

potential production of oysters, clams and quahaugs along the Northumberland Strait. A survey is also being made of manufacturing, based on these resources, throughout the province. The results of these and other surveys will fill in the gaps of information that exist today and will thus provide a necessary background for economic planning and policy making in the future.

The Council is also undertaking a survey of the power resources of Nova Scotia based both on hydro and coal. In the near future it is planning to survey the road and rail transportation facilities in the province.

Because the work of the Economic Council in the field of economic planning has been described at some length it should not be thought that it is the sole agency interested or involved in such planning in Nova Scotia. Several of the local Boards of Trade, some government departments, certain branches of the universities, and many other public and private bodies are engaged in such work to some extent. As examples of such activities the work of the Transportation Commission of the Maritime Board of Trade, a land utilization survey of Cape Breton County undertaken by the

Economics Branch of the Federal Department of Agriculture, an analysis of provincial finance being made by the Institute of Public Affairs at Dalhousie University and certain features of the extension work being carried out by the various universities, may be mentioned. The Economic Council in dealing with matters relating to all industries and to the province as a whole is, perhaps, more likely to be confronted with wider problems and with the need for coordinating as much as possible the planning, or the policies that are worked out, by other groups.

It is recognized that the work of all these agencies will not solve all of our economic problems in Nova Scotia overnight. It may, however, be confidently expected that, as these various groups continue to search for basic facts, to analyse them in the light of their best knowledge, and to pass on their findings to the proper authorities, they will greatly assist in the solution of many of these problems. Through helping to work out short and long-run policies for our industries a greater measure of stability for each of them may be anticipated. Such a task is not easy and in confronting it the understanding and co-operation of all Nova Scotians is needed.

Marketing of Nova Scotia Apples

By A. W. MACDONALD

EVER since the farmers in the Annapolis Valley began to grow apples for export, marketing has been a serious problem. The question has developed new complications since the outbreak of hostilities in Europe, but in the period between the depression and the war, an improved technique of marketing had been developed.

EDITOR'S NOTE: The above article is taken from a comprehensive survey of the Nova Scotian apple industry undertaken this summer by the author. Mr. Macdonald is an honours student in Public Administration at Dalhousie University and Editor of the *Dalhousie Gazette*.

For years the industry was completely disorganized and low grade fruit, unregulated shipments and faulty packing attached a stigma to Nova Scotia fruit which even now has not completely disappeared. The formation of the United Fruit Companies improved the situation slightly, but the loose formation of the central company, and the fact that on the average the organization only shipped about one-third of the apples that were exported, made it impossible for any strict regulation to be

introduced. The abnormality of the years following 1918 did not improve these conditions, and the prosperity which followed, due to large yields and good prices, only postponed the day when marketing regulation was to be introduced.

By 1926 it was evident, however, that all was not well within the apple industry. The following year two investigations were made into the marketing of Nova Scotia apples and in 1930 a Royal Commission was appointed to discover the ailments of the industry. It was not until four years later that the Fruit Export Control Board was created. Attempts to work under the federal Natural Products Marketing Act followed, and last year the province passed its own Natural Products Act to regulate distribution within Nova Scotia.

The demand for Nova Scotian apples is divided into three main heads: the British market, the Canadian market (as distinct from the local one), and the demand from home consumption and by-product plants. This is seen to advantage in the distribution of the 1938-9 crop, which may be taken as a representative yield, consisting of 2,252,275 barrels.

TABLE I
Distribution of the Nova Scotia
Apple Crop (1)
1938-39.

Destination	No. of Barrels
England.....	1,428,805
Scotland.....	49,940
Wales.....	56,937
The Continent.....	185,840
Newfoundland.....	7,407
West Indies.....	5,471
Marketed in Nova Scotia.....	93,263
Marketed in other parts of Canada.....	73,559
Home Consumption*.....	100,000
By Products: 1. Evaporators.....	245,553
(Local) 2. Cider Mills.....	5,500
Total Crop Tree Run**.....	2,252,275

The above figures bring out the fact that a great proportion of Nova Scotia apples are sold on the British market. As this trend has been consistent over the last ten years, though to a less extent

*Estimated quantity consumed by farmers themselves
 **This figure would be somewhat larger if the half-barrels and boxes were included.
 (1) Statistics from the Provincial Department of Agriculture.

than the years following the first Great War, the treatment here is devoted almost entirely to marketing conditions in Great Britain. The vital importance of this market to Nova Scotia and the fluctuations it has undergone in the period between the depression and the second Great War is revealed in the table that follows.

TABLE II
Percentage of Apple Crop Exported to
Great Britain (2)

Year	% of Crop
1929-1930.....	86.2
1930-1931.....	84.7
1931-1932.....	85.4
1932-1933.....	84.0
1933-1934.....	
1934-1935.....	58.1
1935-1936.....	72.4
1936-1937.....	46.9
1937-1938.....	57.7

The figures in this table might lead one to believe that the industry has not been producing as many apples of late years as it once did, but this is not the case. The explanation is that since 1935 the apple industry has begun to pay more attention to the demands of the British consumer and also to work in voluntary co-operation with the British competitors. The sharp fall in exports during the last five years means that only high-grade fruit is being shipped, either No. 1's or Domestics. Coinciding with this development has been the growth of canning factories and dehydrating plants, which use up much of the lower grade fruit that at one time glutted the English market.

For many years the British market was the great free market in a protected world. The justification of this policy to the British consumer lay in the low price and high quality of goods which came from the extreme competition on this open market. Even in 1931 when the swing to protection was made, the tariffs were not excessive and the keen competition continued. Thus the British consumer has been supplied for years with the highest quality foodstuffs. Not only has the Nova Scotian producer had to meet exceptionally keen competi-

(2) Report of the Nova Scotia Fruit Growers Association, 1938, pp. 119-122.

tion from rival apple growers, but competition from other fruits, notably oranges and other citrus products. The citrus fruit industry has become highly organized in the last twenty-five years and with powerful advertising campaigns has developed a serious rival to the consumption of apples. The Royal Commission of 1930 states that the importation of citrus fruits into Great Britain increased from 16,922,967 cwts. in 1913 to 25,321,276 cwts. in 1928. They go on to say that the increased demand both for citrus fruit and for apples is largely for high quality fruit, being especially true for apples where demand for boxed fruit has increased much more quickly than the demand for barrelled fruit.³

Under conditions such as these the British consumer can well afford to be particular. The regulated methods of production adopted by most countries during the last fifteen years have catered to this demand with a high-grade product attractively put up. Until recently it cannot be said that the Nova Scotia producer was as nearly fastidious as his foreign competitor. The grading system now in use has done much to eliminate discontent with Nova Scotia apples. Shady practices of by-gone years, however, have left a bad name that even now has not been completely effaced. The Nova Scotia barrel, while generally recognized to be stronger than the flat-hooped barrel of Ontario and Virginia, is not as attractive as the pack of its competitors. There has been much discontent with Nova Scotian apples even in recent times because of the high percentage of "slacks", which are barrels not filled to capacity. For years the Nova Scotian barrel was thought to be smaller than the barrel from the United States. This has been repeatedly shown to be false, yet these wrong impressions are hard to kill and cost the Annapolis Valley grower money through consumption at lower prices.

In 1934 the Hon. John MacDonald, Provincial Minister of Agriculture, went to England to see why the apples from the Annapolis Valley were not in greater

demand on the British market. This is what the great majority of the fruit brokers said to him:

"If Nova Scotia growers hope to popularize their fruit and to secure profitable prices, it is absolutely necessary to attain uniformity in packing good fruit, which has been carefully handled and properly stored, and to eliminate from shipments the poorer quality of fruit and the undesirable varieties. Undoubtedly a very good market exists for Nova Scotia apples, but shippers must not think there is a good outlet for any class of low grade fruit. In view of the heavy costs for packing the barrels and transportation, it is far preferable to throw away this fruit than to send it to the British market, where it spoils prices for even the good apples, and lowers the reputation of Nova Scotia apples in general." (4)

This was in 1934. As has been shown above, the old No. 3 grade is no longer shipped to Great Britain, but this voluntary co-operation only came about after great deal of hard feeling on both sides. These malpractices for years caused Ontario apples to be preferred to the Nova Scotian varieties. The Ontario apples, with a reputation firmly established over a period of years when world supplies were large, have always been on the market in relatively small quantities.⁵ In general it may be said that the demand has always been greater than the supply. The reverse is the case with Nova Scotian apples which up till recently have been exported with little thought to quality or quantity.

There are two main methods of disposing of apples in Great Britain once they have arrived from overseas, either through auction or private treaty sales. Auction sales take place chiefly on the Liverpool and Manchester markets, while in London the private treaty is more common. In the former case the apples are taken from the different packs to the auction room for inspection at the time of sale. The aim of the auctioneer is to get as many buyers together as possible and to sell the apples at the highest competitive price. In Liverpool and Manchester the auction rooms are what are termed "Closed Auctions", and only

(4) Address by Hon. John MacDonald, 1934, p. 4, to Nova Scotia Fruit Growers' Association.

(5) Report of the Nova Scotia Fruit Growers' Association, 1930, p. 107.

(3) Report of the Royal Commission, 1930, p. 12.

the recognized fruit wholesalers, who are registered members of the auction, are allowed to buy in the auction room.⁶ The "Open Auction" method is common at Glasgow and Southampton and there any buyer may bid.

London, with its large, concentrated population, offers an excellent opportunity for the private treaty sale. The private treaty salesman disposes of his product by direct bargaining with his customers. The advantage of selling on a market like Covent Garden is that people congregate there not only to buy apples but other fruits and vegetables. The result is that the purchaser is willing to pay slightly higher prices for the opportunity of being able to satisfy his wants all in one place. The private treaty salesman usually has his own warehouse, so that he can withhold the apples to take advantage of a rise in prices or ship them off to an auctioneer if prices are declining.

Certain shippers in the province consign their fruit to distributors in Great Britain, who either pass the apples on to the wholesaler or dispose of them through other channels. These sub-agents or wholesalers very often own outright much of the fruit they have to sell. It is too much to ask of human nature that they should confer the same attention on the fruit they have to sell on commission that they give to the apples they own themselves. This divided attention does not act in the best interests of the shipper, who suffers through smaller returns.

Regulated distribution and the question of quality are the two most important aspects of the marketing problem. Comparatively minor matters such as varieties, types of pack and a representative overseas are all involved in the matter of co-operative marketing and orderly production, and cannot be dealt with at length here. The solution to the problem will only come from compulsory marketing legislation, federal or provincial, or from the industry itself.

The annual conventions of the fruit growers of the Annapolis Valley from 1931 on indicate a growing interest in government marketing boards as a method of putting the whole industry on a more scientific basis as regards production and distribution of the apple crop. In 1933 the Nova Scotia Fruit Growers' Association put themselves on record as in favour of a Federal Marketing Act in line with the principles set forth in the British Agricultural Acts of 1931 and 1933. The apple growers in the Annapolis Valley expressed their approval of the federal Natural Products Marketing Act passed in 1934 and with the other apple producing areas of Canada formed the first export board under the new act.

The year 1935 was noteworthy for the establishment under the Natural Products Marketing Act of the Nova Scotia Apple Marketing Board. The primary intention of this Board was to regulate shipments to the Canadian market and to stabilize prices, whereas the Export Board was a national undertaking and proposed to do the same thing for shipments overseas. In 1936 the Supreme Court of Canada declared the Natural Products Marketing Act *ultra vires*, placing the boards set up under its jurisdiction in an uncertain position. The Nova Scotia branch of the Export Board, and also the Nova Scotia Apple Marketing Board, had decisions pending against certain shippers who had failed to comply with their regulations, but the judgment of the Supreme Court broke off these actions. The Fruit Export Board did not function during the latter part of 1936 and its work was taken over by the Advisory Export Council which worked in conjunction with the Fruit Branch of the Department of Agriculture. This body has done good work, but shipments prior to the outbreak of the war were still unregulated and it is obvious that this can only be corrected by a body having similar authority to the Fruit Export Board.

The present war in Europe has had disturbing effects on the apple industry. As it broke with unexpected suddenness at the beginning of the marketing season,

(6) *Report on the Marketing of Nova Scotia Apples in Great Britain.* W. A. Middleton, p. 12.

(1) *Marketing of Nova Scotia Apples in Great Britain.* Eric Leslie, p. 1.

emergency measures had to be taken to dispose of the heavy crop which for the most part could not be taken overseas. The largest producers across Canada met hastily at Ottawa and drafted a plan to cope with the situation. The country was roughly divided into zones to provide a small but assured market for each section. The aim of the scheme was to keep the low grade fruit off the market altogether, and thus keep up the price level for the No. 1's and Domestics. The five apple-producing counties in Nova Scotia; Kings, Hants, Annapolis, Lunenburg and Queens were put under the jurisdiction of the Nova Scotian Marketing Board. This body has been regulating the distribution of the apples

on a pooled basis and deciding which fruit was to go overseas and which to be sold within the province. The great bulk of the apples were to go to the dehydrators, where the federal government guaranteed a stipulated amount for the product.

That is roughly the scheme. It has not been in effect long enough at time of writing to say whether it has been successful or not. Natural conditions supplied a solution during the last war by creating a shortage of supply both at home and abroad. The large crop of the present season will not permit a similar answer to the problem. A short time will disclose whether the present method is successful or whether more drastic means will have to be applied.

Farm Credit in Prince Edward Island

A Historical Survey

By J. T. CROTEAU and
A. M. LINKLETTER

SELF-SUFFICIENCY has always characterized agriculture in Prince Edward Island. An agricultural credit system, in the proper sense of the word, has never existed in the province. A brief historical outline will show the self-sufficient nature of the industry, the beginnings of mortgage lending only in the last quarter of the nineteenth century, the long dependence upon merchant credit, and the relative newness of incorporated lending agencies.

French regime.

As far as can be determined, no credit arrangements of any consequence existed during the French regime. The Acadian settlers seem to have been neglected by the administration in Paris and for the most part had to shift for themselves. Trade was conducted through barter

and the initial capital expenditures were provided by chartered companies or by the crown. Plagues and misfortunes of various kinds led to relief measures, such as supplying of seed grain, but, as would be expected, there was little occasion for the granting of credit to the farmers of this primitive community. Possibly merchant debts existed, but it is doubtful if they were of any great significance to the agricultural life of the colony.

English regime—Mortgage debt.

For well over a century after the expulsion of the Acadians in 1758, agriculture continued to be self-sufficient and primitive. Mortgage credit was rare, due to the difficulty of securing titles to the land. In 1767 the whole of Prince Edward Island had been given to 67 British proprietors. Although on a few estates the land was sold to island farmers in the 1850's and 1860's, the proprietors in general were reluctant to sell their lands, and an organized opposition called the Tenant League arose to protest

EDITOR'S NOTE: The above article is the first chapter of a study on the operation of the Farmers' Creditors Arrangement Act in Prince Edward Island, undertaken during the summer of this year on behalf of the Institute of Public Affairs. The authors, J. T. Croteau, Ph.D., and A. M. Linkletter, M.A., are both on the staff of Prince of Wales College, Charlottetown.