

realistic than the technicians about where they would be best-off, and hence where they could contribute most, or draw least, from the net output of the country:

They own their own homes and have no worries about mortgages or debts. They have clean air, good water, free food, plenty of land and fish. From their point of view it would not make sense for them to move to a larger town or city. Most are uneducated and probably 'wouldn't be much good in town' (p. 103).

For the middle class urbanite, who always forgets the extent to which his environment is massively subsidized, these poor rural communities might appear hopelessly unproductive, limiting, and grossly unaesthetic — and hence the urge to promote social engineering. But their inhabitants perceive them very differently, and make a sensitive estimation of the opportunity costs to themselves of a major upheaval, while hoping that their children will be able through education successfully to make an easier transition into the modern market economy, urban or otherwise.

In his last chapter Matthews places these community studies within the context of Canadian regional and rural development policy. It is a reasoned, reasonable and effective critique. What is most interesting about the book is that a scholar, equipped with all the apparatus of the behavioural social scientist, provides a strongly humanist perspective on the human follies of his colleagues. It is ironic, and instructive, that since he wrote — in the very depths of the economic crisis that was destroying rural Newfoundland — a new buoyancy has returned with the recovery of the fishing industry. There is a very long way to go before one can say that rural Newfoundland is economically and socially healthy, but in postwar perspective, an unprecedented *earned* prosperity is moving back into the outports of Newfoundland. There will always be communities that are weak or dying, but it will be a very brave or very foolish person who will again advocate programmes of radical social engineering. It is much to the credit of people like Ralph Matthews that they understood this is the 1960s when such views were not at all fashionable in fashionable circles.

David ALEXANDER,
Memorial University of Newfoundland.

* * *

DAVID ALEXANDER. — *The Decay of Trade, An Economic History of the Newfoundland Saltfish Trade, 1935-1965*. St. John's, Newfoundland: Institute of Social and Economic Research, Memorial University of Newfoundland, 1977. Pp. x, 173.

David Alexander has produced a very readable and interesting account of the Newfoundland saltfish trade during what appeared to have been the period of its demise. One can only commiserate with him that the time of the book's publication was not the best. Its reference to the "existing wreckage that is Canada's east-coast maritime economy" (p. 16) at a time when the 200-mile limit is in place and the Atlantic fishery is enjoying almost unprecedented prosperity rings a little hollow. This is a pity, since it is a scholarly work and adds greatly to our knowledge of the Newfoundland saltfish industry.

After describing the state of the Newfoundland fisheries at the beginning of the period, he discusses the movements to form a Newfoundland fish export cartel culminating in 1945 in the Newfoundland Association of Fish Exporters Limited

(NAFEL) — which incidentally provided the author with his main source of information. Then follow a description of the international economy after the second World War relative to the saltfish trade and an examination of the marketing of saltfish between 1948 and 1950. The dismal final chapter is entitled "The Demoralization of the Newfoundland Fishery."

The story is one of gloom with only one short period of relief. It opens with the Umulree Royal Commission, which reported in 1933 upon the financial mess in which the economy of Newfoundland, including the fishery, had fallen. (Newfoundland's exports of fish had declined from 40-45 percent of the world's total, excluding that of Britain and France, at the turn of the century, to 25-30 percent in 1930). The Commission laid the blame squarely on the local government and business community. The fisheries were, it said, undercapitalized and outmoded, and there had been an absence of local business enterprise. This criticism was perhaps a little harsh, since the interwar conditions, particularly the growth of trade restrictions and exchange control, had borne down hard on Newfoundland. Fifty percent of its exports had traditionally gone to Europe, and the trade surplus thereby generated had financed the deficit with North America, but trade barriers and restrictions on the convertibility of European currencies (those upon sterling were the most damaging) had disrupted this pattern. Nevertheless, the Commission's criticism was substantially justified: primitive production methods and haphazard marketing characterized the industry.

Subsequent attempts to correct the situation were concentrated upon compulsory marketing schemes, culminating in 1945 with NAFEL, a government-sponsored cartel of exporters of fish (primarily salt codfish). This appears to have had some success initially, but it declined as commercial relationships returned to the fish trade, and finally disintegrated in 1959. Though Confederation (which limited NAFEL's power over interprovincial trade) and world economic conditions were partly responsible for its decline, its high-handed attitude towards customers and the erratic quality of its product seem to have been at the root of its failure.

The author's thesis is that, while, in principle, declining industries should not necessarily be saved from death, the Government of Canada has a responsibility to save the Newfoundland saltfish trade because of Newfoundland's dependence upon it and because its demise undermined the Province's business confidence, thereby precluding further economic growth. "In trading away its national sovereignty [at Confederation in 1949], Newfoundland should have been reasonably confident that the means to avoid all this [high unemployment, low earned incomes, demoralization and dependence] would be provided, as far as it reasonably could, by the Government of Canada, in addition to the benefits of income security that belong by right to every citizen. It was not too much for a province to expect" (pp. 16-17).

He speaks with approval of the record of NAFEL and believes that the Government of Canada should also have concentrated its efforts on the marketing of fish, since private initiative could have been relied upon to do what was required on the production side. The government's apparent assumption that fresh and frozen fish would take the place of saltfish has, the author claims, been shown by events to have been wrong.

This reviewer is left unconvinced by the arguments for keeping the saltfish trade alive. It is true that, if the Government could have found markets to take Newfoundland's production at profitable prices, private capital could have been expected to flow in (so long as the profits were high enough and promised to be long term); but this is true of every declining industry in any country at any time.

The prospects for the industry ever becoming self-reliant seemed particularly poor — it had been in decline for decades excepting during war time and immediately after, and it produced a commodity which might be expected to become less and less attractive as the countries which comprised its market became richer.

In a matter such as this, where personal judgement must decide the issue, one must expect local loyalties and emotional attachments to influence an author's views — just a little. (One can detect a note of disapproval in Alexander's account of the actions of "fascist governments" (p. 23) in organizing import and export cartels in the 1930s, though this is precisely the sort of thing he applauded when it happened in Newfoundland, and a note of approval of Newfoundland exporters behaving "properly" (p. 35) when they acted as good cartel members.) Similarly, one must recognize that a reviewer may be influenced — just a little — by recollections of being required as a child to face salt codfish at breakfast once a week, for a reason he never quite comprehended!

Roy GEORGE,
Dalhousie University.