of broad policies and trends was, if anything, overdue.

At the same time it should be noted that the terms of reference of the Committee excluded consideration of some of the problems dealt with in the Beveridge Report. The concern of the report with problems of loss of income and loss of jobs excluded consideration of family allowances for the entire population. Nor was it our mandate to deal with the small life insurance business. Like Sir William Beveridge's Report too, the National Resources Planning Board's study did not make an intensive investigation of public and private arrangements for medical care and preventive health, although on many occasions we drew attention to the effect of prevailing inadequacies in the field of health upon the magnitude and seriousness of the public aid problem. Like the Beveridge Report, the National Resources Planning Board's Report limited itself to broad general recommendations for the development of an adequate and comprehensive health program.

In undertaking the study, the National Resources Planning Board appointed a Technical Committee consisting of leading

officials from the major Federal agencies concerned in the administration of public aid programs, a representative from the State and local public welfare officials, a representative of the private agencies, and two independent experts, one of whom, Professor William Haber, was Chairman of the Committee. The work was carried out by a technical staff under a Director of Research, and the research units of the various Federal agencies contributed material and memoranda. Much assistance was also given by the State and local public aid agencies. It is noteworthy that the recommendations, both general and specific, were unanimously agreed to by the entire Committee.

Current Social Security Measures

Four-fifths of the Security, Work, and Relief Policies report is a factual analysis and evaluation of the operation of current American social security measures. The Report begins with an introductory Part I which summarizes and interprets the many developments of the years 1933 to 1940 and analyzes the characteristics of the 14 to 28 million persons who at any given time during the 7 years, were in receipt of public aid. Part II of the Report evaluates the programs from the point of view of the economically insecure population. Specifically it inquires whether as a result of the steps hitherto taken there is any assurance that public aid is in fact available to all needy persons in the United States. Special attention was paid to the differing situation in different parts of the country and to the differing treatment of certain groups of the population, such as migratory and minority groups. The Report also examined the standard of living which was permitted to public aid recipients on the various programs with a view both to assessing its adequacy in absolute terms and discovering whether (as proved to be the case) there are marked differences in the treatment of persons in similar circumstances in various parts of the country or on the different programs. The study was also concerned with the conditions under which public aid was available,

whether everything possible was done to maintain the self-respect of public aid recipients and whether the fullest possible use had been made of such preferential programs as the social insurances. Finally, this part of the Report examined the operation of the work and youth programs to see whether they had in fact achieved the broad objectives which the Nation had set up for itself when instituting these measures.

Reference to the report will show that there were many disconcerting findings. Despite very real progress, an appalling amount of unmet need existed, standards of relief were often disgracefully low, and many of the objectives of the more constructive programs had not been attained. Where inadequacies or weaknesses were discovered an attempt was made to trace these to their underlying causes, because it was felt that any long-range policies must deal with these basic weaknesses rather than as had been done in the past to patch up minor inadequacies.

Financial and Economic Issues

Part III of the Report deals with the various financial and economical issues involved. Special attention was paid to the distribution between the various levels of government of the financial responsibility for the various programs both individually and in combination. The report was also concerned with the impact upon the economy as a whole of the ways in which the programs were financed and of the timing of public aid expenditures and their coordination or lack of coordination with other governmental fiscal policies. We were concerned too with the effect of these programs upon labor mobility and the availability of labor for private employment.

Administration

The final part of the factual study dealt with problems of administration. In the United States these are many and complex for two reasons. First, the variety of public aid programs operated by any one level of government gives rise to potentialities of overlapping, gaps in coverage, jurisdic-

tional disputes, and problems of coordination of policies. Second, the participation of several levels of government in the administration of any given program combined with the close functional relationship that exists between all the public aid programs creates a need for a careful and appropriate allocation of functions and responsibilities between the three governmental levels and calls for a high degree of cooperation between administrators. The report found that inadequate attention to these requirements in the past had brought about a highly complex administrative situation which in many cases caused confusion and uncertainty for applicants, and irritation to employers due to the necessity of making multiple reports, and presented administrators at the State level with an almost insuperable administrative task. Special attention was paid in the study to two other aspects of public aid administration; namely, problems of personnel and the broader question of the extent to which the country had succeeded in assuring lay participation in this important field of public policy.

Recommendations

The recommendations of the report, which are contained in Part V, were both general and specific. Because the factual study showed on so many occasions that shortcomings and difficulties were due to a lack of attention to fundamental policies and basic principles, the Committee felt it important to clarify these issues and to recommend in the first place certain broad lines of policy and certain financial and administrative principles whose consistent application would make more probable the early attainment of the objectives of national policy. We did not, however, stop at this point. Taking our proposed policies and principles we applied them to the existing situation in order to arrive at specific and detailed recommendations for changes in present programs which would provide a well-rounded and comprehensive program for the assurance of freedom from want and the opportunity to work.

In view of the complexity of American economic life, the very wide differences in standards of living, real wages, and to a lesser extent costs of living as between different parts of the country, the real differences in social policy as between the States, and the existence of a Federal form of government, it is not surprising that the Committee found itself unable to recommend any such unitary and relatively simple program as has been proposed by Sir William Beveridge. While emphasizing the importance of the long-run objective of assuring a minimum income consistent with the high potential productivity of America, to all Americans, regardless of place of residence, the Committee recognized that this could not be brought about immediately. Instead it urged the adoption of policies which would in time ensure attainment of this objective. Moreover it was felt that American social policy was committed to the desirability of providing special programs to meet special types of need, and notably that work programs and youth programs should play an important role in the complex of social security measures. Essentially, therefore, the recommendations of the Committee envisage a series of carefully interrelated programs which, taken as a whole, will assure minimum security and the opportunity to work.

Full Employment

The main lines of policy recommended in the report can be conveniently grouped under six headings. In the first place, we urged renewed efforts *now* to ensure full employment in the post war period. While success in this tremendous undertaking would materially reduce the extent of need for public aid, we pointed out that it would by no means eliminate the need for a comprehensive social security program. Even today, with the fullest employment the United States has ever known, there are some 4 million households dependent for all or part of their income on public aid programs. They are the people who are too old to

work, too young to work, too sick to work, and the temporarily unemployed who are in process of changing from one job to another. Furthermore, we drew attention to the fact that it was unreasonable to expect immediate and continued success in the difficult task of ensuring full employment and suggested, therefore, that it was only reasonable to be ready with a carefully thought-out series of measures which would provide for the eventuality that we might again have an unemployment problem on our hands.

Public Works

In the second place, we urged that the nation should frankly accept the policy of public provision of work for all those employable persons whom private industry cannot employ if they have been out of work more than 6 months. Immediate acceptance of this policy was suggested in order that the planning which is essential for the development of socially useful projects could be undertaken in time. We suggested too that if workers were selected through the employment service on the basis of employability alone and were paid wages more nearly approximating prevailing wages, it would be possible to insist upon standards of efficiency comparable to those required by private employers.

Measures for Young People

In the third place, we urged the development of special measures for young people. These would aim on the one hand to make it possible for young people to continue their education if they could benefit by doing so and if it seemed reasonable to expect a continued demand for their specialized skills. On the other hand, for those for whom continued education was clearly inappropriate, we suggested measures which would enable these young people, if not employed by private industry, to acquire work disciplines and familiarity with the use of tools which would enable them to compete effectively with other adults on reaching the age of 21.

Extension of Social Insurance

Fourthly, we urged that greater use should be made of the social insurance principle to provide minimum income for those who are unable to work through no fault of their own or who are undergoing short-period unemployment not exceeding 26 weeks. Specifically, we suggested extension of coverage of the old age and survivors insurance and unemployment compensation programs to certain groups now excluded, and immediate adoption of a social insurance plan to provide minimum income in case of permanent or temporary disability or sickness. We recommended too that steps should be immediately taken to enhance the adequacy of social insurance benefits, particularly through the payment of dependents' benefits for unemployment compensation and disability insurance in order that the social insurance program could provide a more real measure of security for some of the lower income groups. In the case of unemployment insurance we recommended a federal system in place of existing State programs and suggested that on all of the social insurance programs a part of the total costs should be provided from general taxation in place of the present exclusive reliance on wage and payroll taxes.

Public Assistance

Fifthly, we made specific recommendations looking toward the development of an adequate and comprehensive general public assistance program. We made this recommendation because our study showed that there are always a large number of people who cannot meet the eligibility requirements for the other special pro-

grams. Unless there is in every community a basic security measure providing for people on the basis of need and need alone, many thousands will not know freedom from want. We found that in all too many communities such a program does not exist. All too often where it exists it is inadequately financed because it is the one program which receives no grant in aid from the Federal Government, and of all programs it is the one to which the States make the least financial contribution. Accordingly, we urged a federal grant-in-aid for general public assistance and increasing State aid to this program. Moreover, we suggested that this federal grant-in-aid should be distributed in a way that reflected the economic capacity of the different States.

Health Services

Finally, our sixth recommendation stressed the need for an expansion of various constructive and preventive social services. Although our terms of reference had not included the field of health, its bearing upon the magnitude of the public aid problem was such that we urged the Federal Government to take steps in cooperation with the States and the medical associations to develop an adequate and comprehensive system of medical care and rehabilitation, although like Sir William Beveridge we did not spell out the details of the health program. We also recommended an expansion of the duties and responsibilities of the employment service, in order to provide a more effective guidance and placement service and for the development of training programs which would be realistically related to estimated trends in the labor market.

Health Insurance and the Doctors

By BERTRAM M. BERNHEIM

WITH a global war at its height—or approaching it—and men's eyes turned hopefully toward a future in which class and wealth will play less important roles and where the fundamentals, of which illness is one, will, in the nature of things, have first consideration, the medical profession will be well advised if it takes a more realistic attitude than has been its wont.

Disease and death, suffering and invalidism wait on no man and it is becoming increasingly evident that the best, indeed the only way to deal with them is by attack—constant and relentless. Vaccination, antitoxin, serums, sanitation, the wondrous sulfa drugs have worked miracles and brought honor to the medical profession. Without them modern society could not exist, trade and industry could never have developed as they have, and man would still be at the mercy of enemies made more dangerous even than the Germans and the Japanese by the very fact of their being unseen and in great measure intangible.

Yet the attack has not been intelligently directed and the vast number of underprivileged ill have been permitted to get along as best they could. We didn't know how widespread this neglect was until a few short years ago and only now is it beginning to dawn on us that, if for selfish reasons only, we had better give the matter serious attention, determine causes and effects, and make changes accordingly. To let a man sicken and die for lack of medical attention simply because he is poor and can't afford a doctor or because he lives in an outlying district where no doctors are available offends a social consciousness that at long last has been aroused to action. The man who had the money to pay his way and buy what he wanted always got

service, whether medical or otherwise and he still gets it, but his brother of meager means or perhaps none got little and still gets the same amount.

"We have built nice hospitals and the good doctors are there to tend your ills—giving their services free—come and get it," says society to the poor man and, unctuously thinking it has done its full duty, forgets him, or did until it was discovered that the poor fellow wasn't availing himself of the crumbs thrown him, and for good and sufficient reason. Hospitals were too few and chiefly in larger centers of population; the hours of doctors' attendance were also too few and not too well observed; the whole business took far too long—so long that mothers and wives couldn't leave their homes and children, while husbands couldn't lose the time from their jobs; night clinics were practically unknown.

In outlying districts, more especially in rural areas, hospitals were rare, doctors were few, they made a precarious living working long hours and couldn't afford to do too much work for nothing. Furthermore, the newer, better-qualified, younger graduates in medicine weren't falling all over themselves going into practice in these sparsely settled regions where people were poor, money was scarce, and schools, libraries, movies and other cultural advantages were practically non-existent. Dear old stupid society hadn't the temerity to tell the poor of these outlying districts to "come and get it", because it knew well it hadn't made provision and service wasn't there.

There can be little question that attack on the problem has been seriously hampered by lack of knowledge concerning the best methods of approach, by politics, finance, the medical profession's innate conservatism, custom, and, finally, its fear of governmental supervision. That the matter should and could be considered purely and simply as a business pro-

EDITOR'S NOTE: Dr. Bernheim is Associate Professor of Surgery, The Johns Hopkins Medical School; author of *Medicine at the Crossroads*, Morrow & Co., 1939; *Adventure in Blood Transfusion*, Smith & Durrell, 1942.

position with advantage to all never dawned on anyone, least of all the doctors because illness and medical matters never had been so regarded and men's minds always have trouble cerebrating in unaccustomed channels.

Yet illness and medical attention, doctors, their education, scientific endeavor are business and, regardless of the inherent human values, the only sensible approach is along that line. Until society realizes that and takes the realistic view, until the doctors adopt a similar attitude, little progress will be made and the sick, more especially the poor sick, will be the chief sufferers. That is the blunt, inescapable truth, and the issue is only obscured by those doctors and laymen who continually mouth organized medicine's formula of fee-for-service-rendered, free choice of doctor, sacred personal relationship between patient and doctor, and other features that are equally unimportant for the masses.

No one in his right mind objects to people choosing their own physician anymore than he decries or makes light of the fine relationship existing between the sick and their doctors, but only the minority have had this because they were the only ones who had the money to pay for it. The poor sick who warm the benches of hospital dispensaries and fill the beds of hospital wards take what they get and like it, while poor Mrs. Smith of the back alley and a flock of kids with runny noses and no money never did have a regular doctor who came to her home, got none of that beautiful personal relationship too many people of the wealthier classes and too many doctors lay such stress on, and made out as best she could.

This doesn't mean that the doctors who care for the sick of hospital dispensaries and wards are not sympathetic or give little personal solace and comfort to their patients—for they do, in so far as time and their manifold duties permit—and it doesn't mean that the poor Mrs. Smiths never have a doctor come to their homes. All it means is that the poor sick—and they are in the vast majority—have little

say in choice of physician, never have had, and if the present system continues to prevail never will have. They haven't much say, once they are in the hospital, about the line of treatment, either, and that is because there are too many of them, doctors are too few, and it just isn't possible to give individual service.

I believe in looking matters squarely in the face and in that connection ask how much choice of doctor people who live in outlying districts, where there is only one doctor, or maybe two or, at most, three, get and how much comfort and personal relationship. Distances and costs are such that they only call their doctors when desperately ill and the idea of prevention by early and frequent visits is all but totally non-existent. They don't budget for illness, either, and I'm one doctor who doesn't blame them. Making barely enough money to keep body and soul together and provide a few comforts, the funds most laborers—yes and white collar workers, too—could put by for illness would be so insufficient to pay our present high costs as to make a mockery of their efforts.

But they won't need to budget and sacrifice and deny themselves their scant comforts if we ever get this medical business down to a sensible basis and they won't have to feel ashamed, pauperized, at not paying their way. They'll have far more doctor choice and general say in the course of their ills, too, than they now have and it is my belief that once the thing gets going properly—it will take time—the general run of medical care, instead of being poor or bad as so many people profess to believe, will be better. I even believe, and more doctors each day are coming to feel the same way, that while the few medical men who now make great sums in private practice will probably suffer, the average doctor will make a better living, he will have a financial security he never had before, and his work will be more satisfying.

Nor do I advocate State medicine or the complete elimination of private practice of medicine. So long as the capitalistic system prevails—and I am one who be-

believes and hopes it will, even if perhaps somewhat modified—there will be people who have more money than others and if they wish to engage private physicians that should be their right, and such doctors as wish to practice alone should be permitted to do so. For the rest, the millions, there should and can be several different kinds of medicine, chief among which will probably be groups of doctors who, organized in a business way and on a business basis, and housed under one roof with one set of instruments, apparatus, laboratories, technicians, secretaries, and even hospitals, can care for huge numbers of families on an extremely low cost basis. There are a number of such groups already, some more complete than others, and, as time passes, more are being organized.

To pay the costs for membership in such a group—large or small—there should be some form of insurance and since experience has shown that too many people will not voluntarily join up they should be made to. Compulsory insurance is the only way and the gainfully employed should pay part, the employer part, and the State or Government part. It goes without saying, though, that the unemployed must also be covered and if they have no funds the State must pay the entire cost until they are employed. It is also important to realize that the employee's wife, children, in fact his entire family, must be covered, because that is only human and if the truth be known the good health of the worker's wife and children makes for better work and less absenteeism.

Society has been a long time seeing this thing in its true light and isn't any too clear about it yet. To cover the head of the family only, or the worker, is ridiculous and we only kid ourselves because when the wife or the children get sick—as they do—they must have care somehow, some way, and if there are no funds or provision for doctor or hospital they must either suffer and die or go on the charity lists. In the first instance it is not only cruel and inhumane but if it is an infectious disease—as it not infrequently is—

society is endangered, while, in the second instance, society pays the bill anyhow.

But what interests me as a doctor and should interest all doctors is the complete elimination of all free work. That has always been a sore spot with me, and I never could understand it. Why society expects me to do its charity medical work gratis simply because I'm a doctor when it doesn't expect others to work for nothing in their respective fields is beyond my comprehension. Department stores don't give society's poor clothes for nothing and grocers don't give them food. It's just a custom, this giving of medical services free and has been going on so long that society has come to regard it as its right—and doctors let it pass.

But it never worked very well, certainly not since medicine became more complex and the one doctor didn't know all, like he used to, and therefore couldn't do all. And since society wasn't paying for its work it had little control over the doctors and lots of times and in too many ways they didn't feel under great obligation to attend clinics or go too much out of their way—especially if it meant the loss of pay patients. I think society exploited the doctors and got far more than it deserved, but the system was bad. Doctor, lawyer, business man, it matters not who, has the right to do his own charity in his own way and society has no right to demand more of one than of the other. In recent years doctors have carried a heavier burden than any other single group.

Perhaps I should say that I was never one of those who felt that experience was ample pay for the privilege of working in hospital wards and dispensaries. One can get just as much experience if he is paid. It takes some ten years to make a doctor and it just doesn't make sense to ask, insist that the man who has worked that long and arduously to perfect himself in his profession go out into a cold, unsympathetic world and wait for a practice, while putting in hours and hours, whole days working in the clinic for nothing. Having done this nearly forty years and seen how inexcusably wasteful, not to say

ridiculous the system is I think I have a right to speak freely. That doctors took it lying down is evidence supreme that they do not know what it is all about.

One of the most important features of compulsory health insurance, and the least appreciated, is that it literally guarantees doctors a living from the moment they graduate. They should welcome it, therefore, because it certainly means betterment of their status. Whether some will work on a full-time basis as salaried men or part-time with the privilege of private practice, whether they

will be paid very small amounts—a few cents, perhaps, in the clinic—for each patient they see, whether their groups will make the charge and they, as members, will receive salaries or their pro rata, or whether some other form or method of remuneration will be employed, the fact remains that they will receive pay for all the work they do, people will have a right to medical care and attention, the State will have a right to better allocation of doctors, medical centers, small and large, will be more strategically located, in short, society as a whole will be uplifted.

Mental Hygiene and Reconstruction

By W. D. Ross

WAR accelerates change. We are well aware of an acceleration in social and economic change occurring with the present war. The general public may not be as cognizant of certain changes in emphasis in medicine which are becoming more evident with mobilization of manpower. The problem of selecting individuals most fitted for the efficient prosecution of highly technical warfare has necessitated an increasing consideration of psychological and psychiatric techniques by military medical services. The stresses of war-time dislocation of life have added to the accumulating evidence concerning the influence of situational and personal factors on physical health—the field of psychosomatic medicine. Both in military and civilian medical practice there is a growing realization of the necessary interdependence of the sane mind and the sound body and a readiness to take advantage of all that can be contributed by preventive and curative psychiatry. These are changes which have tremendous importance for the organization of medical services as we consider social security plans for the reconstruction period.

These changes have not taken place smoothly, nor is there yet a wide awareness of the importance of mental hygiene in the prevention of physical illness and of social catastrophe.

Doctors on the whole do not have a scientific psychological approach. Tradition in medicine has been against this. The discoveries which stemmed from the microscopic approach of Pasteur and Virchow made possible such dramatic progress in the handling of disease right up to the modern miracles wrought by surgery, hormones, vitamins, and the sulfa drugs, that any knowledge accumulated by psychologists and psychiatrists seemed rather feeble in comparison. Psychology and psychiatry, if suffered at all, have usually been given a place of secondary importance in the medical curriculum, and an understanding of the human psyche has not been considered basic to medical practice. What a man is not up on, he is down on; hence doctors have tended to take the attitude that organized psychological knowledge has nothing to contribute beyond the common sense which all doctors know themselves to possess.

At the beginning of this war it was considered adequate in the Canadian

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army to select soldiers on the basis of physical standards alone. Experience in the last war with mental and emotional casualties and the post-war bill for pensions for neurotic disabilities might have indicated a need for probing these problems more deeply. However, psychology was not accepted wholeheartedly by medicine and there was considerable inertia in this direction. Only when mounting numbers of men had to be returned from overseas "for neuropsychiatric reasons," and because of conditions in which emotional factors were probably playing an important part, such as peptic ulcers, was it acknowledged that something had been overlooked.

Then the psychologists were given a chance. The Division of Personnel Selection was given increasing responsibility and the army examiners were able to win for themselves a place of recognition and trust among both medical and non-medical personnel. An increasing number of psychiatrists was taken into the medical corps and provision has now been made for the training of medical officers in practical psychiatry. At the recent meeting of the American Psychiatric Association in Detroit tribute was paid to the excellent organization of the psychiatric work in the Canadian Army and to the close cooperation between the medical corps and the division of personnel selection. It was pointed out that a similar inertia on these matters had been present in the United States Army and that the Canadian system now provided a model from which many lessons could be learned.

This is an example of what has happened in just one of our military services. The shift in emphasis has been apparent in the other branches. In the air force the problems of pilot selection and the avoidance of flight neuroses have been recognized and attacked since the start of the war, while in the navy the psychiatrists have been proving to their other medical confreres that they are indispensable in work with young men who are far from "queer." In industrial medical practice, too, chronic fatigue is recognized as susceptible of control by factors of morale, which include both social cultural

attitudes and individual emotional problems among the workers. Industrial physicians are realizing that they have too little psychological training and too few psychiatrists to whom they can turn for help on the problems of diminished efficiency and absenteeism arising from both physical and psychological factors.

The maintenance of mental health has implications beyond the province of medicine and of clinically recognized illness, either physical or mental. The warping of personality is not limited to the relatively happy people who are confined to our mental hospitals. Of greater potential danger to society are the egocentricities of all of us who remain legally sane but who are the enemies of mankind whenever we serve our own personality perversions rather than the common good.

Psychiatrists had for some time previous to this war recognized paranoid traits in the behaviour of Adolf Hitler. Nothing could be done about the discovery since powerful forces were already aligned with this anti-social menace. Recently a New York psychiatrist has published a book diagnosing, not only Hitler as psychotic, but with him, a great proportion of the German people who made it possible for his ideology to flourish and to run the world into chaos.¹ This is an analysis which emphasizes the relevance of psychiatry to social and political affairs. It *can* happen here. Unless we give attention to the maintenance of healthy and socially cooperative attitudes in our population at large, we can drift into identification with demagogues in either business or politics who promise us release from our individual insecurities.

Such a situation cannot be "cured" once it has developed. Psychiatry alone cannot remedy it. No psychiatry in the world was more outstanding than German psychiatry previous to the advent of National Socialism. But it was a psychiatry holding itself apart from the rest of society. It is necessary that psychiatry be applied in education and

(1) Richard M. Brickner, *Is Germany Curable?* J. B. Lippincott Co., Philadelphia, Pa., 1943.

that a mental hygiene program with a broad perspective be promoted if we are to avoid the results which accrue from neglected personality maladjustments. It is necessary also, of course, that economic security be guaranteed to the people, for mental health cannot be considered independently of individual security in economic matters. These are features which must be stressed in our reconstruction plans or we shall continue periodically to require reconstruction again and again after each recurring episode of destruction.

For personality abnormalities are preventable. True it is that much research needs yet to be done in psychiatry, especially on the interrelationships between physical and psychological factors—on the modification of *psyche* by physical agents and the alteration of bodily conditions by mental attitudes. We do, however, have enough knowledge of the factors which determine personality to prevent many cases of mental disease and to direct human energies into constructive instead of destructive channels. Heredity does matter, and ultimately our knowledge of eugenics may be sufficient to control even this factor. But apart from this factor, and the steady progress which can be expected in physical medicine, the hope for a sane world lies in the application of psychological knowledge to the growing child and the young adult.

It is only common sense that "the child is father to the man," but in precisely what way childhood influences determine the kind of person who will develop is the concern of psychology and psychiatry. Studies of the individuals who have broken down under military stress, have illustrated the frequency of childhood insecurity among those less able to stand the strain. Broken homes, divorce, serious quarreling or alcoholism in the parents are frequent findings in the histories of neurotic soldiers. Perhaps these indicate an hereditary taint, but from what we know of the development of human character, it appears that the warped personality of the parent has been a major factor in the development of an insecure and

unstable individual. This points to a vicious circle where psychiatric methods could contribute towards increasing stabilization and social usefulness over several generations even if miracles cannot always be performed on one patient.

What are needed are methods of detecting early in life the seeds of future personality pathology, whether of the clinical or of the social kind, and of providing special care to compensate in these children for the inadequacies of their environment and of their parents. We have at present Mental Hygiene Institutes but the number of children touched by these is very few. Larger staffs are needed and more education of other agents in the community such as pediatricians, teachers, social workers, ministers and leaders in recreational activities, so that doctors and laymen may work together towards the moulding of persons who, in their time, will be better parents as well as more socially adjusted individuals themselves. The prevention of crime as well as of war is involved in this project of getting the psychiatrist out of the mental hospital and into the community.

What has this to do with immediate post-war reconstruction? Preventive medicine has been mentioned as essential to social security plans, but in any plans so far announced, there has been little emphasis on mental hygiene in particular. In the brief presented to the parliamentary special committee on social security by the Canadian Medical Association, mention was made of thirteen necessary features for adequate preventive and public health provision.² Not one of these dealt specifically with the psychological examination of children or with the provision of sufficient psychiatric and psychological facilities for helping individuals towards personality adjustment before they become gross clinical or social problems. "Certain forms of mental disease" were mentioned, but there was no attention drawn to the wider aspects of the problem.

(2) Special Committee on Social Security, *Minutes of proceedings and evidence* No. 5. Ottawa, April 6, 1943.

Are we dealing again with the inertia of medicine in psychological matters? Will it be necessary to have a dramatic increase in peace-time neuropsychiatric casualties or to have further social catastrophes before we realize the need for widespread mental hygiene? Will we witness on a national scale at the end of the war the same lag which was evidenced within the army medical corps at its beginning?

Mention has been made of the excellent organization finally achieved in the Canadian Army for personnel selection and psychiatric consultation. After the war the psychiatric and psychological staffs of our armed services will be available for promoting such a program as we have outlined as necessary. Will they be retained for that purpose or will the personnel of these staffs be allowed to drift into other activities, the medical men into mental hospitals or private medical practice too busy to emphasize prevention, and the non-medical personnel into jobs not related to education?

If the public is aware of the value of retaining these persons for preventive psychiatry and psychology an immediate job can be allocated in connection with post-war rehabilitation. Adjustment once more to civilian life is not going to be easy for even the more stable members of our armed forces and the boom in vocational guidance which should occur with the cessation of hostilities might well be handled as a public health service. Again, the problem of compensation for neurotic casualties of war is a thorny one. In a sense, the man who has a shattered personality as a result of battle stress is as deserving of a pension as the man with the shattered arm. Even if one shouldn't agree with this statement, he would have to realize that the government is going to be faced with pressure by veterans' organizations for generous treatment of those who have faced danger for their country. At the same time it is recognized that when a functional nervous illness earns a monetary or other reward the treatment is more difficult and a return to normality less likely. On the

whole, neurotic individuals are less happy than non-neurotic ones even if their neuroses should be earning them a pension. Hence curing the neurotic would be kinder than continuing his pension. In the step of encouraging the battle-shocked veteran to make a transition from the paternalism of the army to the independence of civilian life a mental hygiene is going to be needed analagous to that required for helping unstable children to grow into mature and responsible adults. The expenditure of public funds for psychiatric advice and the provision of occupational therapy which merges into therapeutic occupation should, in the long run, save money from pensions and charity.

Other reconstruction jobs are going to require the best that can be offered in scientific psychological methods of selection, teaching and control of working conditions and these services should be carried on in education and industry as part of our permanent social organization. Not only fitting the right people into the right jobs but maintaining satisfactory relationships between labor and management are within the scope of psychologically trained personnel. To quote from the Director General of Medical Services of the Canadian Army:

The psychologists of Canada should make a major contribution to Canada's future; they must not retire to the cloisters again at the end of the war, but must continue to take an active and very practical part in all future social development.³

In every system of health insurance a problem is presented by the chronic complainer who takes up the doctor's time without having an illness which can be handled by the methods of physical medicine. One of the objections to health insurance has been that guaranteed medical service, without a fee responsibility from the patient, encourages this type of patient to usurp the doctor's attention to the detriment of other patients. These patients rightly belong under the psy-

(3) Brigadier G. B. Chisholm. Forword in the *Bulletin of the Canadian Psychological Association*, Vol. III, No. 2, April, 1943.

chiatrist's care and an extensive system of psychiatric consultation should help in reducing the waste in medical care resulting from the misdiagnosis of physical for spiritual ills. At first afraid that the psychiatrists would eliminate too many men from the army, medical officers have found that their psychiatric colleagues are often of greater help in re-establishing men whose usefulness had been doubted. In the same way, civilian doctors may well find that with psychiatric help many of the patients who might otherwise have become chronic nuisances will be rehabilitated and no longer a drain on medical care.

We are realizing more and more in medicine how many actual physical ills have their roots in emotional conflicts. We have mentioned peptic ulcer as one condition in which the psyche plays a part in many cases. One of the leading causes of death, now that tuberculosis and pneumonia are well under control,

is heart disease. Many cases of heart disease are secondary to high blood pressure, a condition about which we are gaining increasing knowledge, a knowledge that points to the probability that many, although not by any means all, cases of high blood pressure have arisen from chronic emotional stress. The problem of preventive medicine in these cases, then, is a problem in mental hygiene.

Provide a nation-wide mental hygiene service to do these jobs of rehabilitation and reconstruction both in relation to industry and in relation to health insurance, and it will be able to carry on afterwards in the wider tasks which we have indicated as necessary for a healthy and sane world. Then will the prophecy be realized:

These things shall be,—a loftier race
Than e'er the world hath known shall rise
With flame of freedom in their souls,
And light of knowledge in their eyes.⁴

(4) John Addington Symonds, *The Days That Are To Be*.

Aeroplanes as Freight Carriers

By D. B. WALLACE

THE greatest single factor in the large scale development of Canada's far northern regions has been the airplane. In fact, Canada's northern air operators pioneered commercial air cargo commencing in 1926, and, at the outbreak of war, the Dominion's flyers carried the world's record tonnage of air freight.

It was back in 1924 that the first regular commercial air freight and passenger business in Canada was commenced by the Laurentide Air Services in Quebec. This initial service was followed by similar developments through the West and on the Pacific Coast, but it was not until 1926 that the plane came into its own as an essential means of transport to outlying Canadian communities and for assistance in opening up mining areas.

In that year a considerable mining development took place in the Red Lake district of Northern Ontario. Prospectors and supplies were flown into the area and the mining-by-air period was born. In fact, in 1926 the only two self-sustaining air transport routes operating in the British Empire were in this Ontario mining field and in Northern Quebec.

These services were on an essentially commercial basis as northern air routes in Canada have never received any form of Government subsidy. Also it is interesting to note that in Canada, unlike the majority of countries, the plane was first used to service outlying points rather than to connect inter-city population centers. As these services were without public aid, it is obvious that only by making them commercially successful could air freight and passenger companies stay in business.

EDITOR'S NOTE: D. B. Wallace is Assistant to the Vice-President of the Canadian Pacific Airlines.

The mining air freight services commenced on a major scale in 1926 had expanded to the point where, in 1928, commercial aviation in Canada was taking to its wings and several companies were extending activities from coast to coast and planning an attack on the far north. In that year C. H. Dickins piloted the first plane over the "barren lands" of Canada's Northwest Territories. In the following year he crossed the Arctic Circle and brought his Fokker monoplane down at Aklavik. This trip to the shores of the Arctic Ocean revolutionized the fur delivery system and overnight the airplane became the transport medium, replacing the dog sled and canoe of former years.

The aerial pioneering done by C. H. Dickins, now Vice-President and General Manager of Canadian Pacific Air Lines, was followed by others in opening up many new routes. In 1930 what is now the United Nations' sole source of radium was discovered in the far north at Great Bear Lake by plane. The richest mercury deposit in the British Empire was also located by the use of the airplane. Another air jaunt by Canada's northern fliers resulted in the location of the North Magnetic Pole. In 1931 the early possibilities of Northern Canada were given world attention by the Lindbergh flight to the Orient. In 1931-32 the airplane developed many new northern mining fields and, by 1933, while flying was still not fully accepted in the more populated southern districts of Canada, the airplane had become a commonplace factor in the North Country where it was, in many cases, the sole means of transport.

As a result of these developments the airplane to-day is the spearhead of advance in Canada's north country as it moves vital supplies and personnel in connection with the war programme. Already the plane is the prime factor in moving survey parties and equipment for the Alaska Highway, the oil pipeline developments along the Mackenzie River basin, and the proposed Alaska Railway. The cargo plane is not something new in this northern country, but rather

a part of its very existence and is, therefore, essentially a transport vehicle and not a competitive means of transport.

Naturally the demands of war with regard to important defence developments in the northwestern Pacific area have greatly emphasized the vital nature of air transport in the Northwest Territories, Yukon and Alaska. Already all previous concepts of the development of air routes and facilities in this region have been completely shattered and what is now one of the world's greatest air defence and military supply routes may well develop into a post-war top of the world air service. Obviously the expansion taking place throughout these northern areas of Canada has had a profound effect on social and economic developments, and there has come into being a new type of continental economy north of Edmonton which bears little resemblance to the pioneer features of the old north.

Despite the intense interest in northern aerial developments at the present time it is well to remember that the aerial possibilities of this segment of North America have been known for a few decades. As early as 1915 the present Deputy Minister of Mines and Resources, Dr. Charles Camsell, made enquiries about obtaining flying boats for the exploration of the sub-Arctic. As far back as 1917 a letter written to Sir Robert Borden by the famous Arctic explorer, Vilhjalmur Stefansson, urged the government to institute an official examination of trans-Polar air routes, and one of the staunchest supporters of this development was J. A. Wilson, now the Dominion's Director of Air Services.

In 1922 the Canadian Government recognized the fact that the shortest routes between North America and Europe and Asia all passed through northern Canada and had an aerial survey made of the islands of the eastern Arctic.

The North, largely developed by the airplane, is now in a stage of rapid transition and it would seem that even greater changes are ahead in the post-war era as it becomes a vital point on the world's

air map. Already there is a study of the economic possibilities being made by the North Pacific Planning Project through the co-operation of the joint Economic Committees of Canada and the United States.

Some conception of the importance of air freight movement in Canada is indicated by the fact that Canadian Airways, the nation's pioneer and largest private air operator and now one of the component companies of the ten north-south airlines merged into Canadian Pacific Air Lines in 1942, carried the record load in the 15 year 1927-1941 period of 60 million pounds of air cargo, 8 million pounds of air mail and 250,000 passengers. These facts have long been hidden by the remoteness of the area in which air carriers operated, but to-day they are coming into their own as a result of the intensive studies being made in commercial air cargo possibilities and Canada's long experience in this type of transport.

The pioneer work done in air cargo growth in Canada goes back to 1920 when the rather insignificant total of 6,740 pounds was moved. This is in distinct contrast to the 1937 record total of 25 millions and even the 1939 figure of 19 million, which compares to 6 million pounds in the United States during the same year.

In this review of northern air operations in Canada, it might be noted that originally 75% of revenue came from air freight, about 20% from passenger traffic, and the balance from air mail. Now that the majority of mining communities have been established, together with the fact that there has been some decline in mining development due to war-time restrictions with a resultant increase in defence cargo and traffic, the ratios have been reversed and about 60% of revenue represents passenger traffic, and the balance comes from mail and freight. In connection with air traffic from mining areas, it is a fact that a very substantial expansion took place as a result of the revaluation of the price of gold by President Roosevelt and the 4.2 million pounds of freight

carried by air in 1933 skyrocketed to 14.4 million in 1934 largely as a result of the upward price in gold.

What the post-war period holds for commercial air travel development is largely an unknown quantity as yet because the great volume of world air freight now moving is not determined by the economics of air transport but rather by military necessity. At the same time all students of transportation agree that post-war air carriers will not only absorb a certain volume of express traffic from the railways, but also develop an entirely new type of cargo. Also it is well to remember that cost and continuity of flow are two extremely important factors in any form of transportation and the air carriers must meet these items as well as that of speed.

In connection with the study of possible air cargo developments in the Dominion it is suggested that consideration might be given to the following research topics:

1. Air cargo where no surface transportation exists.
2. Air cargo in competition with surface transport.
3. Air cargo in competition with ocean transport.
4. Factors tending to segregate air cargo systems from present combination aircraft and systems.
5. Classification of goods and industries likely to become air cargo shippers as air cargo rates are progressively reduced—in other words, marginal users under successively lower tariffs.
6. Air cargo tariff structures and adjustment to increased load factors.

Canada, like South America, is ideally suited for certain types of air cargo operation. Physical obstacles to surface transport are roughly similar in the two countries. At the same time both Canada and Brazil have followed a similar trend with respect to air cargo developments to date. The post-war period will undoubtedly bring many more radical changes in air transport arrangements and it is conceivable to expect Canada will emerge as one of the world's greatest per capita users of air transport services.

Consumer Co-Ops and Peace Planning

By GEORGE BOYLE

WHAT has the Consumer Co-operative Movement to offer along the line of post-war reconstruction?

The posing of such a question at all to-day suggests at once that complex of conditions which, in the view of reputable participants, contributed to the failure of the old League of Nations. Sir Arthur Salter, well known English economist, was for a time financial secretary of the League. He said after he had resigned that the work of the League was being hampered by the pressure exerted by financiers upon politicians who represented the various countries involved. The inference given at the time—the early Thirties—was that some considerable change would have to take place in the internal economies before there could be an economic basis for world peace. Nations to have a peaceful outlook, in this age, are alive to the need of a good deal of economic self-determination—at least enough to allay their internal labor and unemployment problems. This economic self-determination, in ordinary peace time, may often cut across existing capitalistic structures

Before there can be any light to help in answering the question, which I have posed, we would have to get some idea of the size and the outlook of consumer-owned establishments in some leading countries.

Because of the war there can be no complete canvass made to-day. The International Co-operative Alliance has, however, made available a partial survey.

This survey, which is incomplete, shows that consumer societies in 26 countries, not inclusive of China, India or Russia, have a membership of 36,600,000 persons. (Another estimate gives the total world membership as 100,000,000). The retail business for 1940 (the year of the survey)

totalled £495,967,788. Wholesale business for the same period was represented by £286,747,047.

The societies of Great Britain—the home of the Rochdale idea—had a membership of 10,000,000 persons. In 1941 the British societies refunded to consumers \$80,000,000 in patronage dividends. The insurance society owned by consumers, mentioned as a desirable model in the Beveridge report, is the fifth largest insurance business in the country.

In Scotland three out of the five million people are members of the Co-operative Societies.

Even in war-torn Britain there was an increase in sales of £1,417,000 in 1941 over 1940. In Scotland the increase through the Scottish Wholesale is marked—over 10% for the year.

It is the same in Europe. With the exception of Czechoslovakia, Holland, Bulgaria and Belgium (France is not mentioned) all countries showed an increase in consumer business in 1941. In some countries it is quite marked. In Hungary, for instance, sales jumped from ten million to eighteen million—an increase of over 74%. Switzerland jumped by 22%. Finland by 19%. Just how much of this may be forced by military considerations it is impossible to ascertain. But if we look on the other side of the world a similar trend is noted.

In the United States, sales through wholesale societies mounted from £11,679,000 in 1940 to £16,615,000 in round figures in 1941. Here the increase is 42%. The above estimates are for wholesale businesses owned by federations of local consumer stores.

Local consumer-owned stores do not put all their business, by any means, through their own wholesales. Hence the wholesale volume does not give a complete picture of the economic side of the movement. In the United States

EDITOR'S NOTE: George Boyle is Editor of the "Maritime Cooperator" in Antigonish, N. S.

there are two and a half million families, reported by the Co-operative League, as members of societies. They do an annual business of \$700,000,000.00.

Canada has at least 365 consumer-owned stores with a membership of 30,000. Annual volume of business reported through wholesales alone for 1940 was between \$4,000,000.00 and \$5,000,000.00. This figure only represents a small part of the total business of co-operatives in Canada as may be gleaned from the fact that farmer owned societies alone bought over \$20,000,000.00 worth in 1941.

From South America there is reported definite expansion of co-operatives. The improvement in this field is being stimulated by governments. Ten of the South American countries have adopted Federal legislation regarding co-operative societies, reports Antonio Fabra Ribas to the Co-operative League, New York. This is a step in advance of either Canada or the United States neither of which have Federal co-operative legislation.

In Latin America, it would seem, the movement is being stimulated by the governments rather than swelling up from the people. All of these Acts, writes Ribas, are based on Rochdale principles. "Together they form the most impressive and important body of laws regarding co-operatives that exist in the world." The countries are: Argentina, Brazil, Chile, Colombia, Cuba, Ecuador, Mexico, Peru, Uruguay, and Venezuela.

The legislation has been flanked by education, it would seem. Courses are being taught in the universities of Bogota, Buenos Aires, at La Plata in Argentina, Cauca in Colombia, and Quito and Guayaquil in Ecuador.

Over on the other side of the world, the little consumer, while not beginning to get tough is beginning to awaken. Dr. J. Henry Carpenter, who led two co-operative tours of the Maritimes from the United States, has recently returned from an extensive trip through China. He found many consumer societies in China as well as a large number of fast

growing industrial co-ops. "The Chinese Co-ops," he said, "are fast becoming a people's movement and are helping to bring economic freedom to the Chinese. The world is wide open for co-operative development."

An array of statistics could be presented showing a similar trend in many other parts of the world. Not sensational, but fairly steady is the onward movement of consumer-economy.

It is significant, too, that the movement is drawing new recruits from those formerly indifferent who are now awake to the dangers of totalitarianism at home. Confronted with encroaching statism, new acknowledgments are coming from writers and editors who see in the consumers' organizations a rallying point for the economic and civil rights of the common people. Thus, Thomas F. Woodlock, one of the editors of the *Wall Street Journal* wrote recently:

"Personal freedom under a democratic form of civil order will in the long run depend upon two principles united in one idea—self-help by co-operation. The more we permit state aid to substitute itself for self-help and compulsion for co-operation, the more certainly we are erecting the omnipotent state—the mortal enemy of human freedom."

In the same vein writes Earl Lefshey in *Retailing Magazine*: "No glance at some of the post-war distribution potentialities would be complete without at least a look in on a very old movement which stimulated by recent developments, continues to make noteworthy new gains—consumer co-operatives."

So much for the size and possible influence of the movement which is at least a thing of promise. The crucial point, however, in reference to the question posed at the beginning of this article is, what principles shall dominate the consumer-owned developments? In the plans for world peace there is nothing original in the viewpoint that balance between industry and agriculture is a great problem of many countries. Unemployment is definitely hooked up with this problem. Through their co-operative

institutions Denmark, Norway and Sweden had provided the world with small examples of a workable balance. Such an equilibrium works in the direction of regional self-sufficiency. Insofar as resources permit, it works against unemployment by making possible an expanded small ownership class—and to the same extent cutting down the proletarian potential.

Whether or not all consumer institutions will work for this end is a moot question. There are some who are aware of this regional development idea. A few years ago, for example, a consumer-owned oil refinery was opened at Phillipsburg in the Kansas plains region. The town, one of 2,000 population, had been scorched by a long drought. The new refinery would increase the town's payroll by \$20,000.00 a month. At the official opening of the new plant, Howard E. Cowden, a local co-operative leader, spoke:

"Located here on the great plains," he said, "the refinery solves a difficulty as great as the drought that in recent years dried up our crops and the wind erosion that has carried away our soil. That problem is the need of our region for industry to balance agriculture . . . We are not going to give our region back to the Indians. We can and will achieve a greater security, a steadier income, if we, too, produce here in our region more of the goods we use here.

"Our refinery is the first one ever built to keep all of the gas it makes and all of the money it makes right here on the plains."

What Cowden said at Phillipsburg has some of the pattern of peace in it. It is not a pattern that runs counter to a sound theory of free trade. Free trade, spread as a veil upon regional insolvency, can hardly be kept perfumed with sweet aromas. That is the opinion of this writer for whatever it may be worth. It may be that Maritime Canada will find something to build on in this same idea.

Consumer businesses are not built over-night. It takes time before the hand of the patron reaches, through

the wholesales, the production line—the most effective point of benevolent influence upon the surrounding economy. The big hold-up is lack of qualified managers. After the war this may be remedied.

Some planning with a view to the post-war is going on. On December 4, last, the first conference of what is called the World Federation of International Groupments was held in New York. Dr. James P. Worbasse, president emeritus of the Co-operative League of the U. S. A., outlined six points. They are:

1. Immediate restoration of the freedom of co-operatives in the occupied countries at the close of the war.
2. Use of co-operatives as agencies for shipping and distribution of post-war relief. Goods should not be given away but sold to the consumers on long term credit to remove the stigma of charity. Co-operatives can function in all countries and make profit from none.
3. Avoid the temporary makeshift of relief by setting up co-ops which use methods of rehabilitation that are so good they will continue as a permanent part of the program of reconstruction.
4. Encourage a concerted uprising of co-operators, not with arms but with ideas, in all occupied countries to rebuild their former societies.
5. Develop central national leagues or wholesales for *production* and distribution of commodities and services and expand trade between national wholesales for tremendous international trade.
6. In colonial countries political governments will be confronted with the opportunity of the ages to develop a greater sense of responsibility among the people by educational campaigns to teach and guide people in the way of self help rather than giving them charity. Upon the degree to which this principle of self help is observed hangs the fate of civilization.

A Guide to the Literature on Post War-Planning 1

By VIRGINIA D. PARKER

I

DESPITE the conflict about post-war planning in the United States—who is to plan and for what—a few basic assumptions are slowly, but clearly emerging. This is a people's revolution and the peace must assure the four freedoms for all, with an end to all the inequalities which brought about this war. Many writers and speakers express concern because the people do not seem to know what they are fighting for. Others are certain that they do know, and that this war can best be won if the people have some reasonable assurance that they will actually get what they are fighting for.

More than a year ago, Milo Perkins, Executive Director of the United States Board of Economic Warfare, had this to say: "The plain people of this earth know what they want in the post-war period. Above all else they want to be *wanted*; they want a chance to work and be useful. They want an income which will give them enough food and clothing and shelter and medical care to drive the fear of want from the family fireside. And they want these simple things within a society that guarantees their civil liberties. The plain people will be understanding about the problems of readjustment. They will work hard for all this and they will walk any reasonable roads to these ends. But the chains have snapped. The one thing they won't do is to take "no" for a final answer to their cry for full employment. Not after all this suffering; not when they see themselves surrounded later on by too much of what they need most and yet might not be able to get. Idleness, be it of men or money or machines, will be the one unforgivable sin of the post-war world."

Mr. Perkins pleads for faith in the future. "Once that is re-awakened in us as a people, a thousand and one individuals will come forward with a thousand and one business-like projects for making a mass production economy work." Whether or not faith in the future has been attained, the thousand and one projects are coming forth. Bookshelves are bulging with proposals for peace-time. Almost every public speaker has some reference to make to the post-war period, and on every cracker box an exponent of a pet post-war theory holds forth.

This is as it should be. However for the hard-working, tired people who want to know what their future prospects are, the sheer quantity of materials is more and more discouraging. The public is being hammered at by its law-makers and government officials, economists and writers, radios and newspapers, even its comic strips, but the people want to make up their own minds about the post-war world and how it should be run.

This listing is presented purely on a take-it-or-leave-it basis. It attempts to offer a guide to some of the more representative, far-sighted statements which have appeared in the last few years in the United States and Canada. The sources, in general, have been selected for one of two reasons: They indicate a general agreement on the problems which must be faced, while approaching the solutions of these problems from different points of view. They have been among the most popular publications among members who come for guidance on post-war proposals to the National Planning Association's Information Center. In addition to the titles of reports, a number of organizations and official agencies which can provide specialized information on various subjects are briefly described.

EDITOR'S NOTE: Mrs. Virginia D. Parker is Editor of the *Public Policy Digest*, the excellent publication of the National Planning Association in Washington.

II

A post-war plan must take into account world, national, community and individual interests and needs. It must be based on a clear understanding of historical backgrounds, of long-range trends, of the close relationship of war-time changes to the future, and, above all, must be based on a realistic acceptance of what actually can be accomplished. The authors of the books described here have the experience and training which creates an understanding of the need for this multiple approach to post-war planning.

Economic Consequences of the Second World War,¹ by Lewis L. Lorwin, was published in 1941. In the rapidly growing body of literature on post-war reconstruction, this book still deserves a leading place. It is the result of twenty years of study and observation, both in the United States, where the author was one of the founders of the American planning movement and of the National Planning Association, and in Europe where from 1934 to 1939 he was economic adviser to the International Labour Organization at Geneva. Mr. Lorwin does not attempt to blueprint the future. He puts the Second World War in the frame of world history, against the contrasting background of Nazi and democratic doctrines and institutions, with an exposition of the alternative consequences of a Nazi or a democratic victory. Here is an objective survey and analysis of socio-economic post-war policy, concluding with the author's outline of a "World New Deal" as a starting point for practical action.

J. B. Condliffe, author of *Agenda for a Post-War World*,² also writes from long experience in international relations. Now professor of economics at the University of California and Associate Director of the Division of Economics and History of Carnegie Endowment for

International Peace, he was formerly on the staff of the League of Nations and has taken part in the principal economic conferences of recent years. Mr. Condliffe believes that what the United States does, or does not do, will largely determine the pattern of future international relations, and emphasizes especially the need for an increasingly large campaign of public education and debate in preparation for peace. His agenda expands and extends the principles of the Atlantic Charter, and suggests means for their implementation. Attention is given to the political basis of economic cooperation, as well as to such subjects as social security, the disposal of agricultural surpluses, debt and demobilization, repayment and reparations, international economic development and commercial policy. The author, pointing out the need for learning from past mistakes, urges the continued use of war-time procedures and mechanisms in the demobilization period.

In *Economic Union and Durable Peace*³ Otto Tod Mallery also considers the extension of the functions of existing national and international institutions. His plan for achieving union, based on the projection of the principle inherent in the Reciprocal Trade Agreement Program, is flexible. Such a plan does not "depend upon political unification of the world or upon the prevalence of a single form of political organization. Nor does it depend upon world economic unification." Mr. Mallery examines the problems connected with banking facilities, labor standards, raw materials, colonial administration, and international cartels. Brief descriptions of typical plans for post-war world peace are given in a closing chapter.

A somewhat more detailed survey of current suggestions and possibilities is given by Arthur C. Millspaugh in *Peace Plans and American Choices*.⁴ Thir-

1. *Economic Consequences of the Second World War*, by Lewis L. Lorwin. New York: Random House. 510 pp. \$3.00.

2. *Agenda for a Post-War World*, by J. B. Condliffe. New York: Norton. 232 pp. \$2.50.

3. *Economic Union and Durable Peace*, by Otto Tod Mallery. New York: Harper. 183 pp. \$2.00.

4. *Peace Plans and American Choices*, by Arthur C. Millspaugh. Washington: Brookings Institution. 107 pp. \$1.00.

teen concrete plans are condensed, and the arguments for and against presented. Three of these proposals are based on the idea that the United States will adopt a policy of independent action combined with an international outlook. Four deal with limited partnerships or unions, four with regional federations, one with a revival of the League of Nations, and one with a stronger type of international association.

The literature on Reconstruction for Canada is still rather scanty though a number of valuable articles have appeared in periodicals and pamphlet series. This journal has devoted the whole of its winter 1943 issue to the problem. Similar in character is a collection of addresses delivered at the University of Toronto in 1942 and published by the University of Toronto Press under the title *Canadian Post-War Organization*. It contains articles on the use of natural resources, housing, social services and democracy.

A business man's contribution to the literature on Canadian reconstruction is *The Common Problem* by William R. Yendall.⁵ It deals with a dozen of the most contentious issues of Canadian life, giving facts and figures as well as making suggestions for improvement. The main chapters are: The Distribution of Wealth—Capital and Capitalists—Profits—Machinery and Unemployment—Crises and Depressions—Tariffs—Money—Employer and Employee Relations—Post-War Adjustments.

To return to the international field: *Conditions of Peace*,⁷ by Edward Hallett Carr, is one of the most stimulating books which has come out of this war period. The author, professor of international politics at University College of Wales in Britain, was First Secretary of the British Foreign Office from 1933 to 1936. He believes, as others do, that we are in a world revolution, but he does

not believe that it is new. Our failure to recognize the last war as a revolution, and to act upon that fact, led to the present one. International peace, he says, cannot be achieved without facing the fact that the old world is dead and that any attempt to restore it is futile and disastrous. Mr. Carr points out the numerous policy changes which must be effected during the war and outlines a provisional program of post-war policy, taking up such questions as the procedures of peace making, the European unit, relief and transport, reconstruction and public works, production, trade, finance, and a European Planning Authority.

Early in 1942, *Post-War Worlds*,⁸ by Percy E. Corbett, Professor of International Law at McGill University, was published as part of the Inquiry Series of the Institute of Pacific Relations. In this book the inter-war structure and policy of the League of Nations and similar agencies were carefully examined to discover which policies led to failure and which to actual achievements. Attention was given to various new plans for post-war organization and schemes for regional organization. Revisions have now been made and a postscript added to the original edition. The new edition not only analyzes the numerous plans for post-war political and economic reconstruction, but sifts the best features of each, followed by Mr. Corbett's own plan for coordinating these proposals. A particularly useful feature of this study is the relating of Far Eastern problems to those of Europe, America, and the Soviet Union.

One of the angriest books, and a very readable one, is that by Michael Straight,⁹ published shortly before he entered the U. S. Air Corps as a cadet. The author's economic training and experience as a professional writer and editor, has enabled him to express, clearly and forcefully, his hopes for a world desired also by many

5. C. A. Ashley, Editor *Canadian Post-War Organization*. University of Toronto Press. \$1.00.

6. William R. Yendall, *The Common Problem*. The Ryerson Press, Toronto. \$2.00.

7. *Conditions of Peace*, by Edward Hallett Carr. New York: Macmillan. 282 pp. \$2.50.

8. *Post-War Worlds*, by Percy E. Corbett. I.P.R. Inquiry Series. New York: International Secretariat, Institute of Pacific Relations; and Toronto: Farrar and Rinehart. 1943. 233 pp. \$2.00.

9. *Make This the Last War*, by Michael Straight. New York: Harcourt, Brace. 417 pp. \$3.00.

less articulate young men as they start out to war. The theme of "Make This The Last War" is that victory will only come with the attainment of world unity. "The issue is no longer the old world or the new in victory; it is the new world or defeat." Those who do the fighting and dying must know whether the new world is worth the cost of victory. Those who stay behind must also decide whether victory is worth the cost of a new world. Mr. Straight sets forth his convictions on the deep-seated origins of this war, the weaknesses in our war effort, and the requirements for a new world, describing existing international policies and machinery and those which must be established. While he places the responsibility for achievement of world unity squarely on the doorstep of the stronger nations, he emphasizes that each individual must accept his duty to see that his community, his nation, and, finally, the world is run the way it should be.

Similarly, John MacCormac in *This Time For Keeps*¹⁰ says that we are fighting for something better than the status quo.

10. *This Time for Keeps*, by John MacCormac. New York: Viking. 196 pp. \$2.00.

The world revolution is directed toward the full use of the world's resources and a wider opportunity for the common man. And again the revolutionary nature of the war is emphasized by J. Donald Kingsley and David W. Petegorsky, authors of *Strategy for Democracy*.¹¹ Our traditional patterns of human relationships and social institutions are rapidly changing, and the democracies must develop new progressive policies and carry them out during the war if victory over fascism is to be worth striving for.

Hiram Motherwell, in a well-organized, readable book, *The Peace We Fight For*,¹² divides his proposals into two inter-related sections. The first deals with the problems of physical survival and of political stability immediately after the armistice. The second considers the longer-range difficulties involved in the use of force by a super-national power, control of armaments, international government, and measures of over-all security.

11. *Strategy for Democracy*, by J. Donald Kingsley and David W. Petegorsky. New York: Longmans-Green. 342 pp. \$3.00.

12. *The Peace We Fight For*, by Hiram Motherwell. New York: Harper. 281 pp. \$3.00.

Trends in Provincial-Municipal Supervision

By ALAN VAN EVERY

IF a map of Canada is spread out and glanced at while this article is being read, even although the map does not show the number and location of the many Canadian communities designated as "municipalities", the geographic reason for the importance of those local units in the scheme of Canadian government will be apparent.

Yet, listen in while a municipal councillor of Fort William telephones over the long distance to Toronto for advice from

the Ontario Department of Municipal Affairs in respect of the management of lands bought by the city at tax sales; or follow the discussion at an annual provincial convention of county road engineers organized by the Department of Highways; or read a letter from an official of a rural municipality in northern Saskatchewan to a provincial inspector at Regina inquiring about the inspector's annual report on the accounts of the municipality. It will be equally apparent that the legislatures have not restricted their activities relating to local government to making grants of power, imposing duties,

EDITOR'S NOTE: Mr. Van Every, a Barrister practising his profession in Toronto, was for a number of years a member of the Ontario Municipal Board and Solicitor to the Ontario Departments of Municipal Affairs and Health.

or denying power to local governments. In every Province the provincial government is assisting and controlling the municipal councils and boards not only by making provincial "laws in relation to municipal institutions within the Province", as provided by the British North America Act of 1867, but also by exercising administrative supervision through the agency of provincial departments, boards and commissions.

In the study of the subject "Municipal Finance in Canada" prepared in 1939 by Mr. H. Carl Goldenberg for the Sirois-Rowell Commission on Dominion-Provincial Relations it is explained that Canadian "municipalities are instruments of local self-government, rather than units in the administrative organization of the provincial government" and that any "subordination of the municipalities to a provincial administrative body is largely a modern development." This tendency toward supervision and coordination of municipal activities by provincially appointed bodies began with the grandiose schemes of development and hectic expansion in the West prior to the (last) War. It was accelerated during the depression of the 'thirties as the provincial governments came to the aid of municipal authorities by setting up provincial administrative machinery for the reconstruction of the financial structures of municipalities whose debenture payments were or were about to be in default, for the supervision of those municipalities and for the general improvement of the standards of local government in every municipality. The provincial governments began as well to gather and study municipal statistics, to arrange courses of instruction for municipal councillors and officials and to advise municipal councils and officials as to the best methods of accounting, budgeting and collecting taxes.

The degree to which this tendency has been carried varies from province to province. However, some general idea of its extent may be gathered by reviewing briefly the activities of the principal provincial agencies which have or

may exercise authority over municipal governments in Ontario.

1. The Lieutenant-Governor in Council

The statutes of the Province empower the Executive Council of the Provincial Government to exercise a discretionary control over a few municipal matters. New townships in unorganized territory, that is territory having no county organization, may be annexed by proclamation by the Lieutenant-Governor in Council to any adjacent county (under section 26 of The Municipal Act). The Minister of Municipal Affairs may take steps to have municipalities amalgamated only when so authorized by the Lieutenant-Governor in Council (under section 23 (7) of The Municipal Act). The appointment and dismissal of gaolers must have the approval of the Lieutenant-Governor in Council (under section 388 of The Municipal Act). The amount of the provincial subsidy to be paid to all municipalities is annually determined by the Lieutenant-Governor in Council (under The Municipal Subsidy Act). The municipal closing of an allowance for road that was reserved in the original survey and that runs along or leads to the edge of any river, stream or lake does not take effect until it has been approved by the Lieutenant-Governor in Council (under section 495 (3) of the Municipal Act). Municipal gas franchises require in certain circumstances the approval of the Lieutenant-Governor in Council (under section 8 of the Municipal Franchises Act). A county by-law to establish a metropolitan school area in a suburban district that adjoins a city of 100,000 or more population must have the approval of the Lieutenant-Governor in Council (under section 19 (1) of The Public Schools Act.)

The activities mentioned in most of these instances appear to have more than local significance. The structure of municipalities, the administration of justice, the preservation of the right of public access to inland waters, and a departure from the usual type of school organization,

are obviously within the scope of provincial policy.

Actually, since such situations seldom occur, the Lieutenant-Governor in Council is rarely called upon to exercise this discretionary control.

2. The Department of Municipal Affairs

This Department of the provincial administration has fewer employees than any other, having only 12 male and 17 female employees, including the staff of the Ontario Municipal Board. Nevertheless, the field of activity of this Department takes in so much, and the demands made on the Department are so unceasing, that it is one of the busiest branches of the provincial administration.

Although many municipalities that formerly were closely supervised and directed by the Department because of financial troubles that arose during the 'thirties are now steering their own courses again, the Department still has charge of the affairs of 13. It also gives advice at the beck and call of the other 927 municipalities of the Province.

Frequently the advice can be given by mail or telephone, but often a representative from the Department must visit the municipality and talk to the Council and the officials, explaining effective ways of collecting taxes, of keeping accounts or of financing, or pointing out the benefits to be gained by improving administrative methods and bringing local laws up-to-date. The advice of Departmental officials is most frequently sought in the solution of budgeting and financial problems. This contact with a variety of problems from many municipalities gives the Departmental officials a valuable fund of experience, and enables them to suggest to the Minister of Municipal Affairs, and so to the Legislature, desirable amendments to the many statutes that are the legal blue-prints for municipal government.

The Department also collects and studies statistical information from the municipalities and publishes an annual statistical report in which can be seen the trend of municipal debt, assessment and tax col-

lection; this report is of special value to investors.

Every municipal auditor must hold a license of qualification from the Department. This requirement, which was introduced in the year 1941, is raising the standards of municipal accounting and auditing, and providing the municipalities with better protection against losses that occur by reason of dishonest or incompetent employees.

Courses in municipal administration are conducted from time to time by the Department at convenient places throughout the Province and are always well attended. Model estimates, accounts, by-laws and forms are distributed and discussed at these courses. A course may last for two days or for a week. Usually the lectures are afterwards printed and distributed for a nominal charge.

The Departmental officials, most of whom have had previous municipal experience, are seen at all meetings of the associations of municipal officials and keep in close touch with the foremost international municipal associations. An association of the municipal assessors in the Province has recently been organized by the officials of the Department.

3. The Ontario Municipal Board

This provincially appointed tribunal of 3 members was originally known as the Ontario Railway and Municipal Board when created in the year 1906. Its present members are a lawyer of long experience in municipal office, a civil engineer who was formerly a municipal official, and the Deputy Minister of Municipal Affairs.

The functions of this Board, which have several times in recent years been examined and approved by the Privy Council in cases in which the powers of the Board were questioned, are similar to those of the Boards of Commissioners of Public Utilities of the Maritime Provinces, the Municipal and Public Utility Board of Manitoba, the Local Government Board of Saskatchewan, the Board of Public Utility Commissioners of Alberta and the

Public Utilities Commission of British Columbia.

Many municipal projects must be submitted to this Board for approval. All borrowing upon the security of debentures, and the projects for which the borrowing is required, must be approved by the Board. Furthermore, the Board's approval must be obtained before a municipality can borrow upon a promissory note for current purposes more than 70% of the total amount of estimated revenues for the year, before a municipality can grant a fixed assessment to a manufacturing business, and before property or building restrictions can be imposed or amended by municipal by-law.

The Board also has jurisdiction over the incorporation of new municipalities, municipal annexations and amalgamations, public utility disputes and the registration of plans of survey and subdivision of land. The Board sits as a final court of appeal to hear assessment complaints where large amounts are in question. Since it is a fact-finding body, an appeal from its decision may be taken to the courts on a question of jurisdiction or of law.

The Board holds its public hearings in the municipalities and, where application is made for approval of a change in property restrictions, usually visits the locality in question. Ratepayers have an opportunity at these hearings to object to any municipal measure that comes before the Board for its final approval. For example, when the council of a suburban municipality, without notice to the ratepayers affected, amended restrictions to permit the construction of a commercial, outdoor roller-skating rink in a residential valley, the ratepayers appeared in large numbers at the hearing when the amendment recently came before this Board and persuaded the Board not to give the required approval.

Representatives of applicant municipalities frequently consult the Board informally for guidance before making a formal application.

4. The Department of Health

This Department carries on an active programme of public health improvement through local boards and medical officers of health. Both the appointment and dismissal of a medical officer of health requires the approval of the Minister of Health. The qualifications of municipal sanitary inspectors are prescribed by this Department.

In exercising general oversight over municipal health administration the Department may require local authorities to take prompt steps to prevent the spread of disease, and to provide water and sewerage services in certain circumstances. Cemetery administration is supervised by this Department. Municipal by-laws for the regulation and licensing of barber and hairdressing shops, and for the establishment of or any change in a waterworks or sewerage system, must be approved by this Department.

5. The Department of Education

This Department supervises the system of public education carried on by local school boards with the assistance of annual provincial grants. Supervision is exercised by provincial inspectors not only over the courses and standards of instruction, but also over school buildings and equipment.

6. The Department of Highways

Although jurisdiction over all public highways other than provincial or "King's Highways" is vested in the municipalities, this Department keeps up the standard of highways by supervising all rural highway construction and maintenance, and by contributing towards payment of a large proportion of the cost. By-laws appointing local road superintendents require the approval of the Minister of Highways. A municipality cannot close or divert any highway which gives access to the King's Highway without the consent of the Lieutenant-Governor in Council upon the report of the Minister of Highways.

7. The Hydro-Electric Power Commission

Almost all the hydro-electric power distributed in Ontario is produced by this Commission. The power is distributed direct to rural consumers, and to other consumers through municipal public utility commissions which the provincial commission closely supervises. The credit for the growth and economies of this system is shared by both the provincial Commission and the participating municipalities.

In the other provinces, provincial agencies of a like nature have or may exercise similar powers over municipal governments. All the Provinces, except Prince Edward Island, have special administrative departments entrusted with the supervision of municipal affairs. The first department of Municipal Affairs was established in Alberta as early as 1911. The Ontario department came into being in 1935. In addition, certain of the provinces have a municipal or local government board or tribunal. Each of the Prairie Provinces has an assessment commission, and each of the Maritime and western provinces has a board of commissioners of public utilities.

Generally speaking, the chief ground for criticism of these various agencies is their lack of coordination. This is particularly true of Ontario where, it is sub-

mitted, they do not sufficiently consult each other. One department recommends to municipalities the setting aside of a fund to provide for future replacement of equipment; another department advises that to be an unsound practice and contrary to law. Sometimes there is rivalry and jealousy between the provincial agencies. Because some of these agencies carry on their work without consultation with the others, their recorded information about the municipalities is not pooled and made mutually available as it should be.

Municipal criticism of provincial oversight is seldom heard. The members of local bodies change so frequently and municipal officials receive so little remuneration and encouragement, that they are eager and grateful for provincial guidance. The methods of most provincial officials who deal with municipal matters are to suggest, to advise and to persuade, in such a way that responsibility for local decisions remains in the municipality.

If the improvements in municipal administration that are being produced by this enlarged provincial oversight of Canadian municipalities are accompanied by increasing interest and competence on the part of the citizens who participate in that administration, democratic government in Canada is thereby gaining in effectiveness.

Manpower Mobilization in Canada and the United States

By JOHN J. CORSON

AS the war lengthens additional manpower must be found in Canada as in the United States. In each country that manpower must be squeezed out of

a steadily dwindling reserve. Yet, the needs of the armed forces, of industry and of agriculture must be met in each country. Winning the war requires that. It requires the replacement of all the young, able-bodied workers which are withdrawn from industry and agriculture for service in the armed forces. It requires

EDITOR'S NOTE: John J. Corson, now Director of the Bureau of Old-Age and Survivors' Insurance in the Social Security Board, Washington, was formerly head of the U. S. Employment Service. His recent book *Manpower for Victory* is reviewed in the Bookshelf.

the supply of the additional manpower that is needed by expanding industries and by more intensive agricultural production.

In both countries the reserve from which this additional manpower is to be drawn consists of the same component parts—if markedly different in size. The component parts are four in number: (1) the women, young people, older people and physically handicapped who are not yet in the labor force; (2) the men and women who remain unemployed, including the Negroes and aliens and others whose labor has, as yet, been wholly or partially unused; (3) the men and women who are working in industries not essential to the war effort; and (4) the workers already employed on war work or in essential civilian industry whose labor can be used more effectively.

In the United States it is estimated that there will be 63.2 million men and women in the labor force—military and civilian—in July, 1943. Between the date when war was thrust upon us at Pearl Harbor and July, 1943, the labor force in the United States has been expanded from 56.1 million to this estimated total of 63.2 million in July, 1943. But the end is not yet! Between July, 1943, and July, 1944, it is now estimated that this labor force must be increased by an additional 1.2 million men and women.

This addition to our labor force must be drawn from reserves already becoming depleted. A total of 2.4 men must be inducted into the armed forces. In addition to this military requirement, our munitions industries must expand from 10 million in July, 1943, to 11.3 million in July, 1944, an increase of 1.3 million workers. From the total of those needed for military purposes and for industries, i.e., 3.7 million, there may be deducted the total of 2.5 million workers representing the workers expected to be drawn from civilian activities by rationing, shortages of raw materials and the general shrinkage of all civilian activities. The balance, 1.2 million men and women,

can come only from the first two component parts of the remaining reserve.

In Canada it is estimated that during the year ending March 31, 1944, 160,000 additional workers must be added to the armed services, agriculture and war production.¹ This number represents very nearly the equivalent, in proportionate numbers, to the 1.2 million workers to be added to the labor force in the United States. And in Canada, as in the United States, the additional number of workers required to meet war schedules during the next twelve months is to be added to a total labor force—in the armed forces, war production and agriculture—vastly expanded since 1939.

The additional numbers required in Canada, it is estimated will come from the component parts of the manpower reserve in approximately the following proportions. Approximately 130,000 workers will be obtained through the employment of more women and from the young men (of less than military age) and young women who are entering the labor market for the first time. The balance of this net increase will come from the further curtailment of civilian industries and the replacement of male workers in these industries by women, and particularly the im-mobile women who do not readily move from their home city.

Difficulties Ahead

Obtaining the additional workers needed during the next twelve months will constitute a more difficult task than the obtaining of even larger numbers during the past twelve months. There are five reasons why this is true.

First, schedules for the induction of men into the armed forces will cut even more deeply than in the past into the working force in industry and agriculture. Only the most effective manpower management will insure that these induc-

(1) McNamara, Arthur, *Administering Manpower in Canada*, Proceedings of the Academy of Political Science, Vol. XX, No. 3. May, 1943, pp. 269-70.

The Administration of Manpower Mobilization

Administrative Problem	Great Britain	Canada	United States
Of the total manpower the volume to be allocated to the armed forces, to industry, and to agriculture is determined by:	The War Cabinet of which the Minister of Labor is a member	Manpower Committee of the Cabinet of which the Minister of Labor is a member	Secretaries of War and Navy after consultation with the Chairman of the War Manpower Commission determine manpower required for the armed forces. The War Production Board determines the manpower requirements of war industries through its production schedules.
After over-all determinations as to the numbers to be allocated to each, what agency, (a) "calls up" those to be inducted into the army? (b) recruits those to be employed in industry or agriculture? (Induction and recruitment activities centralized in a single agency in the three countries.)	District Manpower Board Employment Exchange	National War Services Boards Local employment offices now known as Selective Service offices	Local Selective Service boards. Local public employment offices.
To what agency may the individual appeal from a determination that:	(1) Local Tribunals for conscientious objectors (2) 44 District Manpower Boards for occupational deferment (3) Military Service (Hardship) Committees	Regional National War Services Board	Local Selective Service board.
(a) he is to serve in the armed forces?	Local Appeal Boards set up through local employment committees of employment exchanges	Regional National War Services Board	Area Management Labor Committees (workers may be requested to comply; they are not as yet compelled to obey).
(b) he is to move from one job to another or to remain in a job? In mobilizing the added manpower required for essential industry what agency is responsible for mobilizing each of the available reserves:	Employment Exchanges "call up" registered women and orders who, by law, must serve where needed	Registration does not yet include women who are unemployed or not gainfully employed except for voluntary registration	Local employment offices advertise for, appeal to and seek these workers; simultaneously private employers seek these same workers directly
(a) New entrants into the labor force; i.e., women, young people, older people	Employment Exchange	Local Selective Service office	Local public employment offices
(b) Workers not generally employed; i.e., Negroes, aliens, physically handicapped	With all labor reserves practically exhausted, including the curtailment or elimination of less essential activities these two activities become one	Local Selective Service office	Local public employment offices offer jobs to workers located through occupational questionnaires; their offers are supported by general appeals by local War Manpower Commission Management— Labor Committees
(c) Workers still employed in less essential activities who must be transferred to essential war activities	They are performed by the Labor Supply Inspectors	No organized effort yet established other than encouragement of in-plant training	No organized effort yet established; training within Industry Division and U. S. Employment Service aid employers on breaking down and upgrading workers
(d) Workers employed in essential war activities whose time and efforts are not used at maximum capacity	Ministry of Labor	National Selective Service System	Request by War Manpower Commission
(e) Workers in essential industries who must remain in their jobs regardless of their desire to leave	Determined by collective agreements nationally and locally, except in those industries which have wage boards, e.g. agriculture	National War Labor Board	National War Labor Board
What agency controls wages and salaries which may facilitate or make more difficult the recruitment of workers for particular types of jobs; i.e., "hard" jobs, "duty" jobs, etc.?	Employment Exchange	Local Selective Service office	None
What agency, if any, pays:	Ministry of Labor	Agreements worked out between Dominion and Provincial governments	None
(a) Transportation, and			
(b) Training costs?			

tions do not impair the productive capacity.

Second, the groups who were willing to move into munitions work have, to a large extent, already changed jobs. Shifting the remainder will require more direct efforts to facilitate or even require transfer. More workers will have to move larger distances.

Third, community facilities of many war production centers are already severely strained. Further increases in the working force in these centres will necessitate even more carefully planned expansion of facilities for housing, transportation, medical care and other needs.

Fourth, the required employment increase in war production will not be smooth and even. Some industries or plants will be laying off workers while others will be further expanded. These shifts reflecting the developing pattern of military needs cannot be predicted far in advance. They will require extensive transfer of workers and changes in the entire manpower program for specific communities.

Fifth, the remaining workers to be moved out of civilian industries into war production are in general the least adaptable portion of the labor forces. Extensive training will be necessary to fit them for their new jobs.

There then is the problem. It is the same, or at least a similar problem, in each country. A substantial additional number of workers must be added to an already expanded labor force to meet the demands of waging war. This additional number of workers must be derived from manpower reserves which are already nearing depletion. In each country there are now at work in the armed forces or industry a larger proportion of the total population than has ever previously been employed.

Machinery and Methods

How then is the additional manpower to be obtained? The answer must be in terms of machinery for manpower mobilization and of the methods to be used in mobilizing additional men and women

to serve either in the forces, in industry or on farms. In the accompanying table there is provided a comparative analysis of the job to be done, its relationship (where pertinent) with war production planning, and the governmental machinery established in Great Britain, Canada and the United States to perform each part of the job.²

The methods and machinery this chart depicts are dynamic institutions. They are changing now almost from day to day. Hence, it will doubtless be true that inaccuracies in this chart can now be pointed out. Yet, the cardinal difference that it depicts remains substantial and significant.

The problem of manpower mobilization is, as one writer has indicated, "the result of the essential conflict between democracy and war. It is difficult to have both at the same time."³ The problem focuses on the extent to which each of these three great democratic nations have chosen to use compulsion in the mobilization of men and women when and where they are needed. The policy in the United States has continued to the present to be nominally that no compulsion shall be exercised in the mobilization of men and women for jobs either in industry or in agriculture. In contrast, in Great Britain, and to an increasing degree in Canada, it has been found necessary and desirable to obtain more efficient use of scarce supplies of manpower by resorting to the compulsory assignment of manpower where needed. The British people essentially take the position: "How do I know where I am needed? Who knows but the government whether I should be in an aircraft plant or in a shipyard or in the armed services?" So they authorize their government to tell each citizen where his services should be employed.

From the sidelines the most significant contrast to be noted between the experience in Canada and in the United States

(2) See also *Wage and Manpower Controls in Canada*, by Bryce M. Stewart; Personnel Management Series, No. 59, 1942; American Management Association.

(3) Ogburn, W. F. *The New York Times*, May 9, 1943.

to date in the mobilization of manpower, is the greater use made in Canada of direct compulsion upon employers and employees in mobilizing manpower for industry and agriculture and the lesser or later use made of direct compulsion in mobilizing manpower for the armed forces. In succession, the issuance of the War-time Salaries Order in November, 1941, the establishment of the National Selective Service in March, 1942, the amendment of the National Selective Service Regulations September 1, 1942, and the issuance by the Minister of Labour on April 24 of the orders in council providing the procedure for the compulsory transfer from less essential to more essential employment⁴ have represented the forthright acceptance in Canada of the necessity of governmental direction and control over the role of each citizen in the war effort.⁵ Through employment stabilization agreements

established in most urban centres of war industry similar controls have been exerted, within the limits of these communities, in the United States. They have been obtained, however, through agreement by employers and labor in the area affected. As yet each successive proposal that government in the United States be authorized by legislation comparable to the Canadian National Selective Service Act to see that each citizen serves where needed has been defeated or deferred.

In the post war period comparative appraisal of methods used for manpower mobilization and their relative success in these two democratic countries will offer a significant analysis of democratic processes. Before then, however, it is to be hoped that the experience in each country with manpower mobilization will enable us to cope with the equally difficult tasks of demobilization with less hesitation and uncertainty.

(4) As described in *The Labour Gazette*, Vol. XLIII, Nov. 4, April, 1943, pp. 449-50.

(5) See also *Canadian Regulations for Employment of Civilians*, *Monthly Labour Review*, Vol. 56, No. 4, April, 1943, pp. 673-677.

Ten Years of Tennessee Valley Authority*

By JOSEPH S. RANSMEIER

ONE of the most interesting proposals of the recent "American Beveridge Plan"¹ prepared by the National Resources Planning Board, was for establishment of joint public-private corporations to administer certain businesses in which the federal government will be deeply involved at the close of the war. Another suggestion of the report was for establishment of a number of regional public authorities to deal with the problems of conservation and development of natural resources

within drainage basin areas. In the light of these proposals it may be timely to survey the program of the TVA the nation's first great regional public corporation, which this spring is celebrating its tenth birthday.

The passage of the TVA act by Congress and the signing of this measure by President Roosevelt on May 18, 1933 terminated a legislative debate as to federal policy on the Tennessee River which dated from the conservation struggle at the turn of the century. The controversy had become particularly severe after the first World War had left as a legacy a great half-finished hydroelectric-air nitrate project at Muscle Shoals near Florence, Alabama. Partisans, on the one side, had urged that the government should dispose of this plant to the highest bidder; advocates on the other had urged that the

EDITOR'S NOTE: Jos. S. Ransmeier, Ph.D., holder of a Brookings Fellowship, worked for a year as an interne at the Tennessee Valley Authority in Knoxville. Before enlisting he was for two years at Vanderbilt University, Nashville, Tennessee, an instructor in Economics.

*For information here presented which has not before been published the author is indebted to the kindness of the Tennessee Valley Authority. For a more complete treatment of the same subject see *The Tennessee Valley Authority* by Joseph S. Ransmeier (Nashville: The Vanderbilt Press, 1942)

1. The plan is discussed in an article by Eveline Burns on p. 190

project should be integrated into a comprehensive program for conservation of the land and water resources of the entire Tennessee basin. The long-stalemated issue was finally resolved when President Franklin D. Roosevelt addressed to Congress a message urging establishment of a public corporation to be charged with responsibility for planning the proper conservation and development of the natural resources of the entire Tennessee River drainage basin, and to be broadly empowered to carry these plans into effect. In response to this request Congress adopted an act setting up a new federal corporation to be known as the Tennessee Valley Authority and to be administered by a board of three directors. The new agency was directed, among other things, to develop the Tennessee River for the purposes of navigation, flood control, power generation, national defense, and fertilizer production; to experiment with the manufacture and sale of fertilizer products; to cooperate with other agencies in preventing soil erosion; and to make surveys and plans looking toward the orderly physical, economic, and social development of the Tennessee basin and adjoining territory.

The program which TVA has developed pursuant to the authority of its organic act has been determined, to a great extent, by the nature of the region for which the Authority has been directed to plan. The dominant physical characteristic of this region is the river from which it takes its name. This is formed at Knoxville, Tennessee by the confluence of the French Broad and Holston rivers, which are in turn formed from streams rising on the western slopes of the lower Appalachian Mountains. It flows in a southwesterly direction, westward across Alabama, and then northward across Tennessee and Kentucky to empty into the Ohio River at Paducah. Over its 652 mile course it falls approximately 500 feet. Equivalent and even greater drops occur on shorter distances along some of its major eastern tributaries. Its drainage area, including parts of seven states, is approximately 40,600 square miles. One of the region's

most abundant original resources, timber, has now been heavily depleted, and the predominantly rural population is faced with increasing difficulties in dealing with the tolls of soil erosion. Commercial development of other of the region's resources, including a number of minerals, has only recently been begun.

TVA has epitomized its program by stating that it is designed to broaden democratic economic opportunity for the people of the Valley. This it does by carrying out a wide variety of activities which may be classified under four major headings: soil protection, technical research, stream resource conservation, and the marketing of power. Occupying a key position in the program for soil protection are a large number of test demonstration farms. These are owned by farmers, both within and outside the valley, who have become interested in soil preservation and rebuilding and have agreed to manage their farms in accordance with progressive principles of soil conservation. These principles include terracing, ploughing with the contours, elimination of row crops on sharply sloping ground, and planting of grassy crops and legumes wherever possible. In return for their cooperation, including the opening of their farms to their neighbors and the keeping of careful records, the Authority makes available to these farmers substantial quantities of concentrated phosphoric fertilizer which it produces at the Muscle Shoals plant.

Although the test demonstration farms have been outstandingly successful from a financial point of view, the nature of the prescribed program has made it difficult for many poorer farmers operating smaller units to participate, for this class has traditionally relied upon erosive row crops, such as corn and tobacco, for the bulk of its money income. Here is an evident dilemma; continued cultivation by these farmers along accustomed lines threatens a declining standard of living with eventual soil bankruptcy; but renunciation of traditional practices promises immediate financial ruin. To resolve this dilemma by introducing new

sources of money income to eliminate the long-standing dependence of the small farmer on cash crops, TVA has pursued its program of technical research. While this program is still young, it has already yielded substantial results. Among its accomplishments have been the development of a furrow-seeder to permit the planting of small grains in legume grass on hilly farms, a small thrashing machine for mountain farming, a greatly improved process for quick-freezing of fruits and vegetables, a new process for the curing of sweet potatoes, and an electric hay drier costing less than ten per cent of the cheapest drier previously available. Not only have these and other similar contributions directly benefited the population which has used them, but by releasing the patented processes for manufacture of these devices to local businessmen the Authority has assisted in furthering economic diversification in the region.

While the major purpose of the TVA soil program has been to preserve against water erosion topsoil that would require centuries to rebuild, this program makes a valuable incidental contribution to the Authority's work in stream control. Run-off from grassed lands, detained by foliage and ground debris, is much slower than is run-off from bare fields or fields planted to row crops, and a far greater proportion of precipitation is either returned to the atmosphere by evaporation or is passed down to ground water storage.

The phase of TVA's activities in which the Authority has invested the bulk of its appropriations and which has earned for it an enviable reputation as an efficient and skillful construction organization is the program for stream control. This is carried out by two major classes of projects, the first of which is a series of large storage reservoirs located on the several more important tributaries of the Tennessee River. These reservoirs are operated according to seasonal rule curves, being filled by the high stream flows of the winter and spring rainy season and depleted during summer and fall in order that capacity may be available to catch the following year's floods. Not only does

this method of operation permit control of the river's greatest floods within crests which can be contained by moderate levees at key points, but by spreading the year's stream flow evenly it permits economical power operations. There is also a series of nine dams along the main Tennessee River. Each of these has been constructed so as to provide permanent storage adequate to carry a nine-foot navigable channel to the next project up-stream. In addition, each project provides a limited amount of variable storage that may be operated for power and flood control.*

The chain of artificial lakes along the main Tennessee River will provide perhaps the finest navigation improvement of an inland waterway in the world. The generous dimensions of the river channel and its long straight reaches, the limited number of necessary lockages, and the comparative stability of river elevation are among its unusual advantages. While the project for a slack-water channel along the entire length of the stream is not yet fully complete, increases in river commerce have already been remarkable. Between 1933 and 1941 annual ton miles of river freight increased four-fold. More significant than simply the amount of the increase was the fact that new classes of commodities, which had not before moved by water at all, began to be shipped into and out of the region. Both new and well-established industries throughout the Tennessee Valley are already benefiting from this new and economical highway to the markets of the entire Mississippi Valley and the Great Lakes region.

As water is routed downstream from the great reservoirs on the tributary streams, abundant supplies of hydroelectric power become available. This energy is disposed of by the Authority almost entirely at wholesale to two major classes of customers. The first of these are a limited number of great industrial plants, some

*Particularly important from the flood control standpoint is the Kentucky project which is located only a few miles above the junction of the Tennessee with the Ohio River and which will, upon its completion, provide storage adequate to reduce crests along the Mississippi River by as much as two feet between Cairo and the mouth of the Arkansas River.

of which have been attracted to the Valley during the last decade primarily by the prospect of abundant supplies of secondary power at attractive rates. Because of its interruptible nature, such power is not satisfactory to the Authority's other class of customers which is accorded preferential status by the statute. This is a group of municipally and cooperatively owned distribution agencies that purchase power after transmission and distribute it (subject to certain provisions of supply contracts with TVA) at promotional rates to domestic, commercial and small industrial consumers. Although the level of rates charged by the contractors is substantially below that which was general at the time the rates were promulgated, they have returned revenues adequate to cover all necessary costs, including purchased power, interest, depreciation, amortization and payments in lieu of taxes. The success of these resale rates is a validation of the premises on which they were formulated, viz., that consumption would increase greatly in response to drastic rate reduction, and that costs of power distribution would rise much less rapidly than kilowatt hour sales. Rates charged the contractors by the Authority have also been adequate to cover all costs fairly allocable to the power program including interest, depreciation, and payments in lieu of taxes.

The standard resale rate schedule for sales of energy to domestic customers has been termed the "yardstick" In addition to providing a spread above the purchase prices of power adequate to permit contractors to meet their costs, the yardstick rates are such that an efficient privately owned power company, with a conservative capitalization, could adopt them and still cover all necessary costs involved in serving domestic consumers. It is to the credit of the yardstick that after TVA resale rate schedules were announced there began a period of radical downward revisions of electric rates charged by privately owned power companies located throughout the southeastern United States. Of these companies some that had made almost no rate reductions be-

tween 1924 and 1932 slashed rates by amounts approaching fifty per cent between 1932 and 1940. Despite these drastic revisions in power charges, and the fact that the companies in the same period were obliged to adopt more stringent methods of accounting for depreciation and to pay steadily increasing taxes, no one of six leading southeastern power companies experienced a deficit in net income either during or after the Great Depression.

The orderly and comprehensive program outlined above was conceived to foster economic expansion and to conserve the natural resources of the Tennessee Valley. Today this peace-time orientation temporarily has been laid aside as the Authority has thrown itself into the nation's war-time mobilization. Confronted with a tremendous expansion of war production in the Valley, the agency has brought in new power sources rapidly enough to meet all demands so that no plant has ever been forced to curtail operations for lack of energy. The magnitude of this achievement may be judged by the fact that at the peak of its expansion program the Authority had under construction a great steam generating station and twelve major hydro projects requiring, in the aggregate, material equivalent to eight Boulder Dams. Three-quarters of the agency's annual power output of nearly ten billion kilowatt hours is now employed in war production of such essential commodities as aluminum, chemicals, airplanes and parts, shells and explosives, and military clothing. The old Muscle Shoals nitrate plants which the Authority had converted to produce triple super phosphate fertilizers, have been modernized and expanded. On a restricted scale fertilizers are still being manufactured to make their contribution toward easing food problems of the United Nations. But in addition the plants are now producing elemental phosphate for smoke screens, incendiary bombs and tracer bullets, and calcium carbide for synthetic rubber. The Tennessee River has become a military highway. In addition to bulk foods and raw ma-

Industrial Relations and Social Security

Canadian Women in War Industry

By RENEE MORIN

THE war has revolutionized our way of living, and in Canada this applies especially when speaking of women. Whereas, at the outbreak of war, only 144,000 women were engaged in factories and industrial work, out of a total female population of 5,750,000, of whom 2,450,000 were between 18 and 45 years of age, approximately 255,000 are now engaged either directly or indirectly in war work—not counting those employed in non-essential industries. It is not surprising, therefore, to hear such phrases as “problems of women in industry” or to learn that the Dominion Government has seen fit to organize a special division in the National Selective Service to deal particularly with the welfare of workers with special attention to the adaptation of women to their new surroundings and responsibilities.

These women have either given up a leisurely life or left their former occupation to accept a more vital one making airplanes, ammunitions or other supplies for the armed forces. They have entered war industry voluntarily, some of them with a conscious desire for contributing towards the war effort, others attracted by higher wages. No revolution of this type is experienced without considerable psychological disturbances, which are especially difficult for the woman who, for the first time, is employed in a gainful occupation and makes her first acquaintance with industry. Uprooted from her milieu, her family and very often her community, she is more or less of a problem to herself and no doubt to her employer until she has learned to become a member of the labour class and has

acquired a sense of solidarity with her fellow workers.

The necessary adaptation to the new milieu may be delayed or activated by various circumstances. And, although both by tradition and by the Constitution, welfare is the responsibility of the provinces, the federal Department of Labour has found it necessary to assume some responsibility not only from a humanitarian standpoint but also in the interests of labour supply and production. It is still necessary, however, for the Dominion and the provinces to cooperate in order that the quality and scope of such welfare may be adequate and efficiently maintained.

In order to appreciate more fully the actual situation, special surveys have been conducted in a number of war plants in Quebec and Ontario and the opinions of various managerial heads have been collected. The information obtained is most instructive.

Many companies when first entering into operation and having to deliver a tremendous amount of goods, followed the British policy after Dunkirk of 10 or 12 hour shifts, twice a day, 7 days a week, and they arrived at the same results attained in England after some months under that system: more absenteeism and a drop in production due to fatigue. While the saturation point of fatigue varies considerably according to jobs, workers, and working conditions, the present tendency is toward the adoption in war plants of the 48 hour week and the 3 shift system. The 9 hour shift is still prevalent, however, where the two shift system is maintained and small town plants, employing local labour, usually have a one day shift with longer hours.

Proper working conditions is another very important factor in the well being of the workers. In this respect, moral

EDITOR'S NOTE: Miss Morin is on the staff of the Women's Division of National Selective Service.

as well as physical comfort must be considered. Here again the cooperation of the individual employer has also to be obtained before any worthwhile results can be secured. For, although minimum standards are set by provincial labour laws, employers are depended upon to bring whatever improvements they see fit that will increase production and maintain the labor force in good health and spirit. Not infrequently, working conditions, in the plants surveyed, were found to be far above the provincial standards and management appeared to be fully conscious of their responsibilities both from the national and individual points of view.

Good light and ventilation in shops, rest pauses, reasonable free time and good facilities for meals, health services, rest rooms for women and so on are not only greatly appreciated by employees, but would seem to be indispensable for adequate protection. The rest pauses are becoming more and more common: usually a ten minute break twice a day is allowed and the worker is permitted to leave her bench or machine during that time. In one plant, where the work being done by women is repetitive and very monotonous, the management felt that more breaks were needed and a few minutes of physical exercise are provided every hour besides the rest period.

The amount of food and the kind of food the worker eats greatly affects her working capacity and, therefore, many war plants have found it advisable, as well as necessary, to provide eating facilities for their workers, both male and female. These facilities may vary according to working schedules, neighbouring facilities and community habits. The management usually sees that these facilities are adequate and that prices are reasonable. For instance, one very large plant in the province of Quebec has succeeded in giving a full course hot meal for 15 cents. No employee may be tempted to go without it to save money since this sum is retained from his or her

wages. It is a plain but wholesome meal and is no doubt more energy producing than the lunch box snack.

The state of the female worker's health is to be considered also as an influencing factor in her placement, especially in work involving physical strength or work liable to produce occupational diseases. Obviously, the stability of a working force is very often the result of good placement which is, in itself, a benefit to be derived in part from a proper health examination. Each of the plants visited during the surveys had its own hospital or first aid station with nurses and doctors attending full time or part time according to the size of the establishment. Very satisfactory results were observed.

Safety uniforms are, of course, essential to safe working. Surprising as it may seem, sometimes a girl will not work in a certain plant because she does not like the uniform! The choice of women's uniforms is therefore a matter which should be given some attention. Uniforms that are smart looking as well as safe contribute very much to the contentment of workers.

Recreation is another important aspect of industrial welfare to which the Federal Government has given a good deal of consideration. Tired workers, workers who have no outlet beyond their job, are not productive of the best type of work, nor can they continue in a high state of efficiency over a long period of time. Some form of recreation is essential for us all. In many districts where workers have been moved closer to their work, entertainment and recreation has not always been available. Many managements have shown their understanding of this problem by building recreation halls, courts, and even employing recreational leaders whose job is to stir the workers into organizing their own clubs and teams rather than doing the planning for them. But much remains to be done. Recently, however, the Minister of Labour convened an Advisory Conference on Recreation and

the government has granted a provisional sum of \$40,000 for the expansion of recreational facilities to meet war-time needs. The policy of promotion has not yet been definitely formulated but it will be pushed forward as rapidly as possible.

Turning to the function of women in industry, it has been found in many instances, that women are more satisfactory than men on certain jobs, such as those requiring manual dexterity, minute and precise work. Women have proven to be good machine operators and with training are quite able to set their own machines. The bulk of female employees in war plants, however, is employed on semi-skilled jobs, such as assembly work, which require little training and no special mechanical ability. Women are more patient and more able to give a sustained effort than men in repetitive work which seems to be particularly suitable for them as it usually requires very little physical strength. In the future, it may be anticipated that a greater number of women will take advantage of the technical training facilities provided under the Dominion-Provincial War Emergency Training Program.

One consequence of the unparalleled expansion of industry has been the necessity of resorting to labour transfers. In the case of women, these transfers are arranged through the employment offices of the National Selective Service, and are surrounded with the greatest possible guarantee of moral protection. Before leaving their home towns, employees-to-be are required to undergo a medical examination to determine their physical fitness. An escort is provided during the

transfer whose duty it is to conduct the girls safely to their new employer and to the rooms and quarters retained in advance for them.

With a view to the establishment of a sound industrial policy, many companies have found it indispensable to add at least one woman to their personnel department. The simple reason is that maximum production is not possible without good human relations in the industry. Managers recognize the fact that a woman, well qualified for the position, is more apt to understand the reactions of other women and find suitable solutions to their problems. She is usually responsible for the welfare of all women employed in the plant and, in addition, assists the personnel manager in all other matters where female workers are concerned. This development is regarded very favourably by the Department of Labour and in order to facilitate the appointment of properly qualified persons, the Welfare Division of the National Selective Service has organized, in conjunction with the Dominion-Provincial War Emergency Training Program, a short special course for women supervisors.

A final word must be said about absenteeism. It is to be remembered that many women are doing two jobs and no one can expect them to discharge their heavier responsibilities without a flaw. Fortunately, this has been recognized by many managers—as one manager expressed it recently: “as long as we have to depend on mothers or women with heavy house-keeping responsibilities to do industrial work, absenteeism will be higher among women workers than among men.”

The Maritime Conference on Industrial Relations in Saint John

By AIDA B. McANN

WE all (capital, labor and management) have the same interest: *we want the mill to run.* Any differences we may have are concerned with method only," stated Professor F. A. Magoun of the Massachusetts Institute of Technology, in opening his address to the Maritime Conference on Industrial Relations, held June 25 last, in the Admiral Beatty Hotel, Saint John, N.B.

Differences in method for making the mill run, as suggested by the various speakers and many members participating in the discussions, proved surprisingly slight. There was unanimous recognition of the need for greatly increased co-operation between management and labor, as well as a real desire to make business justify its existence not only as a profit-making enterprise, but as a means for the satisfaction of human needs. E. D. Hildebrand, Assistant Vice-President of the Bell Telephone Company of Canada, Montreal, emphasized this desire when he urged the adoption by every industry of a clear-cut statement of policy (backed by action) which would satisfactorily answer the question in the mind of every intelligent employee: "What is this Company in business for—to make as much money as possible—or to give its workers and the public a fair deal?"

Planned by the Maritime Bureau of Industrial Relations under the direction of Dr. L. Richter of Dalhousie University, the Conference program was comprehensive, practical and inspiring. Local arrangements were in charge of Mr. T. C. Macnabb, General Superintendent of the Canadian Pacific Railway, Saint John, who extended a welcome and

provided a hospitality worthy of the best traditions of the old Loyalist City to those participating in the first such Conference to be held in New Brunswick.

The first speaker, R. P. Jellett of Montreal, President of the Canadian Chamber of Commerce, had as his topic "The Canadian Economy in the Fourth Year of the War". Comparing Canada to a vast business enterprise which he termed "The Dominion of Canada Unlimited," Mr. Jellett said that though debts had doubled since the war began, there were assets to offset this increased liability. These he enumerated as (1) a vast increase in productive capacity; (2) a tremendous advance in industrial techniques and in the skills of workers, (3) a better balance between industry and agriculture; (4) a broader and deeper sense of individual responsibility as the sale of Victory Bonds puts Canada more and more on a "customer-owned" basis; and (5) the enthusiasm and cooperation of management and labour without which neither the industrial expansion, nor the transformation of the economy from a peace-time to a war-time basis would have been possible. Already during this war, Canada has doubled its capacity to produce, and in order to insure post-war prosperity, normal business should be twice what it was in 1939. The task, he said, is two-fold: to avoid mass unemployment, and to raise Canadian standards of living. The real challenge, he said, is the means by which this two-fold goal is to be achieved because Canada has both the productive capacity and the resources to maintain full employment. Encouraging a "continuance of some measure of Government expenditure of the public works variety" during the transition from war to peace, Mr. Jellett advocated the establishment of a proper balance between government and private enterprise; a taxation plan favorable to business efficiency; fair international trade agreements; exchange stability, and some workable international currency plan.

Though crediting the government with

EDITOR'S NOTE: Aida B. McAnn, M.A. (Columbia), is a well known writer on Maritime Affairs.

A comprehensive report giving the text of all the papers delivered at the Conference is being issued as a special bulletin of the Maritime Bureau of Industrial Relations. Copies may be obtained on request from the Office of the Secretary of the Bureau in Halifax.

a good war finance program, Mr. Jellett pointed out that the danger of inflation was ever present. He characterized government functions in the wartime economy as "necessary but negative, largely those of prohibition, restriction and control." He felt that private enterprise had been largely responsible for "the developments in production that have been such an impressive part of our war effort"; and that in the post-war era individual initiative would continue to furnish the "dynamic positive developments in production which provide the only real basis for enduring prosperity"

Interesting statistics quoted by Mr. Jellett in the course of his address included the fact that Canada is now the third largest trading nation in the world; that the cost of living in this war has so far risen only 16.2% as compared with a rise of 44.4% in the same length of time during the last war; that more than 50% of all goods produced are now used for war purposes as compared with 10% in the last war; and that retail sales in Canada have risen 62% since August, 1939, as compared with a 48% rise in the United States.

Commenting on social security plans currently mooted, Mr. Jellett maintained that in a country like Canada social security could be adequately supported only by increased production and reduced costs. "The government does not pay the cost of social security," he said, "nor does the employer. All the costs come right on the goods!" Consequently, in view of Canada's dependence on international trade, he felt that there might be definite limitations on "the relative degree of legislative social security" that could be undertaken.

The next speaker, Professor F. A. Magoun of Massachusetts Institute of Technology, attacked the problem of improving industrial relations, not from the standpoint of economics, but from his extensive knowledge of how the human machine works. Whatever the problem presented, he suggested that the proper question for the employer to ask himself is "What must I do to *myself*?" Re-

lations between human beings, he pointed out, are extremely delicate, "and it is impossible to hide from those with whom you deal what is in your own heart." Much of the unrest in the past has been caused because labor has been treated as a commodity, whereas every employee should be made to feel himself an integral part of his firm. Proper working conditions are important, of course, but 'morale is to material as ten is to one'. Labor asks for higher wages and shorter hours but actually these are not all labor wants. Every human being has certain basic physical and psychological needs, and unless these are met, no human machine functions properly. Basic physical needs are for air, liquid, food, sleep and shelter; basic psychological desires are for security, recognition, self-expression and new experiences. In commenting on the need for security, Professor Magoun remarked: "The only real security you can ever know is your own belief in yourself—your belief in your own ability to make new adjustments." How workers react when the basic need for recognition itself is satisfied, he illustrated by a recent experiment carried out by the Institute of Human Relations at Yale University. In plants where the Institute conducted studies on the causes of strikes, there were no strikes; in plants where such studies were begun late, the strikes were cut in half; and in plants where no studies were made strikes continued as usual. In each case the workers wanted and needed "recognition"

In each one of us, Professor Magoun explained, there is a continuous civil war between our desires and our sense of right and wrong. Only by wise discrimination can we "manage" ourselves and so achieve a calm, integrated personality. Succumbing to desire, or totally resisting it, are not solutions. Intelligent compromise is the only answer. This same kind of conflict also affects all human relations and enters into the problems of labor and management.

Though still far from perfect, man has come a long way. If we compressed the past into a fifty-year period, at the end of

the first forty-nine years we would find man still living a jungle existence; only in the last year has he progressed beyond the cave-man stage. "Business," Professor Magoun stated, "is still a refined form of warfare". Our problem is to devise first for the community, then for the nations, the same co-operative way of life we now enjoy in the family.

Good human relations in industry, Professor Magoun explained, are not possible unless both management and labour determine to deal with one another in good faith and exhibit a will to agree. Each must be prepared to understand the other person's point of view; each must determine by frank and honest discrimination the reasonableness of his own views.

At the Luncheon meeting, Mr. P. C. Armstrong, Special Representative of the Canadian Pacific Railway, Montreal, discussed "Prices and Wages". The relation between prices, wages and full employment was, he said, a very delicate one which could not be determined by government edict if we were to avoid the totalitarian form of government against which we now fight. Mr. Armstrong maintained that in peacetime the ratio between prices and wages should be worked out by "the intelligent co-operation of employers and workers" without interference from government. "Full employment and national prosperity must now depend on greater mutual confidence and closer contact between the employer and the employed accompanied by a complete realization that the consumer is a very necessary third party." He pointed out that we have now learned that all talk of over-production of food is sheer nonsense. Canadians alone, if properly nourished, would eat almost all that Canadian agriculture produced on the pre-war basis. He also stressed the necessity for raising the farmers' standard of living. Canada's large debt was not alarming, he stated, because of our great natural resources and our ability to support a much larger population, provided we return to a sane, budget-balancing economy when the war is won. Mr. Armstrong said in conclu-

sion: "In view of the great natural resources of this country, probably we have a better chance than is given to almost any other group of human beings to organize material progress for ourselves, and the rest of the human race. We fight this war for our survival as a nation. On the intelligence and good will with which we use our opportunities will depend the verdict of history as to whether our victory will have been worth while."

E. G. Hildebrand of Montreal, Assistant Vice-President of the Bell Telephone Company of Canada, and director of the company's personnel department, was the first speaker at the afternoon session. In developing his subject, "Causes of Industrial Unrest", Mr. Hildebrand tabled on a blackboard the basic factors which he felt affect the attitude of employees. The fourteen factors listed took into consideration all the basic physical and psychological human needs. To meet these needs efficiently, and so avoid unrest, Mr. Hildebrand advocated such processes as functionalized hiring, clear-cut statements of company policy, high-quality leadership, frank discussion of wage survey information, formal job evaluation, the provision of employee counselling, and trained supervision to carry out recommendations. The Bell Telephone Company, he reported, had had a counselling scheme in effect for the past two and one-half years which had proved very effective. Mr. Hildebrand explained that a counselling plan provided skilled interviewers who are available whenever (1) "The employee wants to talk" or (2) "The boss wants an employee talked to". He said the Company had found that women interviewers were more helpful in the case of women employees.

Mr. Hildebrand was followed by Miss Renée Morin, Welfare Division of National Selective Service, Ottawa, whose address is published elsewhere in this journal.

The concluding speaker of the Conference was W. K. Rutherford, Ottawa, supervisor of the employment service

division of the employment service and unemployment insurance branch of the Department of Labor. Mr. Rutherford reviewed the history of National Selective Service since its inception in August, 1940, when the various Provincial Government Employment Offices (with the exception of a few in the Province of Quebec) were absorbed into a national system, up to the present time when, to correct labor shortages, compulsory employment orders are being issued to take men of call-up age from unessential to essential employment. "The orders already issued are only the beginning," Mr. Rutherford predicted, "and many more will come". At the beginning of the war, there were 600,000 unemployed in Canada; today there are 13 jobs for every person registered at the 216 employment offices across Canada. In the Maritimes, at the present time, there are 17,000 jobs available and only 841 unrefereed applicants. Mr. Rutherford stressed the fact that National Selective Service was not set up with a desire to hamper and control, but rather for the purpose of assisting constructively in the proper direction and the fruitful employment of all capable of working. This he said, was imperative for a maximum war effort.

Chairmen presiding at Conference sessions were: T. C. Macnabb, Saint John, D. R. Turnbull, Halifax, L. W. Simms, Saint John, and A. D. Ganong, St. Stephen.

Sydney Conference

The Maritime Association for the Advancement of Personnel Administration, which was recently formed to facilitate the acquirement and exchange of professional knowledge amongst its members and to foster practicable ideals in Human Relationships, met in joint session with the Maritime Bureau of Industrial Relations at Sydney on June 23rd. Dr. F. W. Gray, Dominion Steel and Coal Corporation Limited, addressed the morning session on "The Development of Trade Unionism in Nova Scotia." The second speaker, Judge N. R. McArthur, discussed the "Industrial Situa-

tion in Cape Breton." Professor F. A. Magoun, Massachusetts Institute of Technology, the last speaker of the day, dealt with "Ways and Means of Improving Industrial Relations." The very large attendance, together with the keen interest shown in the proceedings is indicative of the success achieved by the Association in its first general professional meeting. The President of the Association, S. C. Miffen, Dominion Steel and Coal Corporation, was general conference chairman.

Anti-Strike Laws in the United States

The wave of strikes which has swept the United States in recent months has led to the famous Connolly-Smith Act, which Congress recently adopted overriding the President's veto; it has also brought about numerous legislative enactments by State parliaments. The majority of bills were, according to the *Monthly Labor Review*, designed to prevent picketing, strikes and other activities of organized labour. A drastic anti-picketing measure was passed in Arkansas. Similar measures, designed to curb the organization of agricultural employees, were adopted in Idaho and South Dakota. In Texas a new law requires registration of labor unions. Colorado and Kansas enacted labor relations acts of a type which will impose several limitations on union functions. The Arkansas law will be challenged in a popular referendum, and in at least three of the other States organised labor is planning court tests of the constitutionality of the new laws.

The most comprehensive act is the one adopted in Texas which became law in the State without the Governor's approval in April of this year. The act not only requires unions to file information on officers and finances with the Secretary of State, but also compels all labor organisers to obtain identification cards from the Secretary of State before they may solicit members. Unions must keep accurate accounts open to the inspection of members. Union officers with certain exceptions must be elected annually by a majority vote by secret ballot. The

law also prohibits fees which will create a fund in excess of the "reasonable requirements" of unions. Other provisions prohibit charging of fees for work permits, contributions to political campaigns, and expulsion of members without a public hearing. The law further requires that former members now in the armed forces be reinstated in good standing without paying back dues.

Vacations With Pay In American Industry

Almost eight million workers in the United States enjoy, according to the *Monthly Labor Review*, vacations with pay provided for by collective agreements. They represent about sixty per cent of the workers which are covered by collective agreements. The movement has made very rapid progress. As late as 1940 only two million workers were eligible for the privilege.

Vacations with pay are least common in seasonal industries such as the building trades and clothing manufacture, and in those in which work is intermittent, such as the entertainment industries. During the past few years paid vacations have been extended to coal mining, railroad transportation, and shipbuilding, and considerable advances in the extent of vacation provisions have taken place in a number of other industries, notably newspaper and electrical equipment. In the coal industry, vacations and vacation bonuses were provided for the first time in the 1941 anthracite and bituminous-coal agreements. The arbitration award which settled the railroad dispute in December 1941 extended paid vacations to the non-operating railroad employees.

In the majority of industries one week's vacation with pay is provided for after one year of service. For miners covered by the anthracite and bituminous coal agreements the vacation period is ten days, including the Fourth of July. Longer than one year's service for a week's vacation is required in some agreements. In practically all of the agreements in the basic iron and steel industry three year's service is required for one week's vacation, and fifteen years for two weeks.

Many agreements specify that eligibility for vacations is contingent upon the employes having worked a given number of hours, days, or months during the year. Agreements of the Anaconda Copper Mining Company, for instance, state that employees with less than 10 years' service must have worked 230 days within the year in order to be eligible for a vacation; employees with 10 years' service must have worked 215 days, and employees with 20 years' service, 200 days. Many agreements in the basic steel industry provide that employees must have received earnings of at least sixty per cent of the pay periods within the year.

Effect of Incentive Payments

Much has been heard in recent months about the desirability of instituting incentive payment schemes in industry as a means of increasing production without at the same time raising general wage rates. The Bureau of Labor Statistics of the United States Department of Labor has undertaken a comprehensive analysis of statistics on hourly earnings of time and incentive workers in identical occupations in three important industries—machinery manufacture, cotton-textile manufacture and primary fabrication of nonferrous metals. The results which are being published in the *Monthly Labor Review* reveal a definite and substantial margin in favour of the workers paid under incentive plans. The data on median earnings show that this advantage ranged from 12.1 per cent in the primary fabrication of nonferrous metals to 18.1 per cent in the manufacture of machinery. These findings are of significance for wage negotiations and in the stabilization of wages. They imply the maintenance of substantially higher levels of production under incentive systems than under systems of time payment. The higher earnings of incentive workers may result from more intensive effort by the workers themselves, or from greater efficiency on the part of management, or from both of these influences. But whatever the indirect cause, it is clear that, at least in the industries surveyed, production was substantially increased.

Current Public Affairs

In Memoriam Beatrice Webb

BEATRICE WEBB, the great social reformer, died recently. The *Ottawa Journal* devoted the following editorial to her memory:

"It is odd that at a time when 'social security' and 'reform' are on the lips of everybody so little attention should have been attracted by the death of Beatrice Webb. She died in London on Friday (April 30), at the age of eighty-five.

"It was said of Beatrice Webb that she lived 'generations before her time'. Born to wealth and high social station (she was a daughter of Richard Potter, who was at one time chairman of the Grand Trunk Railway of Canada) she decided in early girlhood to devote her life to the cause of the poor, trained herself in England and Germany for her task. One of the earliest members of the renowned Fabian Society, a group which set out to give intellectual content to the Socialist movement, and which embraced some of the brightest minds in England, including that of Bernard Shaw, she turned out while still a mere girl a monumental work on *The Co-operative Movement in Great Britain*. It was the day of Mrs. Annie Besant and Graham Wallas, when the London dock strikes were shaking Victorian smugness to its foundations, and through her work for the Fabians Beatrice Webb's name became something of a battle-cry.

"It was in the Fabian Society that Beatrice Potter met and married Sidney Webb, a union which became one of the most extraordinary intellectual partnerships in history. Together 'the Webbs' became a sort of handbook on reform, a veritable encyclopaedia of economic and social knowledge; and together they turned out a series of tracts and books which became, and stand today, the chief literature of British Socialism.

"But the greatest of the many volumes produced by the Webbs was their work on Russia—*Soviet Communism: A New Civilization*—in 1935. That work brought

them much criticism, bitter attack from certain quarters; but history was to sit in stern judgment on their critics. Today it is admitted that, of all those who went to Russia and wrote on Russian Communism during the past two decades, none wrote with more fidelity to objective reporting than Beatrice and Sidney Webb.

"Beatrice Webb lived until the end an impenitent reformer, faithful to the last to the under-dog. It was characteristic of her that, when her husband went to the Lords and became Lord Passfield, she insisted on remaining 'Beatrice Webb'. As Beatrice Webb, one of the great women of her time, the world will long remember her."

Overcoming the Housing Shortage

In communities in Great Britain where a critical housing shortage exists, a system of billeting has been introduced long ago. Rooms which in the opinion of the housing authorities are not urgently needed by the owner or tenant are allotted to members of the armed forces or defence workers. On this side of the Atlantic persuasion is being used rather than compulsion. The United States seem to go further in that respect than Canada. In an appeal recently issued by the national housing authority owners of houses not now suitable for maximum use are urged to convert them into flats and apartments with their own funds or with the assistance of financing institutions. If property owners are unable or unwilling to take this step the housing authority offers to lease houses and buildings in the name of the government and convert them with government funds. This leasing program is confined to certain "supercritical" communities. Under this program the housing authority manages and maintains the property. It takes over mortgage and tax payments for the term of the lease and pays the owner a net rental agreed upon in advance.

Encouraging The Tourist Industry

Among the Maritime industries the development of which holds good promise for the post war period, the tourist industry does not receive the consideration that it deserves. This is partly due to the fact that the proceeds in this field of endeavour are not so easily noticeable as those of extracting or manufacturing industries. Nevertheless they are very considerable. It has, for instance, been figured that each salmon caught in the streams of Cape Breton by American tourists brings several hundred dollars into this country, in the form of revenues for the railways, income for hotel keepers and guides and sales for the local stores. If after the war consideration is not only given to the wealthy tourists but also to the middle class groups, important new sources of revenue might be opened to our farmers and fishermen. It might be worthwhile to set up a loan scheme which would enable them to fit their houses in a better way for the accommodation of tourists. It is a simple method of supplementing small incomes in some of our poorer areas.

That the importance of the tourist trade is fully recognised by the competent authorities in Ottawa can be seen from the following extract of an address given recently by Brooke Claxton, M.P., the new Parliamentary Under Secretary in the Prime Minister's office.

"Canada can make the tourist business its greatest source of income and natural wealth next to agriculture and mining. We can do that if we get together and give it continuous attention. The best way to get tourists and to deal with them is to be true to our best conception of ourselves. I found in the United States that nothing has done Canada more harm in the United States than the remarks of some Canadians. There is no danger of our becoming a nation of hotel-keepers although I don't see why we should not become the best hotel-keepers in the world. There is every reason why we should do our utmost now to put this business on the best possible footing. Everything

we do will incidentally benefit the rest of our national life."

For the Maritimes these utterances of a responsible leader are of particular significance.

Ten Years of Tennessee Valley Authority

Continued from Page 222

materials such as coal, iron, and petroleum, it is now a standard artery for transport of thousands of Jeeps, ambulances and other military vehicles. Medical officers, not only from the American Army but from other of the United Nations, have recognized the outstanding success of the Authority's malaria control experts in combatting the malarial mosquito along the Authority's chain of lakes, and have called upon the Authority for advice in planning their own malaria control work. In all of these and in countless other ways the TVA program for peace-time mobilization of the resources of the Tennessee River basin has been integrated into the American war-time effort.

The foregoing review of the career of the TVA suggests that the administrative device of the public corporation may be an extremely happy one for dealing with many broad and comprehensive public problems. While the device itself tends to ensure flexibility of operation and scope for the exercise of individual initiative, these desirable attributes alone are not a sure touchstone to success. With them must be combined three further attributes which TVA has had the good fortune to possess. The first of these is physical location of the management close to the area where the problems occur and where the program is carried out. The second is protection of the program and its personnel from the ever-grasping hand of the partisan politician and the spoils system. The third is an honest and intelligent management, and a sound merit system for the selection and promotion of employees. If these principles are recognized and safe-guarded whenever a new public corporation is organized, the success of this phase of the program envisaged for post-war America by the National Resources Planning Board is assured.

What Municipalities Are Doing

Contributions from Municipalities to this Column will be most welcome

Annual Convention of the Union of Nova Scotia Municipalities

The annual convention of the Union of Nova Scotia Municipalities will this year be held on August 31st and September 1st and 2nd in Kentville. The Executive of the Union whose President is Mayor Spinney of Yarmouth has prepared an extensive program. More time than in the past will be devoted to open forum discussions on current municipal problems. For that reason only three speakers from outside the union will address the conference. One will be A. R. Mosher of Ottawa, President of the Canadian Congress of Labour who will speak on "Organized Labour and the Municipality". Another address will be given by the Minister of Municipal Affairs for New Brunswick, Hon. Dr. Blakeny. The provincial government of Nova Scotia will as usual be represented among the speakers by one of its members. Originally Hon. J. H. MacQuarrie was scheduled to speak on questions concerning his Department of Municipal Affairs, but since he has to attend a conference in the west at the same time another member of the government will probably take his place.

The presidential address will be given by Mayor E. H. Spinney while the annual report of municipal legislation will be made by Hon. Mr. Romkey. The Mayor of Kentville, Col. B. W. Roscoe who was a delegate from the Union at the recent convention of the Canadian Union of Mayors and Municipalities in Ottawa will give a report on the business transacted at that meeting.

Course on Municipal Administration

Immediately following the Convention of the Union of Nova Scotia Municipalities there will again be held as in previous years a course for municipal officers and officials, organised in cooperation with the Union by the Institute of Public Affairs at Dalhousie University. Three main topics, all of them of great

importance for municipalities at the present time will come up for discussion. The subject of municipal accounting will be introduced by Mr. G. H. Lowther of the Dominion Bureau of Statistics in Ottawa. Mr. Lowther is the author of the new manual in municipal accounting which has recently been adopted by municipalities all over Nova Scotia. This work has brought to him the highest award given annually by the American Finance Officers Association for achievements in the field of municipal finance. Mr. Lowther's counsel on the application of the new statistical forms will undoubtedly be most beneficial.

Cooperation between municipalities and the Wartime Prices and Trade Board—in rationing as well as in other fields—will be another topic of the course. The discussion will be led by W. S. Lee, head of the Halifax Office of the Wartime Prices and Trade Board.

Problems of public health play a steadily increasing part in the day to day work of local government. A special round table will therefore be devoted to them and the discussion will be introduced by Dr. D. B. Wilson of the Rockefeller Foundation, the author of the recent Report on Health Conditions in Halifax.

Finally legal questions concerning the municipality will be brought up. They will be submitted partly by municipal officers, partly by the provincial department of Municipal Affairs.

Post-War Reconstruction

With a view to stimulating interest in the problems of post-war reconstruction, particularly as they affect municipalities, the Canadian Federation of Mayors and Municipalities has presented a memorandum to the Special Committee of the House of Commons on Reconstruction and to the James Committee. The Federation's action is commendable for not only will the municipalities have a vital part in the post-war program, but they will require the necessary facilities

and resources to discharge the tasks finally allotted or undertaken by them.

To this end the memorandum examines three of the basic problems which must be solved if municipalities are to exercise their full usefulness. An early adjustment of federal-provincial-municipal fiscal relations is a basic requirement and, in this respect, certain specific proposals are advanced in the section devoted to local fiscal and taxation problems. This is followed by a discussion of those legal and administrative problems to which an answer must be given if there is to be effective democracy in local areas. The nature and the scope of the public works which are likely to be undertaken by municipalities and the methods of financing them are discussed in the final section of the brief. Details of the various proposals have yet to be presented: they must be worked out with extreme care.

There is also room for considerable local initiative in preparing for the post-war world. It is most encouraging to see how comparatively small towns in the United States have tackled the problem and with the limited means at their disposal sought to find solutions. The journal *The American City* has sent out a circular to a number of such smaller towns, asking them what plans they have made for post-war public works or other improvements to be undertaken when materials and manpower are available.

The replies indicate that the "shelf" of post war public works includes practically all forms of municipal improvements. Repairing and building sidewalks and curbs is mentioned by most of them. Sewage disposal plants and widening of the main drainage system and an expansion of the garbage incinerator is suggested by others. Erection of a new library building, a community hall and high school are proposed. The execution of the plans is mostly in the hands of the engineering departments but some of

the towns have appointed special planning commissions which are entrusted with the task.

Municipal Ordinances on Victory Gardens

A number of American cities have issued ordinances for the protection of victory gardens. They are based on a model ordinance drafted by the National Institute of Municipal Law Officers. In the ordinance it is stated that the development and cultivation of victory gardens or other vegetable gardens or orchards is in the public interest as a means of increasing the national and local food supply. It is therefore unlawful for any person to enter a victory garden without the consent of the owner or tenant and to eat or carry away any fruits or vegetables. The protection is also extended to tools, implements, fences, etc. Fines are provided for violations of the ordinance.

Other cities have allowed the use of municipally owned land for victory garden purposes and have authorized the issuance of special permits by the public works departments.

Bicycle Clubs for Safety

Covington, Kentucky, recently adopted according to *Public Management*, a bicycle safety ordinance providing for the licensing of bicycles, requiring dealers to report sales to the police chief, and setting forth traffic regulations governing bicycles. The city has taken the leadership in encouraging the establishment of bicycle safety clubs and has issued a 26-page manual which outlines the method of organization of the clubs, gives a suggested constitution and by-laws, and explains the operation of a traffic court run by students. A club is to be organized in each school. Nearly seven hundred students made application for membership in the first club, which was formed at the junior high school.

The Bookshelf

New Books on Labour

THE WOMEN'S TRADE UNION LEAGUES. By Gladys Boone. Columbia University Press. New York, 1942. pp. 283. \$3.50.

LABOR'S VOICE IN THE CABINET. By John Lombardi. Columbia University Press. 1942. pp. 370. \$4.00.

THREE ASPECTS OF LABOUR DYNAMICS. By W. S. Woytinsky. Social Science Research Council. Washington, D. C., 1942. pp. 249.

PUBLIC CONTROL OF LABOR RELATIONS. By D. O. Bowman. Macmillan Company, Toronto, 1942. pp. 504. \$5.00.

MANAGEMENT, LABOR AND TECHNOLOGICAL CHANGE. By John W. Riegel. University of Michigan Press. Ann Arbor, 1942. pp. 187 \$2.50.

The first book is a history of the Women's Trade Union Leagues of Great Britain and the United States. It is the record of a movement which cut across both the labor and feminist movements in order that working women might find their rightful place within the trade union and as citizens within the nation. The account is absorbingly interesting.

"Labor's Voice in the Cabinet" deals with the history of the United States Department of Labor from its origin to 1921. The author concentrates on the "Golden Age", the period 1913-21, during which the Department attained independent status and reached its maturity. Particularly illuminating is the large section devoted to the Department during the first World War, its experiences and policies in dealing with wartime labor problems.

Dr. Woytinsky's book is a statistical study of three specific kinds of shifts of the working population: turnover of the working force in establishments, turnover of the unemployed, and forced entries into the labor market during depressions. Since its publication, discussions of labor shortages have overshadowed concern with unemployment issues. But the value of the author's penetrating analysis is in no way diminished. It provides important clues to many of the problems that may arise during the post-war period of adjustment.

Bowman's book is likely to become a standard work on public control of labor relations in the United States. It is a close and detailed study of the National Labor Relations Board and its

functions. The Board's experiences are appraised in the light of the basic problems that are attached to the use of a public administrative agency to control relationships in various segments of the economy. The author finds that on the whole the Board was reasonable and realistic in its approach; that it not only promoted collective bargaining, but also "the scientific spirit that would have law and government related to the realism of the 'here and now' ". There is ample room for such a "spirit" in Canada. The question would seem to be no longer whether or not the state, whether federal or provincial, should intervene in labour matters, but rather what form that intervention should take. Even the keenest student of the Canadian situation will find in Professor Bowman's book a new appreciation of the fundamental complexity of the problems involved in legislating for labor; he will gain a new perspective for a "positive, active and objective. . . adjustment of private right to public interest".

Dr. Riegel, the director of the Bureau of Industrial Relations at the University of Michigan, presents the results of an investigation into the economic and human problems generated by technological change. The Bureau undertook to get first hand information about employee attitudes towards technological change; to review a number of collective agreements having clauses pertaining to the introduction of new methods; and to learn how a number of progressively managed companies introduced new facilities and procedures; what regard they gave to employee interests in so doing; and what action, if any, they voluntarily took to cushion the impact of technological change upon employees, so that employee attitudes toward it would be tolerant or, at the most, cooperative. This study is both timely and valuable. For, although technological progress is a major force tending to elevate the living standards of the population in general, attempts to thwart its progress have occurred and more can be expected, especially in post-war years, if the numerous changes in technique being brought about by management are conducted without an adequate regard for their impact upon workers. Every employer, interested in sound human relations in his industry, should have this report at his immediate disposal.

G. A. McA.

THE TENNESSEE VALLEY AUTHORITY. By Jos. S. Ransmeier. Vanderbilt University Press 1942. \$3.00.

The Federal government in Washington in contrast to the Dominion government does not operate any railways. But it has gone into the power business on a grand scale. Boulder Dam, Grand Coulee, Tennessee Valley Bonnevill, are among the largest power projects in the United States.

The National Railways in Canada and the power plants in the United States are operated for a multiple number of considerations—political, social and economic. The maintenance of a non-remunerative railway line in a remote, thinly populated area, is an obvious example. The social benefits derived by the people in the district may outweigh the financial loss incurred by the government and may fully justify the venture. But private enterprise, especially where it competes with government operated corporations, is opposed to such arguments and demands that a proportionate part of the cost should be allotted to each phase of the "multiple purpose" enterprise. Whether and to what extent such a distinction is possible in the development of water resources is the subject matter of Dr. Ransmeier's book on the Tennessee Valley Authority. It has the significant sub-title "A Case Study in the Economics of Multiple Purpose Stream Planning". While it is mainly concerned with the problem of joint cost allocation it gives also an excellent account of the development of federal water resources policy in the United States. The reader of PUBLIC AFFAIRS finds a good example of Dr. Ransmeier's art of presentation in the article "Ten Years of Tennessee Valley Authority" which appears in this issue.

MANPOWER FOR VICTORY. By John J. Corson. Farrar & Rinehart. New York and Toronto. \$3.00.

The publishers of this book, as stated in the Acknowledgment, felt that the average citizen wanted to know the facts about "the manpower problem" and see the whole picture so that he could fit himself into it. They looked for somebody who could write a book on the subject and found in Mr. Corson the right man for the task. Not only had he been a former director of the United States Employment Service, responsible for solving some of the problems involved, but he had also the capacity to explain them in a way that they could be readily understood by the

educated laymen. There is nothing of the dullness of official publications in the book. Statistics are sparsely used and mainly given in the form of pictorial graphs. The author is always aware that his subject is the human element in production and he shows a fine understanding of all the psychological questions involved. Canada's man power mobilization comes up repeatedly for discussion. The author finds that we lag in certain important respects behind the United States. Some of these defects have since the book was written been remedied by the new transfer regulations from non-essential industries. In the article published elsewhere in this issue, Corson gives a comparison of the two systems as they operate at the present time.

WHAT AMERICA MEANS TO ME. By Pearl Buck. Longmans, Green & Company. Toronto 1943. \$2.50.

With characteristic lucidity, with convincing logic and with unquestionable sincerity Miss Buck launches out against the intolerance, blindness and smugness which she finds sapping the life of her own country and separating nation from nation and people from people. One dominant and unifying theme runs through this the most recent collection of her essays: human equality and freedom for all—a theme which must be the first principle of the peace for without it there can be no enduring peace.

PAMPHLETS

THE BEVERIDGE PLAN. By Maxwell S. Stewart. Public Affairs Committee, New York. Price 10c.

INSURANCE FOR ALL AND EVERYTHING. By Ronald C. Davison. Longmans, Green and Company, Toronto, 1943. Price 35c.

These two pamphlets are concerned with the Beveridge Plan. The first is a straightforward account of the Plan and a comparison of it with the present American Social Security system. Beveridge's proposals are vividly illustrated by pictographical representations. Davison's pamphlet deals with the practical questions involved in the implementation of the Plan, and attempts to forecast how they might be solved in actual administration.

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Post War Reserve Funds

The Special Reserve Fund which the Legislature recently authorized the towns and municipalities of the Province to create may prove to be a valuable cushion between wartime plenty and the lean period that is generally anticipated will follow the termination of hostilities.

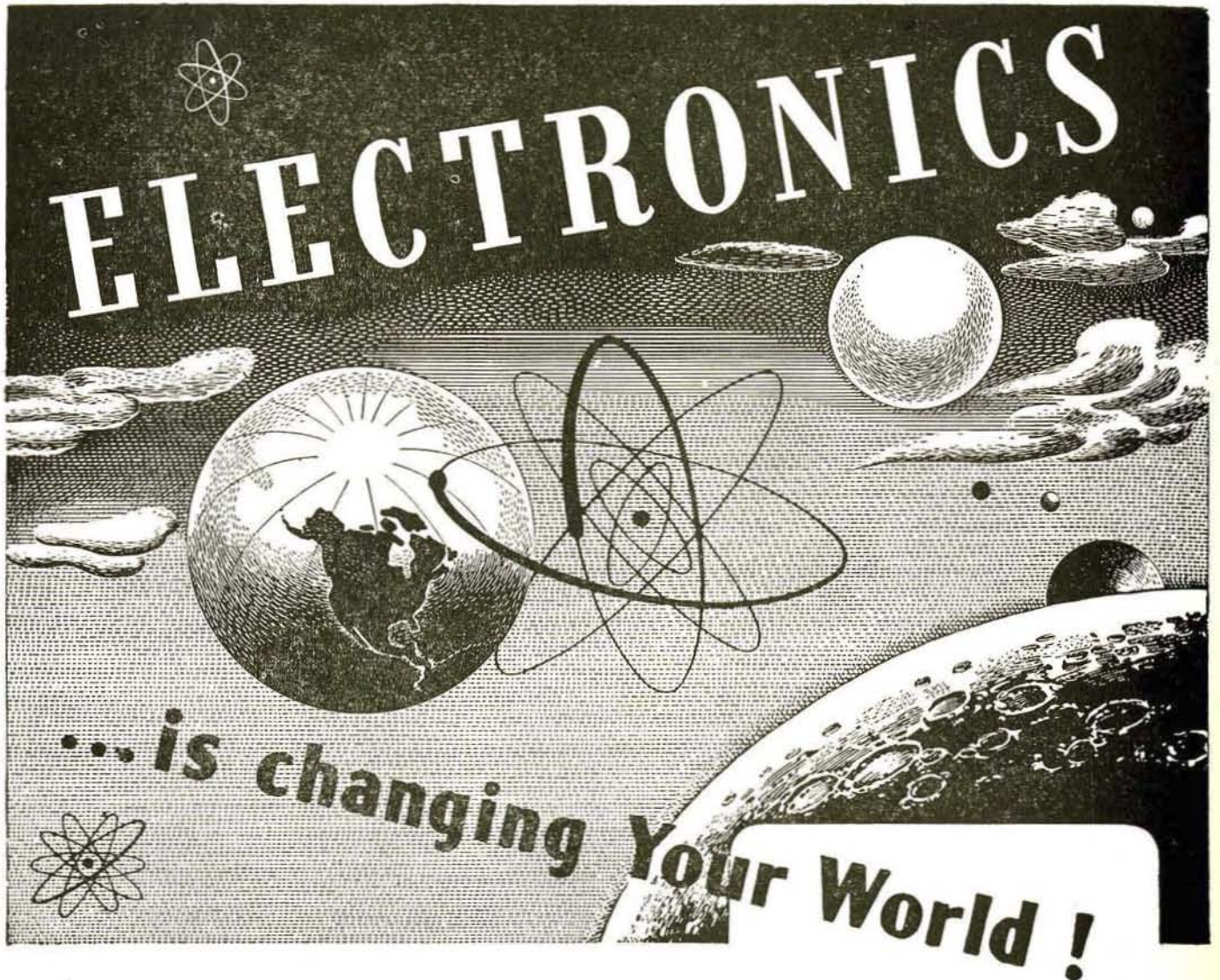
This Special Reserve Fund may be built up by applying all or any part of any surplus in respect of the present or any subsequent year, or by paying into the fund all or any part of the current surplus. In addition to this, any town or municipality may include in its annual expenditures a sum to be paid into such a Reserve Fund and may rate for, collect and pay over any such amount.

During these periods when collection of municipal taxes is at a high level, if care is taken to reduce expenditures to a minimum every municipal unit should be able to provide a substantial sum for a post war Reserve Fund without increasing the existing tax rate.

The establishment and maintenance of such a Reserve Fund should facilitate the proper integration of post war programs to be undertaken by all forms of government whether national, provincial or local.

J. H. MacQUARRIE

Attorney General and
Minister of Municipal Affairs



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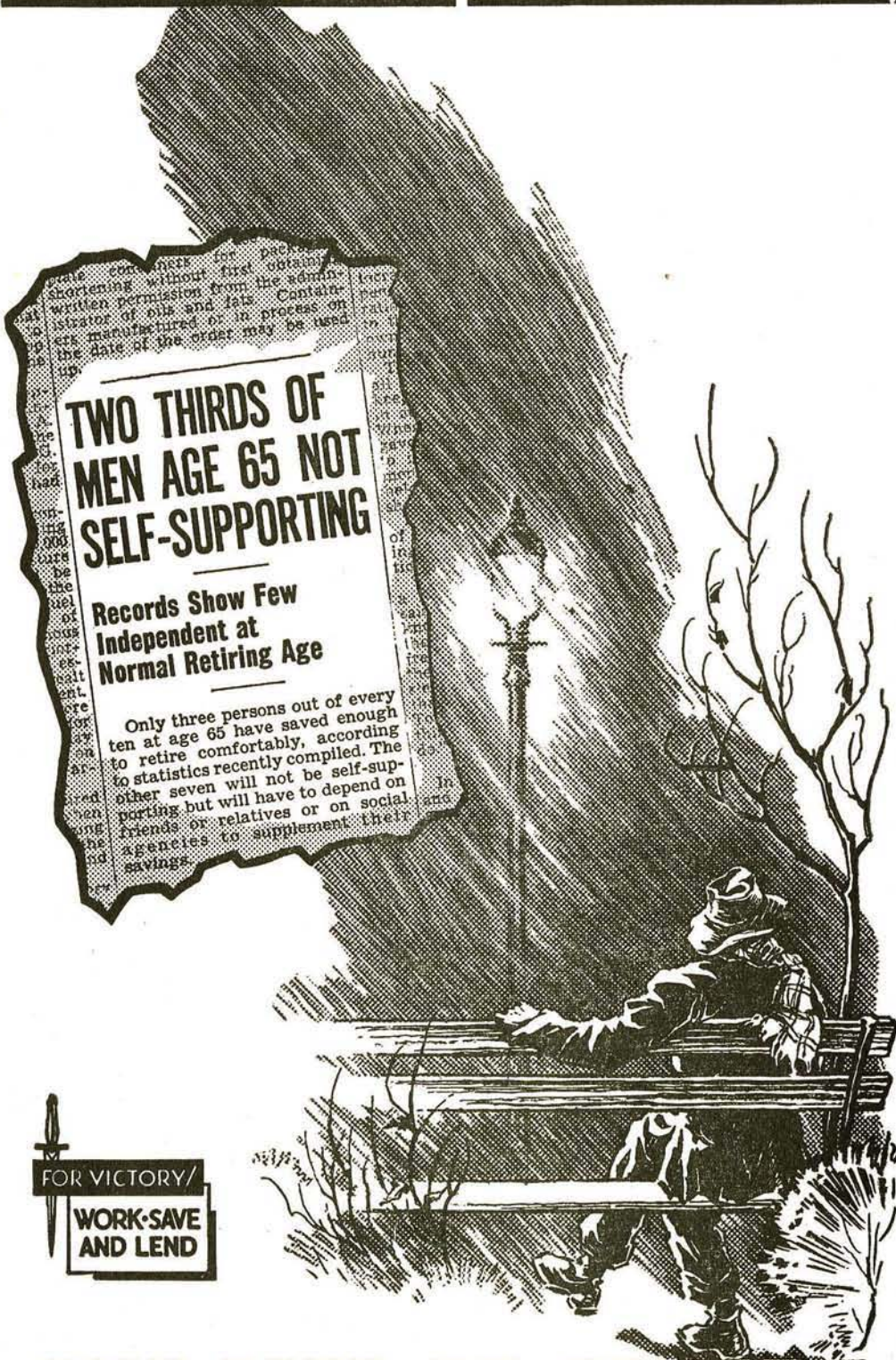
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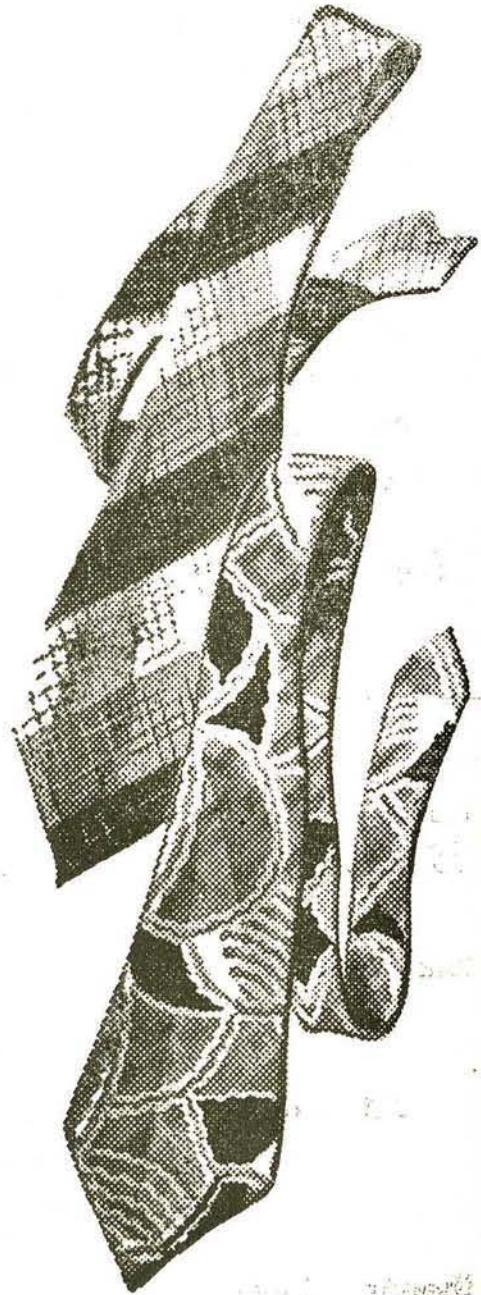
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