

gressive of the provinces of Canada. This is a grim judgement, but it is, perhaps, one which should impel us to realize that careful planning and organization are necessary if we are to keep our rightful place upon the Canadian scene. When the war-time boom has exhausted itself we shall perhaps find ourselves faced with the apparently chronic conditions of depression which have been so familiar since Confederation. Again we shall be compelled to buy in a protected market and to sell our products in world markets against formidable competition. Not only are there the problems of the physical environment but those of an artificially maintained national economy.

Reassuring Factors

But in the past twenty years much progress has been made in the Maritimes. Out of the years in which we have been chastened by adversity there has perhaps come a conscience that the old individualist methods no longer have a place in the modern world. Boards of trade and shippers' organizations have adopted

common policies to great advantage. Co-operative societies have materially raised standards of living in areas which formerly were barely above subsistence level. Industries which produce highly processed goods from farm, forest and sea have drawn together to realize that in the world market, upon which they depend, co-operation in the development of new techniques and pooling of resources is indispensable. Co-operation among the three provincial governments in dealing with Ottawa has been said to be all that could be desired upon occasions, though this is not a condition upon which we can permanently count.

The history of Canada has been said to be largely of parochialisms, the legacies of the pioneers who founded the frail industries and communities of a century and a half ago. The history of the Maritimes shows them to be startlingly abundant, survivals of the attitudes and perspectives of our forbears, with a degree of persistency and resistance to change which is probably unequalled elsewhere.

An Economic Review of Nova Scotia for 1946

By KELD CHRISTENSEN

IN 1946 ended the first year of peace following the greatest holocaust of war the world has ever known. It represented a period during which transitional economic processes were to set the pattern of things to be expected. The difficulties of reconverting economies from a war-time tempo to peace-time stability in Canada and in the United States became dramatically apparent early in 1946. These sensationalized impediments to a smooth management of affairs were not without their counterparts in Nova Scotia. Nearly every economic event in the other eight provinces of Canada and in the United States

had a similar and corresponding incident in Nova Scotia, whether it be unemployment, reconversion of heavy industry, strikes, long and difficult wage negotiations, marketing difficulties, or other threats to economic equilibrium. The major industries of Nova Scotia, coal, steel, lumbering, fishing, agriculture, and light manufacturing, as well as organized labor, dealt with numerous problems having a variety of intensity.

Trade With the Public

Retail and wholesale trade in Nova Scotia maintained itself at a high level throughout the year due primarily, as elsewhere, to a pent up demand and substantial purchasing power in the hands of the general public from war-time savings

and demobilization benefits. Favorable returns to the farmer, increased government spending, added to the income flow to individuals, and the psychological effect of seeing for the first time in years new consumer goods on the retail counters aided general trade conditions. During July and August the retail businesses received additional encouragement by a temporary increased demand for luxury goods occasioned by the arrival for the first time in many years of American tourists in recognizably large numbers. The situation in Nova Scotia was characterized, as was general throughout the continent, as being a "seller's market;" nevertheless, in the latter part of the year the public began to ask the merchants "how much?" and calmly walk away if the price seemed too high—consumers began to be more careful. During the first three quarters of 1946, consumer goods reached Nova Scotia in unsatisfactory quantities as compared with the existing demand. Inventories and stocks were difficult to hold and deliveries were nearly impossible to maintain, but improved deliveries became apparent towards the close of the year and especially for the Christmas trade. As the year closed Nova Scotia business felt that a good year had been experienced but was somewhat piqued because of lost trade due to the shortage of supplies caused by upset economic conditions in central Canada and in the United States. Clothing, hardware and electrical supplies, and new construction fixtures, were in the most serious short supply.

In general, and in spite of conditions favorable to the contrary, trade was lively and collections good.

Apples—The Big Crop

After blossoming time in the Annapolis Valley it became apparent that the 1946 apple crop could be expected to finish very well. Crop expectation at this time was about 1,600,000 barrels (the final return is reported to be about 1,800,000 barrels). Two problems became manifest early in the year: (1) farm

labor, and (2) marketing possibilities. Some concern was expressed during the summer that difficulties would be experienced in recruiting a labor force for the harvesting season. It was anticipated necessary to import farm labor from Newfoundland and other parts of Canada. These fears proved to have been in vain since the growers found plenty of help when it was needed, probably as a result of the increasing seriousness of the employment situation in Cape Breton, and the higher wages paid by the growers. In the midst of the steel strike at Sydney in September, 1,500 men registered for the picking job.

At the outset the marketing possibilities were not clear. (The disastrously low 1945 crop had presented no disposal problem and was easily sold.) Early in the summer the shippers appeared to be exploring the possibilities of the markets in Ontario, Quebec, and the United States, and also had hopes of renewing old contacts in the United Kingdom. The marketing hurdle was overcome, however, with the announcement that the United Kingdom had contracted for a portion of the crop. On August 6th the Nova Scotia Marketing Board outlined the proposed disposal of the crop with 525,000 barrels destined to the United Kingdom and 975,000 barrels to Newfoundland and in Canada. By the end of October the apple crop was about ninety per cent picked, warehouses were filled and packing was being carried on at a great rate. The demand in the domestic markets appeared strong, and an advertising campaign inaugurated to sell Nova Scotia apples to Nova Scotia consumers seemed to have favorable results.

One of the more gratifying developments during the period under review was the opening of a new cold storage plant erected at Coldbrook by the United Fruit Companies. The latest methods of handling have been instituted, and it is understood that this plant is one of the finest of its kind in North America. There appears to be a growing emphasis

on the boxing of apples, instead of the traditional barrel, particularly for the Canadian and United States markets. The new Coldbrook plant instituted the latest and best methods of grading and specialty packs. The interest taken by the Provincial Department of Agriculture indicates that more plants like the one at Coldbrook will be erected in the Valley. As this trend moves forward to completion new markets will be available to Nova Scotia apple shippers. In this connection, as an illustration, it is noteworthy that Brazil has expressed interest in boxed apples from Nova Scotia.

The final potato yield in Nova Scotia for 1946 is reported to be about 170 bushels an acre (as compared with 142 bushels an acre in 1945) or a total of about 4,120,000 bushels. Increased plantings and better yields resulted in a much greater production in 1946. The final return to the farmer was not satisfactory as a result of bumper potato crops in other areas. Early in the winter it is reported that quantities of the United States potato production was being destroyed. It is believed, however, that Nova Scotia potato shippers have been able to hold quantities in storage for a more favorable time for disposal in 1947. The market in 1946 was too dull to be remunerative.

Taking into account total production and returns for all agricultural produce including grains, livestock, poultry, eggs, dairying, etc., the Nova Scotia farmers experienced a good year in 1946. The world is experiencing a maldistribution of food supplies, prices are high, and yields have been good. Agricultural production costs have also been high, but in terms of pre-war years the farmer has undoubtedly reached his peak in take-home pay; the income of the farmer has been high, and though such income may maintain itself for some years it has undoubtedly reached the point of leveling off or dipping down.

The Year in the Fisheries

The 1946 fisheries production in the two most remunerative species, cod and lobster, was somewhat lighter than in 1945. The following figures, compiled from the monthly reports of the Eastern Fisheries Division at Halifax, show the amounts and landed values of cod and lobster as compared with 1945:

LOBSTER

	Pounds	Landed Value
1945.....	24,761,800	\$6,173,907
1946.....	18,877,500	5,746,094
Decrease.....	<u>5,884,300</u>	<u>\$ 427,813</u>

COD

	Pounds	Landed Value
1945.....	209,673,200	\$7,395,467
1946.....	193,387,500	6,789,548
Decrease.....	<u>16,285,700</u>	<u>\$ 605,919</u>

This represents a decrease of about a million dollars in the production of cod and lobster. In this connection it should be remembered that production in the fisheries depends greatly on the weather. The decrease noted above is represented more by decreased landings of fish rather than a marked fall in fish prices during the period under review.

In the first half of 1946 the demand for fish in the United States continued heavy, and early in the year dried fish shipments by Newfoundland to Europe seemed to ease the situation somewhat in the Carribean area for Nova Scotia shippers. The local fish producers appear to be continuing to concentrate heavy shipments of fresh fish in the middle western states of the United States, where a market is available for further intensive development. The high prices for fish dropped slightly toward the end of 1946, and the demand slackened in

the United States when meat rationing was abolished there. The expected stiff competition from Iceland and Norway did not materialize in 1946; it is the consensus, however, that these two competitors may develop their American market in 1947.

With the intensification of activity of such outside producers in markets employed by Nova Scotia producers a marked fall in fish prices may be expected in 1947, with a comparable increase in the quality of fresh fish fillets and a possible larger share of the total catch being turned into dried and salt fish. Some of these things were expected in 1946 but fish prices held and ready markets continued to make heavy demands.

The hopes, expressed in some circles, for a continued expansion of fresh and frozen fish production in Nova Scotia, were enhanced with the announcement, in the press during August, of the proposed establishment of a "million dollar" processing unit at Louisburg in Cape Breton County. It is reported that the project will be financed by Governmental and private capital, and that at least one American firm has expressed the desire to come into the scheme. The Provincial Government has acquired a fourteen acre tract of water front land on which it is intended to erect refrigerator equipment, cold storage facilities, package freezing units, sharp freezing and deep freezing facilities. A pier 300 feet long and 60 feet wide is now under construction by the Federal Government. The significance of this development lies in the huge potential increase in the production of fresh and frozen fish that may be expected.

With demobilization, together with the fishing industry's ability to absorb more men, it is understood that in 1946 the number engaged in fishing was increased over that of 1945. High returns to the processors resulted in high returns to the fishermen, and the industry has been generally most prosperous during 1946.

New Small Plants

Manufacturing activity in the Province commenced a decline early in the year which was halted in the late summer, and a slight upturn was noted in the latter part of the year.

While there was no striking development in the large industrial groups, nevertheless, progress may be noted in the establishment of new plants, and the expansion of others. New manufacturing plants were erected in the field of pharmaceuticals; textiles, fish glues, cod and halibut liver oils, construction brick, and quarrying. Expansion was manifest in fibres and textiles, and lumber. These smaller industrial establishments are of much importance to this Province, and may in years to come carry considerable local economic influence. They are not so vulnerable to outside economic factors and repercussions of failure are not so extensive.

The steel strike at Sydney commencing on July 15, 1946, and continuing through long weeks of difficult negotiations, threatened to have serious repercussions in Nova Scotia. The strike was settled apparently to the satisfaction of both parties before the lack of steel became acute in Nova Scotia. Some local manufacturing activity was curtailed during the strike but a serious economic upset was held on the horizon.

Workers and Employment

The employment conditions in Nova Scotia, during the year under review, seemed to be more serious than in other sections of Canada. The conditions manifest themselves in 1945 and were brought into sharp focus in 1946. In the three Maritime Provinces there were about 22,000 unemployed at the beginning of the year, and although the picture did not worsen materially during the year little improvement was noted. Some amelioration was affected, however, by some of the unemployed taking seasonal work in the fisheries and agriculture.

Hopes for the contemplated construction projects to take up some of the slack did not materialize due to the lack of construction materials, particularly in the line of fixtures.

It is recognized that Nova Scotia's industrial plant was greatly expanded and geared to the economy of war, and that under present circumstances such an industrial machine, to be maintained, must receive outside impetus. During the war the economic problems of Nova Scotia were thrust into obscurity and shrouded by the intense war activity. Many workers came to the Province during the war years and many had to leave in 1946 to find employment elsewhere. In the early fall the Cape Breton Citizens' Committee on Full Employment estimated that about 20,000 persons would have to move in order to place the demand and supply of labor in equitable balance. Cape Breton was more depressed than the mainland of Nova Scotia and public opinion on the matter of employment undoubtedly became more strained there.

It is significant to note that in 1946 there was actually both a lack of labor and unemployment, incongruous as this may seem. There was a marked dearth of skilled labor and an overabundance of unskilled labor. Skilled bricklayers, mechanics, electricians, et cetera, were in demand, and there were openings for experienced miners in the collieries, and experienced men in the steel works; it is reported that there were few men asking for such employment. On the other hand many men with no experience, which must have included a number of war veterans, could find no openings.

At the same time there was some reluctance to take undesirable work in the woods.

The coal mines of Nova Scotia lifted more coal in 1946 than in 1945, and although a strike was threatened early in 1946, it did not materialize and a new work contract was negotiated for the year. The coal mines operated full force throughout the year and there were no serious work stoppages.

As might be expected waterfront activity at the port of Halifax in 1946 declined considerably as compared with the war years. Port figures published by the Halifax Board of Trade indicate that a lessened amount of goods moved over the piers in 1946, and that the stevedoring force was cut down greatly as compared with 1945. Much of the lessened activity was occasioned by a dislocation of supply of goods and changes in regional demand, and also to some degree by the arrival of repatriation liners which occupied berthing space but discharged and loaded passengers and not goods. Customs receipts, on the other hand, though declining still remained above the 1939 level. Towards the end of the year goods from the United Kingdom imported through the port of Halifax appeared to be arriving in increasing volume.

It appears from the foregoing that Nova Scotia would necessarily have more immediate employment problems, made manifest earlier, than the rest of Canada, and that an easing of the situation would lag behind the remainder of the Dominion. However, as Canada as a whole completes its transition, Nova Scotia's labor force and economic problems may become more stabilized and balanced.