

## DR. McGRAND

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higher than the average now being paid in Canada.

Now for the next reason: Because of our high rural population. The more rural the community the County or the Province, the lower the average rate, because, in most rural places rent is a cheap factor and most of the old people have a shelter which costs little, and subtracting the price of the rent from the amount necessary to provide food, clothing and shelter, lowers the amount of the pension.

Let us compare the costs of pensions in the rural and urban centres of this Province. The highest is in the Cities of Saint John and Moncton, and the lowest in the rural Counties of Queens, Sunbury and Kent. The lowest in Queens, with an average of \$12.67, and the highest is Moncton with an average of \$14.82.

Compare Moncton with the rural County of Westmorland. Moncton with \$14.82 and Westmorland with \$13.05, a difference of \$1.77, also St. John City at \$14.75 and the County at \$13.75, a difference of \$1.00. The difference between the average in the City and the County is not due to discrimination against the County but due to the higher cost of living in the City. And so it goes all over the Province, the average higher in the Cities than in the rural districts. And so it goes all over Canada, the rural Provinces having a lower pension than the ones with higher urban population.

New Brunswick has an urban population of 31 per cent, which is the second lowest urban population in Canada, and it has the second lowest pension. Prince Edward Island has the lowest urban population, and it has the lowest pension. Half of British Columbia's population of 750,000 lives in Vancouver. Half of Manitoba's 710,000 population lives in Winnipeg, and it is in those Cities where the pension rates are high.

The high percentage of our people over 70 who receive the Old Age Pension is the third reason why our pension is low. In this Province we have 18,000 people over 70 years of age. Of this number 54 per cent; receive the pension, which is the highest percentage in Canada. Compare this with other provinces.

Manitoba is next with 52 per cent.; Saskatchewan with 51 per cent.; Alberta with 50 per cent.; Nova Scotia with 49 per cent.; British Columbia with 40 per cent.; Ontario with 34 per cent.; Prince Edward Island with 30 per cent.; Quebec with 23 per cent.

A good number of our 11,000 pensioners get a small pension and this reduces the average.

Another reason is due to the great amount of unemployed in the West and the industrial centres, where, due to unemployment families are unable to contribute to the support of their parents.

And the last reason is that many of the other Provinces gave the pension with a lien on the property and what they gave while they were living, they tried to get back after they died. In the past year Manitoba collected from the estate of deceased pensioners \$22,000. British Columbia collected \$25,000, and Ontario \$91,000. This Province collects nothing from the estates of deceased pensioners and this offsets the higher monthly average paid by other Provinces.

Our old people have not been deprived of assistance by our Government, they are getting their share of pensions, and no attempt should be made to create in their minds the unfounded suspicion of neglect.

Since the inception of the Old Age Pension, Ottawa has paid to the different Provinces as their share of the pension \$94,800,000. Of this amount Nova Scotia got \$5,000,000; Alberta got \$6,000,000; Saskatchewan, \$9,000,000; Manitoba, \$10,000,000; British Columbia, \$11,000,000; Ontario, \$49,000,000, and up to March 31st, 1937, this Province received \$860,000, which is less than \$1,000,000.

If our old people have not received their share of money which was allotted by Ottawa for this purpose, it is not due to the action of our Old Age Pension Board but due to the fact that for seven long years they waited for the fulfillment of a promise.

## Youth Training

During the year there was instituted in this Province a course in leadership training and about 40 young people availed themselves of this opportunity to acquaint themselves with the method best suited for teaching, in order that those living in certain rural communities would be better prepared to provide ways and means under adverse circumstances.

It would be difficult today, to estimate the success of this plan. Our people in rural areas are living under very difficult conditions, conditions beyond their power to control. A great deal of this trouble comes from the system of education followed in this Province in years gone by.

In the past we have placed too much emphasis on higher education and not enough on the common needs of our people. When this system was introduced about 70 years ago, its purpose was to correct the abuses of the day when illiteracy was prevalent and few people outside of certain favored centres had a knowledge of education beyond the three Rs.

With the better facilities it presented many people sought the advantage of higher education and with economic conditions as they were at that time, due to the expansion of industrial and professional life, thousands of our young people became graduates of our schools and colleges and many went beyond the borders of our Province because it did not permit us to retain their services. And this policy of providing those seeking a classical education and not providing for those who wished to remain in the more primary occupations, has nearly bankrupted our social and economic life.

What we need is a policy that will enable those in the more remote and unfavorable localities, who are victims of the high cost of transportation, poor marketing conditions, and high cost of credit, to be masters and not slaves of the conditions that surround them. Otherwise our people in some rural areas will be reduced to a condition of peasantry.

We have often concerned ourselves with the problems of pre-school age, which, after all is a problem confined mostly to cities and towns, but we have given very little attention to the post-school age, which, due to our large rural population, becomes a rural problem rather than an urban.

There was a time in this country, which we all can remember, when a farmer with his health and one or two sons of post school age, was considered to be in a very happy position. There was a market for his products which gave him a fair profit for his efforts and the more he produced, the greater was his success. If a young man was fired with ambition, which farm life could not satisfy, he could obtain a higher education which our system provided; if he wished to remain on the land, he was sure of his economic security, which the farm provided.

But now, due to changes that have taken place throughout the world, the lack of opportunity for highly trained men handicaps him in the first place, and the low profit on the farm handicaps him in the second. It has worked down to this, that a young man in the country today is hardly able to keep himself, let alone provide anything to the family exchequer.

In the past, City and Country communities have conducted themselves very differently. City populations, being compact, with similar community needs and with better leadership, have been able to provide themselves with the luxuries of living, paved sidewalks, street lighting, better schools, water and sewerage systems, fire and police protection and to provide these things, they paid higher taxes. They met higher taxes and higher costs of living by obtaining higher wages. This made for a higher cost of living. Industry was hit a double blow, and industry met higher cost of wages and taxes, by two methods, one raising the cost of the finished product, and the other, by lower price for the primary product. This brought about the present condition in rural life.

The spread between the price the farmer gets for his product and what he has to pay for the finished material he eats and wears, denies him of all profit for his work, and robs him of new purchasing power.

Is it any wonder that the youth of the country leaves the land to take his chances in the city. Is it any wonder that he is restless about his insecurity and resentful of conditions for which he is not responsible. But he knows that someone is getting his share of wealth and he believes that the world owes him a living, and his outlook gradually grows darker.

The prosperity of any country depends on the ability of its people to trade among themselves for mutual benefit. In order to do this the articles of exchange, whether they are goods or labor, must have a similar standard of value. If our people are to buy the products of the factories they must have purchasing power. This has been emphasized by labor in demands for higher wages.

Our primary producers, and they are 50% of our population, cannot have a purchasing power, when their products are worth one-eighth to one-tenth of the goods they get in exchange. The high cost of taxes, the high cost of wages, and the demand for social services, have gone round and round in a vicious circle, and each time they go round the circle, the circle widens, and with it widens the spread in price between the primary and finished products. This spread of prices spreads despair and poverty among the people and throws down a challenge to our system.

What is our answer to that challenge? To provide him with a means to defend himself, and what are these means? Labor has brought about its emancipation with some degree of success by the use of labor unions. Such unions are not possible in our rural communities due to the distribution of population, poor means of contact, and unsimilarity of problems.

Our rural people live by farming, fishing and woods work, and one merges into the other depending upon the seasons of the year and the part of the Province in mind. Of the three, farming is the largest and most basic. The other two being subsidiaries of it. Each community has its own problem, but fortunately the condition of each person in that community is similar and there is the point of attack.

Because the farmer, single handed, cannot effect certain economies that are necessary to compete with the economies at the hand of highly organized industry. He has no laboratory to determine the relation of soil to crops, no system by which he can determine actual profit for labor expended, but if he can develop the resources of the community, as an instrument in farm management and lower farm waste in production and marketing, and at the same time produce from his raw materials at first cost some of the things he now buys at ten times the original cost, then he has a means to defend himself from extinction.

To this purpose, the leadership training has been organized. The trained youth of today is the trained adult of tomorrow and it is a pleasure to know that this Government is the first on the continent to take adult education as a responsibility of Government.

It is to be regretted that the present Minister of Education was not in its services for the past twelve years instead of two. Much could have been accomplished during that time, but those responsible for the policy of Government found it easier to drift than to row.

I do not wish to cast reflection upon our Universities. The success of their graduates has upheld the traditions of these institutions as seats of learning, both at home and elsewhere and they reflected the desires and outlook of our past generations. We can now use them as other provinces are doing, in extension work, to prepare the masses to live among these grim realities.

If a nation can turn its swords into plowshares, then we can turn these factors that have been instruments of rural depopulation into implements of reconstruction.

## Labor and Capital

During the past year this Province had the painful experience of witnessing within its borders a controversy between Labor and Capital. The Government gave considerable attention to this matter and appointed a Fair Wage Board to adjust wages and conditions in industry. In order to get a fair idea of what has occurred, it is necessary to get a closer view of these factors that have been debated over the entire world, just what is Labor and what is Capital?

Labor is the services of human agencies.

Capital is a stock of accumulated wealth.

Labor, the expenditure of physical and mental work.

Capital is produced wealth used to produce more wealth.

Labor is the effort used to provide for one's immediate needs.

Capital is the accumulated efforts beyond what is necessary to provide for immediate needs.

They are really the same thing. One effort in raw state, the other effort in matured state. Together they make industry, and one is as essential as the other in the development of industry.

Industry after all is the production and distribution of goods for the use of communities. Industry after all is the servant of community and should not produce more or less goods than the community requires. If industry is to succeed in its duty, both labor and capital must receive return for its services. There can be no building up of new industry without the services of capital and our whole system of civilization has been built up by new industry meeting new needs.

The North American Indian may not have been a Socialist, but he certainly was not a Capitalist, and made little effort to meet new obligations. Years ago capital being labor in concentrated form, was able to move faster, and outmanoeuvre labor in bulk, which ended in great wealth in the hands of few and poverty for the majority. This led to an animosity on the part of Labor that has never really subsided, and there are still some in its ranks who seek to destroy Capital, forgetting that in its destruction there would come the destruction of industry.

Neither can take more than its share, for its services, without inflicting injury on community, and this generation cannot take more than its share of profits of industry, without taking it as a mortgage on the inheritance of the next.

Capital as a factor in industry has a right to profits because of the risk it takes in the promotion of industry. It is not something that lives forever, it's not immortal, it is something that lives and changes and becomes diseased as all human organizations. It starts with infancy, it passes through maturity, it reaches senility, and as it wears out, due to changes in the fortunes of industry, it reproduces itself in new capital by a system akin to mitosis.

No one will deny the right of man to accumulate wealth. That is one of the differences between man and animal creation. The accumulation of wealth for production of new wealth is one of the services that community expects from capital.

As Capital and Labor are partners in industry, they should be guided by the law of partnership. The success of one is the success of the other. That Capital should protect Labor and not exploit it, and that Labor has the same obligation to Capital, we are all agreed. The ants protect the aphids because from them they obtain a food. Labor should protect

## MR. STAIRS

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the unfortunate of our land, New Brunswick being the first province in Canada to have granted Pensions for the Blind.

We note in the Speech from the Throne, that the last year was a successful one in the lumbering industry, furnishing employment to a large number of men, and also a fair remuneration for their work, lumbering being one of the basic industries of our country, going hand in hand with agriculture.

We also note that the mining industry is being revived; several geological parties have been carrying on investigations during the year, while private interests are developing in York County.

## Appreciates Roads

The building of the hard surface roads which the Government has carried on during the past year has gone a long way in solving the problem of unemployment. This is fulfilling another promise to improve conditions and bring back work and wages and prosperity to the people of this province. While the building of hard surface roads has meant a great expenditure, I believe it more than justifies itself, for we can no longer afford to build gravel roads for the heavy traffic on our main trunk highways, and when done it will not only mean comfort and convenience for our own people, but it will bring thousands of tourists to our province, and it will also produce sufficient revenue to pay interest on the bonds and the sinking fund.

We are glad to note in His Honor's Speech that progress is being made in the improvement of our educational system, especially in the rural sections. The training courses being conducted at present will bring untold advantage to the rural districts of the Province. Better educational advantages mean better social advantages, and it tends to keep the young people on the farm instead of coming to the overcrowded cities to seek employment. The people of the rural sections are deserving of the best that can be secured in the way of education.

The Speech from the Throne shows a decided improvement at the Provincial Hospital, also the new unit being added to the Jordan Memorial Sanatorium—both these improvements show the Government has not been lax in its duty.

Also we notice that Legislation will be brought down designed to promote the best interests of the people, including measures to promote the security and well-being of labour and industry. We hope this will bring about a better understanding between all concerned.

Colonization settlements organized to establish families on the land are demonstrating the soundness of the policy, if I had any advice to offer to the youth of our Province, I would say stick to the farm. Looking down through the years that lie ahead, facing the situation from every angle, I would say avail yourself with every opportunity for a good education, coupled with a knowledge of Agriculture and livestock; and when the storms of depression beat as they will, you can rest assured that you can provide a livelihood for yourself and your family. Remember that our Parliamentary Institutions, our High Schools, our Colleges and Universities will soon crumble and decay if the plowman fails to follow the plough. The prosperity of New Brunswick follows in the wake of the well-ploughed farm.

Mr. Speaker, I take great pleasure in seconding the address in reply to the Speech from the Throne.

Capital because it gives them wages. They have a common obligation because they are partners.

In order to work together there must be understanding and tolerance. Understanding is one of the greatest qualities the human mind can have. It checks fear, it promotes co-operation, it gives form and government to genius, and without it, what is man, a slave to his own selfishness, vacillating between the dignity of an intelligence developed by centuries of self restraint, and the degradation of passions participated in by savages; guided by the philosophy of jungle formula, the law of the sharpest tooth, and by following this subjective policy he makes his own condition worse.

Public opinion is the most potent of all political weapons. Every movement must have its support if it is to succeed. It can make and break Governments, start and stop wars, and on the ruins of an old system erect the structure of a new.

From it Capital and Labor should learn that the welfare of industry is their common cause, if they expect their methods to be endorsed, and from the history of those who defied its authority, learn the common lesson that while ambition has raised them from the lowest level, it can prostrate them from the highest.

The policy of this Government is to protect the interests of all, to encourage industry and happiness, and make our Province a better place to live.

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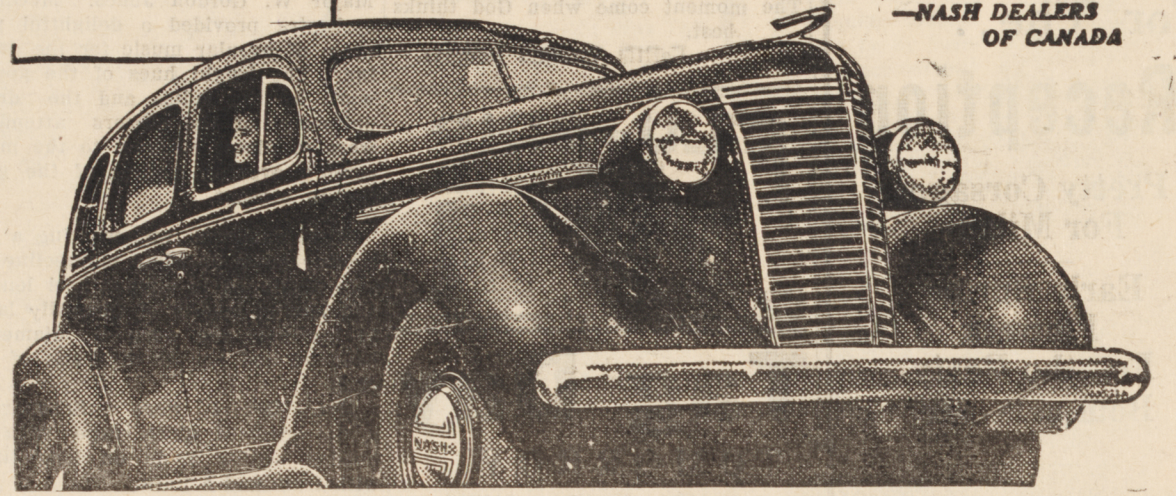
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