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## ATLANTIC PROVINCES ECONOMIC COUNCIL

By NELSON MANN

**T**HE opportunity to present an article in *The Dalhousie Review* is welcomed by the Atlantic Provinces Economic Council because everyone in the Atlantic region needs to know something about the Council, the reasons why it was formed, what it has done so far, and what it may hope to do in the future.

The Atlantic Provinces Economic Council (APEC) constitutes the first Canadian experiment in extensive economic cooperation on a regional basis. It is moulded somewhat after the fashion of the New England Council which has had a successful record over the past 30 years in regional economic activities throughout the six New England States. The formation of APEC is an important practical expression of the attitude now widespread in this region that there must be a common approach to common problems. The Council believes it is only through such co-operative thought and action that the numerous large economic and social problems confronting the Atlantic region can be assessed realistically and effective action taken to lessen the national economic unbalance. Since the first step in the formation of APEC taken on September 28, 1954, those associated with the Council have understood and believed that accomplishments would perhaps be slow in coming, but if they were to come a solid foundation must be built. This first meeting was held in Halifax when twelve representatives from the four Atlantic Provinces met with the Provincial Premiers. At a second meeting held in Moncton, on January 27, 1955 the drafting of by-laws was called for and an Executive Manager named. On March 28, 1955 at a general meeting of the Council twenty-five directors

were elected. Under the Charter each Province is entitled to equal representation on the Council's board and the directors for each Province are elected by the members of the Council from that Province. The Council is not government supported or sponsored. The four governments have given their complete approval to the Council and the Premiers and members of government are solidly in favour of it. Representation on the Council, whether individual or corporate, includes all areas of regional economic activity. Anyone within the region can apply for membership and membership is obtained by paying the membership fee as determined from time to time by the directors of the Council. The Council, in effect, was set up to perform three main functions:

- (1) To survey and study the factors affecting the economic development of the Atlantic region;
- (2) To stimulate united action on matters of common concern, matters vital to the economic welfare of the Atlantic region, and matters of particular interest to the Council;
- (3) To act as a co-ordinating body for all organizations, agencies or individuals interested in the general economic and social welfare of the Atlantic region, or of any province or part therein.

The Executive Manager commenced his work on March 1, 1955 and immediately set upon the preparation of the first full-fledged meeting of the Council, which, as was mentioned above, took place on the 28th of March, in Halifax. A new slate of directors was named and the period up to that time saw the start of the initial organizational work. Following the general meeting, a meeting of the newly elected directors took place and the following officers or executive named:

President, R. Whidden Ganong, St. Stephen; Vice-President for New Brunswick, Lewis W. Simms, Lancaster; Vice-President for Newfoundland, Arthur Johnson, St. John's; Vice-President for Nova Scotia, Gordon Elman, Sydney; Vice-President for Prince Edward Island, Keith MacKinnon, Charlottetown; Secretary-Treasurer, Alphonse Arsenault, Dieppe, N. B. Executive Manager, Nelson Mann, Moncton.

In the early stages of the development of the Council, Newfoundland does not plan to take a particularly active part. This does not mean that this province is disinterested or will not share in the Council's work. Newfoundland is presently doing her share by assuming her financial responsibility, and by sending directors to all meetings. Travelling from Newfoundland is

costly, she is busy working on the revision of the terms of union, and is quite preoccupied with her own particular economic development problems. Once the Council has emerged as an effective economic force on behalf of the three older provinces, and once Newfoundland has put behind her some of the pressing problems that consume her present available resources of time and effort, then these resources will be directed, at least in part, toward more active assistance and participation in the work of the Council.

The second meeting of the directors took place in Moncton on May 16. At this meeting committees of the Council were established for Agriculture, Electric Power, Tourist Industry, Atlantic Provinces Trade, and Membership. Chairmen were selected for these committees with the power to name their own members and it was understood that careful selection would be made of the members for the committees. In naming committees the directors realized that committees are of little value in themselves without concrete action, and they were particularly emphatic that the members selected hold important offices or positions in the field covered by the committee. As a result, it can be said that committee meetings to date have shown that the members are determined that action will be taken and that their work will result in concrete proposals. At the same time, the members are determined that the proposals advanced will be carefully thought out and sufficient study given. In the beginning, therefore, the building up of committee projects will take time, but concrete action is in every instance the end the committee works toward. To make the work of the committees more effective an economist or technical advisor from one or other of our universities is being attached to each committee. In every case the university and professors are anxious to contribute and help. The following are the names of the committee chairmen:

Agriculture: R. W. Ganong, Vice-President and General Manager, Ganong Bros. Ltd., St. Stephen, N. B. President of the Council.

Electric Power: R. E. Tweeddale, Assistant Chief Engineer, New Brunswick Electric Power Commission, Fredericton, N. B. Ex-officio member of the Council's Board of Directors.

Tourist Industry: C. J. Morrow, President, National Sea Products Limited, Lunenburg. Director of the Council.

Atlantic Provinces Trade: E. D. Brown, General Manager, National Gypsum Company, Dartmouth. Director of the Council.

Membership: Ira P. Macnab, General Manager, Public Service Commission, Halifax. Director of the Council. Assisted full-time by W. D. Melvin, Royal Bank of Canada Supervisor, retired, Halifax.

*Agriculture Committee*

The actual name of the Agriculture committee is the Agriculture and Agricultural Marketing Committee of the Atlantic Provinces Economic Council. This committee is presently arranging for the compilation of statistics indicating to what extent the Atlantic Provinces are a deficiency area with reference to the production of food products. Accurate statistics are very difficult to obtain and it may be possible to find ways of measuring the deficiency items more accurately. The following statistics very roughly indicate the present position of the region in 1954 in respect to the following:

(a) Beef -	Consumption	Production
	110,000,000 lbs.	50,000,000 lbs.
	a deficiency of 60,000,000 lbs.	
(b) Veal -	Consumption	Production
	15,500,000 lbs.	8,000,000 lbs.
	a deficiency of 7,500,000 lbs.	
(c) Turkey Meat -	Consumption	Production
	7,500,000 lbs.	2,000,000 lbs.
	a deficiency of 5,500,000 lbs.	
(d) Chicken and Fowl Meat	Consumption	Production
	36,500,000 lbs.	23,000,000 lbs.
	a deficiency of 13,500,000 lbs.	

In the above statistics all Provinces consumed more than they produced in every item with the exception of chicken and fowl meat in Prince Edward Island which produces more than the amount consumed on the Island.

Egg consumption and production in 1954 had an overall deficiency of approximately 3,500,000 dozen with Prince Edward Island having a fairly large excess and Nova Scotia consuming approximately the equivalent of its total production. Newfoundland had a rather large deficiency and New Brunswick imported approximately 3,000,000 dozen of the 12,000,000 dozen consumed.

It is even more difficult to measure the consumption and production of certain vegetables in the region, but the following figures give some indication as to the large volume of imports based on carlot unloads of carrots, cabbages, onions, lettuce and

mixed vegetables, from July 1945 to June 1955. In that period approximately 286 cars of the above vegetables were unloaded at the City of Halifax; and in the same period for the same vegetables approximately 187 carlots were unloaded at the City of Saint John.

It appears therefore that a good opportunity for expansion exists in the field of our agricultural production. The committee believes that if progress is to be made in supplying a greater proportion of our own food requirements, there must be a recognition on the part of all concerned that production and marketing are so closely related as to be practically inseparable. It is the view of the committee that a sound agricultural program should embrace:

- (1) The marketing of farm products through well established marketing agencies having proper processing and packing facilities;
- (2) The marketing of farm products on a graded basis starting with the producer through to the consumer;
- (3) The adoption of a long term production program based upon foreseeable market demands both domestic and export but not influenced by temporary market fluctuation.

The committee believes that intensive efforts on the part of governments, government agencies, private companies, federations of agriculture, co-operatives, boards of trade, etc., should be made to see that everything possible is done to bring about a complete diversified and effective program of production, processing and marketing for the whole region.

In connection with this regional agricultural situation, it is interesting to refer to the report of Sir Andrew Rae Duncan, dated September 23, 1926, page 38 of the 1937 edition.

"The agricultural production of the Maritime Provinces apart from considerable export market for potatoes, fruit, and dairy products, has depended upon local consumption, but the production is very far short of meeting the local demand, and very far short also of the potential capacity of the provinces. It is the less necessary for us to deal at length with this subject, since the evidence convinced us that public opinion within the Maritime Provinces is now realizing to what extent organized distribution and cooperative marketing must be developed if the industry is to enjoy the prosperous expansion of which it is capable." It would be quite unfair to insinuate that agriculture has

not developed very considerably in this region in the years since the Duncan Commission Report. Nevertheless, an attempt to describe it today might very well be done by repeating the quotation above when summing up the present situation of agriculture for the region.

*Electric Power Committee*

In its preliminary investigation the Electric Power committee found the power supply situation very much misunderstood. Basically, there is an adequate supply of electric power available in the Maritime region to meet present demands. The committee believes that electric power can be made available for any section of the region to meet future demands. The misunderstanding and incorrect information that has, in the past, been widely circulated was discussed, and the committee recognizes that it has an important role to play in presenting to the public an accurate picture of electric energy supply within the region. A study is presently being made which when completed will show the exact power supply situation. Remarks made this past fall by Premier Hicks and Mr. J. C. MacKeen, President of the Nova Scotia Light and Power Co. Ltd., confirm the committee's view on this question.

The comparison of electric power rates within the three Maritime Provinces and a comparison of those rates with other regions of Canada and the United States are very difficult to make in order that they may be readily understood and helpful to persons non-conversant with electric utility rate making. Such comparisons are often misleading because of the many variables involved such as demand clauses, load factor, power factor, rate blocks, etc. The Maritime Provinces in common with the remaining Atlantic seaboard of North America has not been favoured by nature with the great hydro resources of some other regions. However, the committee believes that electric power rates now in effect in the Maritimes, generally, are not out of line with those prevailing in other areas, such as the New England area of the United States. Industrial development in New England has not been particularly hampered by electric energy rates charged there. The committee realizes that electric power rates in the Maritimes are somewhat higher than those of the great hydro provinces, such as Quebec, Ontario and British Columbia, but it points out that Ontario has practically depleted her low cost hydro resources and is now being forced into thermal generation in order to meet growing demand. This will

have the effect of improving the competitive position of power in the Maritimes.

Electric power from atomic energy sources will certainly be used in the future, but it will probably be upwards of six to eight years before electric power produced by atomic energy will be competitive with large thermal units that can now be constructed using coal or oil as fuel. With the establishment of atomic energy plants in Canada the competitive position of this region will be much more equitable.

It is important for the public to know that APEC's Power Committee is vitally interested in reducing the cost of power in the region and will concentrate on this phase of its effort in order to do what it can to bring this about.

Immediate and long term prospects for further interconnection of existing systems are of key importance in the studies that will be made. The results of interconnected systems would bring about the following, which in turn should result in more efficient production of electrical energy:

- (a) A reduction in reserve generating capacity necessary in existing systems;
- (b) A better utilization of secondary energy;
- (c) Use of larger and more efficient units;
- (d) The opening up of the possibilities of mutual assistance programs.

The committee has been studying the possibility of co-operation among the utilities to bring about the exchange of ideas, information and mutual assistance. The bringing together of people from the various utilities within the three Provinces from utilities operated by governments as well as private enterprise might at first be understood as creating certain particular problems. On the contrary, this committee has shown itself remarkably capable of assessing the situation from a point of view that immediately indicated common thinking and understanding. At no time in the past have representatives of our utilities got together and appreciated the existence of one another as have the members of APEC's Power Committee. It is my belief that improvements can be made to our existing power supply and rate structure, and that it will be brought about through the efforts of APEC's Power Committee. At no time have the Council directors believed that they at once had an opportunity to make remarkable improvements in power supply and costs. They do believe, however, that if opportunities for improvements do exist, and they do, then its Power Committee will aid in bringing these improvements about.

*Tourist Committee*

The Tourist Committee of APEC, perhaps more so than any other committee, has a great many different points of view to co-ordinate and to develop into common view points. It is, therefore, not going to be easy to make effective the work of this committee. Nevertheless, the committee is determined that it will make its work effective and that it will give assistance and help to the tremendous potential for tourism in this region. The directors of the Council and the committee in their initial approach to the problems, expressed their appreciation for the work done by the various governments. The committee believes that it is high time the tourist industry itself took a more active part and responsibility in its promotion and development. Initially, broad general questions should be considered. For example, it was realized that a program of joint advertising among the three Provinces should bring important benefits to all of them. The Maritime Provinces Board of Trade had initiated the idea earlier this year and \$5,000 was spent. Now, through the efforts of APEC's Tourist Committee an allotment of \$25,000 for next year has been proposed and, we hope, will be shared by the Provinces in the same proportions as it was this year, that is, 40% by Nova Scotia, 40% by New Brunswick and 20% by Prince Edward Island. Later, when more organizational work has been done, it is hoped that the industry too will share in this joint effort. This type of joint program shared by different areas of a region has been successful in other places and should have success in the Atlantic region. It should include advertising in newspapers and periodicals in Ontario, Quebec and Eastern United States. It should include projects such as common space in the new Canada House in New York, and other similar projects. The committee learned that if a joint program of regional advertising was agreed upon by the four Atlantic Provinces, four-tenths of the Dominion Bureau's national advertising could be devoted to this region.

Another suggestion proposed by the committee concerns a three-Province participation in administration of tourist facilities at major points of entry into the region. One suggestion is, to have tourist councillors in charge of the various points of entry take tours around their provinces and through the other provinces to familiarize themselves completely with the region. At all points of entry there should be literature available for every area of the region and someone there capable of providing information for all areas.

The tourist business is, of course, a large sprawling enterprise composed of many different groups including hotel operators, motel operators, restaurant owners, transportation companies, retail merchandizing outlets, etc. An industry covering such a wide diversity of effort is obviously difficult to co-ordinate. Any supposition that immediate results from such co-ordination can be in the spectacular category can hardly be hoped for. Because it is so diversified, there is a great need for the development of common points of view and integrating the promotional aspects of the various businesses within the industry. Another example of possible co-operative effort was in a suggestion by a Board of Trade in the region asking that all tourist information booths be painted a common colour so that tourists could readily distinguish them. Common tourist emblems and standard signs were also advocated. The committee was in complete agreement on these ideas and believes that such a program would materially help the tourist traveller.

In other regions an economist studying tourist industry problems has brought out important points of information and a number of universities in the United States have economists who specialize in this field. The Tourist Committee has attached to it an economist from one of our universities who will investigate the work done by other members of his profession in other regions, study problems applicable to this region and generally take part in the work of the committee.

#### *Economic Seminar*

I have dealt with three committees established by APEC at some length because of the importance which their work has on the effectiveness of APEC's program. In addition to this, however, the Council has over the past year tackled a number of other basic projects which are important in establishing proper knowledge and understanding of our regional economy. In September, 1955, at the University of New Brunswick in Fredericton, we held an economic seminar which, to say the least, produced encouraging results. Information and background on a wide range of economic problems facing the Atlantic region were discussed. An exchange of ideas between leading men in economic, government, business and professional fields was possible. Excellent representation by well-informed personnel from the Federal government, provincial governments, the universities, the New England Council, research associations and business entities participated wholeheartedly to make this seminar an out-

standing success. The Council was encouraged when at the closing session of the seminar the Premiers of New Brunswick, Nova Scotia and Prince Edward Island joined with the other members of the seminar portraying by their presence the support and the position which they believe the Council should have in the development and improvement of our economic life.

Back in the days of the Duncan Commission when people of the Atlantic Provinces got together to talk about their problems it almost always turned into a grievance committee on Maritime rights. As Professor B. S. Keirstead of the University of Toronto outlined in his radio talk last fall, and the following quotes freely from this talk, the tone of the conference was national, not provincial, optimistic not pessimistic, realistic not wishful thinking, and firmly directed to the question of what is to be done. One of Ottawa's economists made the remark that Canadian economic development has always depended upon the exploitation of some great natural resource, such as the fur industry in early times, later wheat, then wood-pulp, then minerals. If this was so, the Atlantic Provinces development must depend upon the better use of Atlantic Provinces natural resources. If these resources were inadequate to provide prosperity for all the people, the solution was for the people to move out. It is, of course, a fundamental economic principle that a nation makes the most rapid progress when it applies its labour to its natural resources. We are not lacking in natural resources. We have some good agricultural land and large forest and mineral resources. We have the sea and the fisheries. In almost all the industries based on these great resources it was found that the Atlantic Provinces had failed to make the most profitable use of them for one very simple reason. It is what the economists call "disguised unemployment." By this is meant that more men - fathers and sons usually - were working the wood-lots and the farms, or the small scale fisheries, than could properly be supported, and just because so much labour, at low rates of return, sought work in the primary industries, the most improved methods - which used the newest forms of machinery - were not adopted. Today, all this is changing. Specialists in the various departments of government told us how in fisheries, in farming, in mining and lumbering, new techniques and scientific methods were being applied. This process displaces labour and what is to be done with the labour so displaced? In the past our people have emigrated to the States or other provinces. This, however, leaves derelict communities with high costs for the maintenance of schools, hospitals, churches and all the other in-

stitutions. It leaves communities to try to support these institutions when men of the most productive age group have gone away. If the most productive and active people are driven out there is neither the market nor the labour supply for secondary industries. Most people born in the Atlantic Provinces want to live here. We have our strong sense of duty toward the ideal of a united nation state which we call Canada. For this ideal we have made great sacrifices. When one thinks of the tariff and the fiscal system, the canals and the railways of Central Canada, the national policy, so called, and the support this region gives to all this, we can truly claim to have made a great contribution to Canadian development. At the same time, we have a respect for our own cultural values. We are a bit awkward in North America. We find it difficult to accept, for example, the North American criterion of "success." In this kind of ethical judgment we find ourselves somewhat out of step with the rest of North America.

The seminar discussed at some length the opportunity for secondary manufacturing industries to develop in the region. That is, to provide profitable employment for the people displaced in the development of the primary industries. In the United States the most recent industrial trend is toward the devolution of centralized industries. In the United Kingdom, as a matter of policy, areas comparable to the Maritimes have had new industries developed, with government assistance in the first stage, to give employment to their people. These industries have not been uneconomic and have not required subsidies. Even with the transportation costs against us, Maritime industries have succeeded in selling in the national market and more may do so. There are many industrial possibilities of this kind here. In New Brunswick, for example, if large quantities of relatively cheap power are made available, primary mineralogical extraction could be supplemented by processing at points of power generation and large chemical industries established. Few people realize the tremendous opportunities for development that are slowly but surely taking place in northern New Brunswick as a result of the Boylen and Udd interests there. The technological processes which once operated against the Maritimes are now coming over to our side. A certain indifference on the part of our fellow Canadians must be overcome. For the rest we must depend on our own efforts and enterprises and in this way, and this way alone, our opportunities in the future depend. Such was the tone of discussions at the seminar in Fredericton.

*Gordon Commission*

The Council presented to the Royal Commission on Canada's Economic Prospects (Gordon Commission) a submission on the economic situation within the region. This brief has been widely circulated to all charter members of the Council and to all interested people in government, universities, newspapers, etc. It gave a very complete statistical review and forecast of the potential prospects and possibilities of the region in a manner never before attempted. It received high praise both for its content and its manner of presentation and ranks as an outstanding contribution on the part of the Council toward the economic development of the Atlantic Provinces.

The Council's brief dealt with the resources of the region in review and prospects for the future. In addition, manufacturing, labour force, and standards of living, were reviewed and prospects for manufacturing covered. Particular emphasis was given to the question of the need for developing new ideas and improved methods and was covered under the heading of productivity. of particular interest to people generally are our manufacturing prospects and I would like to refer briefly to these.

Process manufacturing on a large scale in the region is, in general, confined to fisheries and forest resources and approximately 40% of our labour force is employed in these two fields. Our other important manufacturing processes in order of importance include primary iron and steel, railway rolling stock, sugar refineries, petroleum products, ship building and repairs, dairy products, meat packing, bread and bakery products, miscellaneous foods, and coal and gas products. Of particular significance in the above list is the comparative absence of food products. Some indication of the challenge to the region may be inferred from the fact that of over 50 million pounds of canned vegetables consumed in the Atlantic region in 1952 only a little more than 11 million pounds were produced in the region. Bearing in mind the future growth of the regional market and the increased transportation charges into and out of the Atlantic region, the future implications for regional canning plants are obvious. As transportation costs increase a greater measure of self-sufficiency in the regional market should be possible.

The extent to which transportation is an obstacle in the development of the region has been pointed out, probably, as many times as it has been discussed. The effect of tariffs on the economic health of the Atlantic region although well-known has frequently been under-estimated. From the standpoint of trans-

portation charges, both for regional imports and exports, the Eastern United States market is most accessible. American tariff policy is such that with few exceptions it admits raw materials duty free or at nominal rates, but applies prohibitive rates on the fully manufactured product. Thus, apart from newsprint, processed wood products from the Atlantic region cannot, or to say the least find it difficult to, compete in the American market with United States products, some of which (e.g. fine paper) are produced from raw pulp produced in the Atlantic region. The same basic problem faces the fish processing industry.

The introduction of new ideas, improved methods, new capital and the latest management methods add up to what I have been calling the need for increased productivity. The per capita investment in our provinces is about half the national average. There is, for example, with some exceptions, little efficiency in Atlantic agricultural production. It is estimated that under present techniques of production a specialized one-man dairy farm requires a minimum of 18 or more milk cows, while a unit devoted to mixed farming should have a minimum of 13 milk cows. An analysis of farm units for the region indicates that approximately 86% of our farm units have from one to seven milk cows two years old and over. We have among our disadvantages those of transportation, tariffs, low population, and low per capita investment. But we have advantages that include large quantities of raw materials, moderate climate, an attractive countryside, and a good supply of resourceful people. I suggest that the best way we can overcome the disadvantages and capitalize on our advantages is for our resourceful people to pool their abilities through co-operative efforts in small groups, medium sized groups, or large groups throughout every community in the region. We must study, analyze, and actively develop the opportunities that exist by injecting new ideas and improved methods, in some way procure new capital, and make sure that whatever enterprise exists or is started is carefully managed by competent people. In most cases time and effort to improve a business, or start a new business, are completely wasted when incompetent management is directing the enterprise.

Analyzing the prospects for our future we find that the greatest and future possibilities for employment lie in forest primary operations and in agriculture, fish and wood processing. Generally speaking, however, assuming continued high levels of income and employment in Canada, and the continued stability in foreign markets, and increased managerial efficiency in the

Atlantic region, the Atlantic economy should provide sufficient employment in the future to accommodate any increase in the regional labour force.

*APEC Looks to the Future*

Everyone in the region might consider himself part of the Atlantic Provinces Economic Council, but the Council, in order to carry out the three things for which it was set up, needs organizations and people who will actually join and support it financially and everyone in the region is eligible. With the per capita income for the region approximately 60% of the national average, and the gap widening, it is high time we did something with our "shoe laces", or if you will, our "boot straps."

I have explained how the Council has already surveyed and studied some of the factors which affect the economic development of our region by referring to the work done at our seminar in Fredericton and in the brief presented to the Gordon Commission. As a result of our committee meetings, as well as the seminar, some very constructive work has been done to stimulate united action on matters of common concern, matters vital to the economic welfare of the region, and matters of particular interest to the Council. As a co-ordinating body for all organizations the Council has been already active through its committees. Performing the work of a co-ordinating body is perhaps the most important function the Council has to do. In the fields of agriculture, electric power, and tourist industry, very real progress has been made, and the work has hardly more than started. There are many other problems which must be co-ordinated by the Council. It is not APEC's intention to duplicate the work of existing organizations, agencies, or other groups. APEC's function is to aid, advise and "liaise" with them for the economic advancement of their particular field of endeavour. As time goes on and the confidence in APEC is more than justified, it is APEC's hope at that time to increase its coverage. The more support APEC gets the less time it should take to get results. For example, a committee whose concern involves the pressing matter of financing new, and the improvement of existing, industrial establishments must, we believe, become an integral part of the Council's effort.

The formation of APEC, a non-political non-profit organization, squarely places before the people in the Atlantic Provinces a challenge to co-operate, develop new ideas, and create an efficient economy in which advantage has been taken of every possible avenue of endeavour.

# THE ROOTS OF THE ALGERIAN TROUBLE

*By* DAVID PHILIP

**A** GAIN and again, Algeria hits the headlines. Papers usually report murders, French troop movements, sometimes commenting on the backwardness of the people, but few realize the tragic situation of the country which is tending to become a new "South African Union" where the natives are the permanent inferiors, while the Europeans, also largely "native" born – some settler families have been in the country for a hundred years – are the "Herrenvolk".

Algeria consists of three broad belts or zones: the fertile coastal strip, the Highlands and Atlas Mountains, and the desert. After the French conquest of 1830, European settlers displaced the native farmers and took over the fertile coastlands, to grow not so much wheat or alfalfa grass, which would benefit the whole country, but mainly wine for export. The population of Algeria is about 9 millions, of which nearly 1 million are Europeans. Of the 8 million natives 700,000 heads of families are unemployed! Four million Algerians are undernourished, in other words are actually starving. About 80 per cent of the native children have no schools to go to, yet the French law which made all Algerians French citizens also provides for compulsory education for all children! The economy of the country is stagnant. Yet there are over 4 1/2 million Algerians who are under twenty years old and who will soon look for jobs which simply are not available. Those are the social problems of Algeria and the French authorities in the country do nothing to try and solve them nor will they allow Paris to initiate a policy of reform. Why?

Because Algeria is actually ruled by a handful of wealthy landowners, who also own what industry there is in the country. This clique is headed by Borgeaud, Senator for Algiers and boss of a machine which works both in Paris and in Algeria. It decides who is to be elected as Député to the National Assembly in Paris. Algeria sends thirty Députés and 16 Senators. The machine decides who is to be elected to the Algerian local "Parliament", actually a front for French settlers interests in the country, where the Europeans practically outvote the native every time. The machine also operates the powerful North African Lobby in Paris which had very much to do with the overthrow of Mendès-France's government just on the eve of major

Algerian reforms which the settlers had fought by every means at their disposal, including campaigns by the Algerian press they entirely control. Even the French Governor-General cannot stand up long to M. Borgeaud and his friends. Those men feel that the words of the General Council of Algeria, in 1894 "the Arab is of an inferior and uneducable race" still hold. They are, at most, enclined to some form of paternalism towards the native Algerian, but refuse even to recognize his right to his own culture and nationality. Algerian political movements, however moderate, pro-French and democratic they may be are forbidden by law as being seditious and separatist, although at times, there has been some measure of toleration, as in the case of the U.D.M.A.

Unlike Morocco and Tunisia, Algeria is part of France. To the French settlers it is "their" France, and they have declared quite openly, as far back as the 1890's that they are quite prepared to secede from France in order to rule themselves definitely and permanently "their" Algeria, once they are strong enough to dispense with French troops. Any native wish to see some day their country achieving native home-rule, perhaps even some day independence is regarded by the French settlers as the impardonable crime. Yet without political action there is little hope for the natives to improve their economic and social lot, since there is no moderate yet influential French party either inside or outside Algeria which is genuinely interested and capable to raise the native standard of living first and of culture afterwards. The alternatives open to the more active Algerian is thus: resignation to a permanent state of inferiority, economic misery and social debasement or direct action to compel reforms.

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When after the war, the French government provided for a "National Assembly" for Algeria it also provided for indirect elections through two electoral colleges of which the second consisted solely of Europeans while the first one was mixed. When Paris showed signs of intending to carry out reforms the French settlers, through the police they control as absolutely as the local administration - and how they fought to prevent Mendès-France's attempt to put a stop both to this control and to police terror and torture methods, by merging the police of Algeria with that of France under direct control from Paris . . . ! - provoke outrages (-attentater) against natives in order to appear justified in carrying out repressive counter measures if the natives resort to reprisals, and to create an atmosphere of panic. Indeed, the creation and maintenance of an atmosphere of panic

among the Europeans, who are constantly led to believe that they are on the even of a general massacre by native terrorists and that Paris is doing nothing to protect them, is an important weapon against all talk of reforms and granting even modest concessions to the natives. The Europeans are led to constitute private militias. This, of course, frightens the natives who feel themselves really threatened and therefore look on their own extremer nationalists as their only hope, and the stage is set for a reign of violence the outcome of which is easy to foresee given the superiority of French arms. But such an atmosphere only strengthens the arm of the Borgeaud clique.

The settlers, we have said, are definitely opposed even to mere talk about any kind of reforms. They violently opposed the project of equality before taxation – natives pay special and higher (proportionally) taxes than the Europeans – which means, in fact the abolition of the special “Arab taxes”. They oppose equally violently the project of civil equality: under existing law the natives are subject to a special “native code”, despite their French citizenship. The Europeans in Algeria even opposed cultural equality as would be brought about by general education for *all* children, and not only European ones. The slighter and less radical, the more urgent the reform, the more violently it is resisted – as being more likely to be carried out . . . Whenever reforms seemed on the point of being imposed by Paris, the European interests organized a general panic and provided the necessary “incidents” which would give an excuse for repressive measures and would “prove” to the Metropolis that the reforms were “premature”. If reforms *are* voted they are not applied. And the uneducated natives are told that it is a shame that the reforms were not granted by Paris. . . that Paris was only interested in creating trouble, and so things remain unchanged.

In the face of an organised reactionary European machine in Algeria no government in Paris could dare to impose its own Algerian policy. The French have a saying: “Troubled times are not the moment for reforms”, first law and order must be restored, yet this is precisely what the French police in Algeria, at the command of Borgeaud’s clique effectively prevent by maintaining the country in a state of fear and tension. The horrible tortures inflicted on arrested suspects – arrested and detained indefinitely without trial – in order to make them confess “treacherous” activities and denounce “rebel” leaders, the existence of true concentration camps in Algeria, the unprovoked murder of old Arabs, sometimes even women in order to provoke “rebellious acts” by the natives, all that has been often enough

denounced in the Parisian press other than "Le Figaro", which stands solidly behind the Masters of Algeria.

Of course, the French administration has done many good things in the past. But despite the construction of good highways, improved communications, construction of hospitals, schools (alas, mainly for European children), the extension of irrigation schemes, and the clearing of new land, and the provision of law and order, at the nearly exclusive costs of France herself, not the European settlers in Algeria! . . . the native Algerian population has no say, no real share in the economic, social and political life of their own country. It is not even *their* country anymore. The worst thing is that the settlers are sincerely convinced that the Algerians are an inferior, hopeless people who can never be taught or given any responsibility whether in a job or in the government and administration. Therefore the settlers constitute a solid block opposing quite successfully native claims in Algeria and the authority of the Paris government in France, and at home.

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In the face of the phenomenon of demographic progression and economic regression - 800,000 babies are born yearly while the jobs available become fewer and fewer and the available land is getting exhausted for lack of adequate irrigation and soil conservation, in the face of general hopelessness of achieving even the most modest reforms through peaceful action, in view of official persecution of all native movements intended to voice native claims, and most reasonable ones at that: provision of possibilities for natives to provide their families with adequate food supplies and possibility for the native children to receive an education which would qualify them later on for a job with a living wage, and provide the native population with the doctors, teachers, and engineers they desperately need, in the face of constant European intimidation and insults, is it surprising that more and more of the half educated young men listen to the broadcasts from the East and from Spain calling upon them to rise and fight the foreign invaders and exploiters? The devoutly Muslim Algerians are poor material for organised Communism, but they can still be roused to action. Only a few years ago there was a terrific and unprovoked massacre of some thousand peacefully gathered natives, in a small town, by a panicky French police and militia. There are constantly acts of European intimidation. The Fellaghas of Tunisia were called bandits and hunted down by the French army. Bandits they were, but it is

nevertheless a fact that their "banditism" had played no small role in making moderate Tunisian claims for home rule acceptable to Paris. Algerian desperadoes learnt the lesson. It is better to die violently, in battle, than to starve away slowly and miserably.

The resistance centres in Algeria, which began in the hardly accessible Aurès Mountains of Eastern Algeria, have now spread all across the country. A Military operation which was intended to end all native resistance by January or February at the latest, is still on and success is as yet nowhere in sight! As the guerilla fighters, some of whom *are* bandits but most of whom are fanatical but sincere patriots, keep holding out and securing here and there small but significant successes they win the respect or even admiration of the hitherto neutral and passive population. The French, after claiming that the Algerians are all Mohammedan French men and the guerillas only "dissident bandits" are not resorting to the Nazi principle of collective responsibility. They are showing thereby that they now consider that the Algerian people are siding with the "bandits", and that the guerilla war is therefore more of a national uprising that the authorities hitherto chose to admit.

Unless military action is soon supplemented by effective social, economic and *political* reforms, implying a complete reconsideration of the status of Algeria within the French Union, the guerilla war will continue on until mutual exasperation will split the entire country in two actively hostile camps. Then Algeria will have become a new Indochina and France will definitely have lost the game. Only, deprived of the help and leadership France *could* give Algeria, the country, even "free" would be worse off than ever. That is the tragedy of Algeria. Can France see the writing on the wall?