PROVINCE OF BRITISH COLUMBIA

Interim Report

OF THE POST-WAR
REHABILITATION
COUNCIL

HON. H. G. T. PERRY, Chairman
Parliament Buildings
Victoria
British Columbia

JANUARY, 1943

PABC
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January 18th, 1943.

Honourable John Hart, M.L.A.,

President of the Executive Council, and

Premier of British Columbia.

Dear Mr. Hart,

I have the honour to transmit, herewith, the Interim Report of the Post-war Rehabilitation Council, pursuant to section 8 of the Post-war Rehabilitation Act, and of Order in Council, Number 354, of March 23rd, 1942.

I have the honour to be,

Sir,

Your obedient Servant,

"H.G.T. Perry"

Chairman.

CHAPTER 33.

AN ACT TO MAKE PROVISION FOR ADVANCE PLANNING OF REHABILITATION MEASURES, INDUSTRIAL REORGANIZATION, AND EMPLOYMENT PROJECTS DESIGNED TO MEET POST-WAR CONDITIONS.

(Assented to 12th February, 1942.)

Preamble.

WHEREAS the end of hostilities may be accompanied by profound disturbances in the economic life of the Province, caused by the demobilization of our fighting men and their need for work; by the cessation of war industries and the displacement of employees whose discharge will augment the demand for work; and by the influx of outsiders from other Provinces. who also will seek work:

And whereas the increase in the numbers in search of work will coincide with the destruction of employment opportunities arising from the closing-down of plants engaged exclusively in war work:

And whereas the surplus of labour can best be absorbed in an orderly manner by the development of the natural resources of the Province and by the timely inauguration of work and land settlement projects and of plans for the resumption of training of those whose occupational training has been interrupted by war, and for the direction of workers along paths most likely to lead to rehabilitation of themselves and to the economic growth and prosperity of the Province and its people and industries:

Therefore, His Majesty, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows:-

Short Title

1. This Act may be cited as the "Post-war Rehabilitation Act."

Post-war Rehabilitation Council.

Rehabilitation Board constituted.

2. For the purposes of this Act there shall be constituted a Board of not more than twelve persons to be called the "Post-war Rehabilitation Council," and the members to be appointed by the Lieutenant-Governor in Council and to hold office during pleasure.

Chairman.

3. One of the members shall be appointed to be Chairman of the Council.

Remuneration.

4. The remuneration of the Chairman and of the other members of the Council shall be determined by the Lieutenant-Governor in Council.

Vacancies.

5. The existing or continuing members of the Council shall have and may exercise all the powers, duties, and functions of the Counci notwithstanding any vacancy in the membership thereof.

Powers and Duties of the Council.

Powers, Duties, and Functions.

6. The powers, duties, and functions of the Council shall be as follows:-

(a) To form an estimate of the probable number of persons (hereinafter referred to as "returned men") who will on the termination of hostilities be released from the Defense Forces and become available for, and in need of civilian employment in British Columbia:

(b) To form an estimate of the number of returned men who already have training that fits them for civilian occupations and to classify them according to occupations:

(c) To formulate plans for training so as to fit for civilian occupations such of the returned as may require, and would be benefited by, such training:

(d) To make a survey to estimate to what extent persons will be thrown out of employment by reason of the cessation of war industries in the Province:

(e) To take action (so far as such action may be deemed necessa similar to that indicated in clauses (a), (b), and (c) in respect of persons thrown out of employment by reason of the cessation of war industries:

(f) To make a survey of the natural resources and of the industries in the Province, and to confer with operators of industries, agriculturalists, organizations of employers, organizations of employees, municipal councils, and others, with a view to the creation of opportunities for the reinstatement of returned men and of persons displaced by cessation of war industries, in useful and gainful occupations:

(g) To co-operate with the Dominion Government, municipal councils, agriculturalists, and organizations of employers and employees in the formulation of projects for the purposes of this Act; and to prepare for the timely inauguratio thereof:

(h) To make a study, in collaboration with operators of industries, municipal councils, employers, and employees, to determine to what extent war industries can be converted into peace-time industries:

(i) To make a survey of agricultural lands to determine the extent to which they lend themselves to self-sustaining or profitable settlement; and to furnish advice with regard to agricultural development generally:

(j) To carry out an economic survey of the natural resources of the Province and to furnish advice with regard to the best methods of utilizing such resources:

(k) To furnish advice with regard to the best methods for attack ing industrial problems, for inducing industrial improvemen and for facilitating and encouraging manufacture in suitable localities:

(l) To consider and advise industries so as to o to bring together proc

(m) To inquire and report of any industries in that such industries

(n) To consider and report nection with or for th industries in the Prov

(o) To ascertain the futur of farming in differen to supplying the deman available markets:

(p) Generally to make inve economic and industria British Columbia with to market extension, i ployment, and for any the re-establishment o placed by the cessatio

Other investigations.

7. The Council shall make such other inquiries for the purp Lieutenant-Governor in Counc

Reports and recommendations.

8. The reports and recommendati such Minister as may be desi in Council.

Powers on investigation.

9. For the purpose of any inves visions of this Act, the Cou tigation have the like power appointed under the "Public

Regulations.

10. For the purpose of carrying Act according to their true therein, the Lieutenant-Gover lations not inconsistent with deemed necessary, advisable, be published in the Gazette a effect as if incorporated her

Appointments.

11. Such officers, clerks, and em purposes of this Act may be a ions of the "Civil Service Act during pleasure.

Costs and expenses.

12. The costs and expenses incurre Act shall, in the absence of a Legislature available for that Consolidated Revenue Fund.

(l) To consider and advise on the co-ordination of various industries so as to obtain the best combined results and to bring together producer, manufacturer, and purchaser:

(m) To inquire and report on and advise in the establishment of any industries in British Columbia where it appears that such industries can profitably be carried on:

(n) To consider and report on scientific researches in connection with or for the promotion of primary or secondary industries in the Province.

(o) To ascertain the future possibilities of the various phases of farming in different parts of the Province with a view to supplying the demands for farm products on profitable available markets:

(p) Generally to make investigation of the possibilities of economic and industrial development in the Province of British Columbia with a view to making recommendations as to market extension, industrial expansion, increase of employment, and for any other purpose calculated to promote the re-establishment of returned men and of persons displaced by the cessation of war industries.

Other investigations.

7. The Council shall make such other investigations and conduct such other inquiries for the purposes of this Act in such manner as the Lieutenant-Governor in Council may require and direct.

Reports and recommendations.

8. The reports and recommendations of the Council shall be made to such Minister as may be designated by the Lieutenant-Governor in Council.

Powers on investigation.

9. For the purpose of any investigation held pursuant to the provisions of this Act, the Council shall in respect of the investigation have the like powers as are by law given to Commissioners appointed under the "Public Inquiries Act."

Regulations.

10. For the purpose of carrying into effect the provisions of this Act according to their true intent, and to supply any deficiency therein, the Lieutenant-Governor in Council may make such regulations not inconsistent with the spirit of this Act as may be deemed necessary, advisable, or convenient. All regulations shall be published in the Gazette and shall have the same force and effect as if incorporated herein.

Appointments.

11. Such officers, clerks, and employees as are required for the purposes of this Act may be appointed pursuant to the provisions of the "Civil Service Act," all of whom shall hold office during pleasure.

Costs and expenses.

12. The costs and expenses incurred in the administration of this Act shall, in the absence of any special appropriation of the Legislature available for that purpose, be paid out of the Consolidated Revenue Fund.

Appointment of Council

Copy of Order-in-Council #354.

Approved and ordered this 23rd day of March, A.D. 1942.

"W. C. Woodward"

Lieutenant-Governor.

TO HIS HONOUR

THE LIEUTENANT-GOVERNOR IN COUNCIL:

The undersigned has the honour to report for the consideration of the Council:

THAT section 2 of the "Post-war Rehabilitation Act," being Chapter 33 of the Statutes of British Columbia, 1942, reads as follows:

> "For the purpose of this Act there shall be constituted a Board of not more than twelve persons to be called the 'Post-war Rehabilitation Council,' and the members to be appointed by the Lieutenant-Governor in Council and to hold office during pleasure."

AND TO RECOMMEND THAT, pursuant to the said section, the said "Post-war Rehabilitation Council" be constituted, and that the following persons be appointed to members thereof:

The Honourable Henry George Thomas Perry, Minister of Education.
William Andrew Cecil Bennett, of Kelowna, M.L.A.
Edward Tourtellotte Kenney, of Terrace, M.L.A.
Charles Grant MacNeil, of Vancouver, M.L.A.
James Alexander Paton, of Vancouver, M.L.A.
William Thomas Straith, of Victoria, K.C., M.L.A., and
Harold Edward Winch, of Vancouver, M.L.A.

AND THAT, pursuant to the provisions of section 4 of the said Act, the Honourable Henry George Thomas Perry be appointed Chairman of the said Counc

AND THAT, pursuant to the provisions of section 8 of the said Act, the President of the Executive Council be designated as the Minister to whom the Reports and recommendations of the Council shall be made.

DATED this 20th day of March, A.D. 1942.

"John Hart"

Premier.

APPROVED this 20th day of March, A.D. 1942.

"John Hart"

Presiding Member of the Executive Council

Copy of Order-in-Counci

THAT pursuant to th
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the undermentioned perso

Mrs. Nancy Hodges,
Mrs. Tilly Jean Rol
Mrs. Dorothy Gretch

be appointed members of
the persons appointed me
approved on the 23rd day

AND THAT the provisi
13th day of May 1942, gov

Mrs. Nancy Hodges, M
Mrs. Tilly Jean Rols
Mrs. Dorothy Gretche

for travelling or otherwi
well as living expenses.

DATED this 28th day of Jul

APPROVED this 28th day of

INTRODUCTION TO THE INTERIM REPORT

In taking up its task the Post-war Rehabilitation Council has not felt itself called upon, at this stage, to adopt any particular hypothesis or prognostication about the date or the character of the next peace. Experience has shown clearly that war invariably leaves vast problems in its wake. In our opinion, it would be idle to adopt the comforting assumption that, without special forethought, British Columbia will be able to avoid the grave repercussions of post-war readjustment, which can be reasonably expected to arise out of the dislocations of the present war. The spectre of unemployment, banished but not destroyed by the gigantic war effort, may again hover over our industries that today are pressed for helpers. Victory will bring the opportunity to reorganize our civilian way of life upon a more efficient basis, but solutions to the unsolved problems of the 'thirties and the new problems of the 'forties must first be found, if the institutions we now seek to preserve are not once again to be exposed to the ravaging effects of depression.

Not all sections of opinion have been persuaded of the real need for the Government of British Columbia to give thought to the baffling problems of post-war rehabilitation. This feeling may have arisen in part from the belief that the question was primarily one for the Dominion Government, with its unlimited powers, to solve alone. Or the opinion may have arisen from the honest doubt that any enduring decisions could be made while the issue of the War itself remains unsettled.

The position of the Post-war Rehabilitation Council on these points can be clearly and simply stated. First, the Dominion Government has already assumed leadership in this field, establishing advisory committees and preparing legislation on a wide variety of post-war topics. But, as the largest custodians of natural resources, and the constitutionally responsible authorities for considerable economic and social policies, the Provincial Governments will be implicated voluntarily or involuntarily in these Federal post-war measures. The provinces may indeed choose to ignore for the present their future responsibilities, in the matter of post-war readjustment, but they can hardly hope to escape the impact of the difficult transition from war to peace when it comes. Second, the exploratory studies and decisions made now, in the light of existing information, can be revised as circumstances dictate, but, if the matter is left completely untouched, the opportunity to reach a considered decision will have been forever removed and last-minute, improvised methods will have to be employed.

The Council is convinced that the decision of the Government and Legislative Assembly of British Columbia to inaugurate the Post-war Rehabilitation Act was neither visionary nor untimely. In this conviction, the Council has been fortified by the emphatic declarations made by many citizens in the public life of this Province. Many have appeared before the Council and urged immediate consideration of numerous plans and projects for their respective communities, as a method of absorbing displaced men and women in useful employment, developing resources, adding to the economic and social values of the country, and forestalling the dislocations otherwise likely to ensue.

The keen interest shown by large numbers of our people and by public organizations throughout the Province in the subjects of the enquiries has been astonishing and encouraging to the Council in the heavy task confronting them.

Since the Act was passed in British Columbia other Provinces have taken similar action.

Such enquiries into post-war rehabilitation and reconstruction by the Dominion and Provinces have not gone unnoticed by, and have been an encouragement to, the men in our armed forces.

Obviously, there are many factors affecting post-war problems in British Columbia beyond the control of Provincial authority and direction. The duration of the war, trading and monetary policies of the Dominion and of the

United Nations, shipping and many other external conditions, the period of demobilization, the actions to be taken and responsibilities to be assumed by the Dominion, and the financial arrangements to be made regarding provincial, municipal, industrial, housing and other projects, all make it impossible accurately to forecast the conditions that will exist in this Province and the definite policies that are necessary for the Province to undertake. Just as the Province is powerless to avoid the impact of whatever policies are followed by the great nations in the peace, so is the Province unable in its own power alone to effect solutions to provincial post-war problems, but must seek the cooperation of the Federal Government in many policies and in others direct Federal action.

The post-war problems in British Columbia, as elsewhere, will be so complex and complicated they cannot be solved by the Government alone.

They require the fullest co-ordination between the three Governments, Federal, Provincial and Municipal.

They require the intelligent co-operation of workers, farmers, industrialists and all citizens.

From such co-operation and experience, enlightened vision and initiative can be expected to be exercised in British Columbia.

There can be little argument as to the necessity of preparing outlines of what can be studied and planned for broad policies to meet post-war problems. It is necessary to do this before demobilization occurs and before war industries and the jobs directly and indirectly dependent thereon cease to exist.

Many people will object to any planning for them by government or anyone and will prefer to make their own way. Many ex-service men and women, and many from war industries, will have their own plans to return to their pre-war vocations. To that extent they will solve their own re-employment problems.

Many industries and businesses will carry on without any aid or planning by government. These constitute no post-war problem.

Nevertheless, there will remain a large number of men and women who will expect opportunities to be available for their employment. There will be many industries connected directly or indirectly with the war which will close down until re-conversion to the production of other products can be effected.

It is necessary to state clearly because of a misunderstanding of the duties of the Council by not a few people in the Province, that the Post-war Rehabilitation Council has no power or authority to execute any plans or projects. By the Post-war Rehabilitation Act, it was instructed to investigate and report upon the matters therein set out. It has collected considerable information and data and become a clearing house for all kinds of proposals which have been collected.

The objectives of the Post-war Rehabilitation Council are as set out in the preamble to the Post-war Rehabilitation Act:

> "The direction of workers along paths most likely to lead to rehabilitation of themselves and to the economic growth and prosperity of the Province and its people and industries."

The Council has kept in mind in all its deliberations that the main post-war problems to be faced in British Columbia will be to maintain and raise as far as possible the present production levels, ensuring full employment and a decent standard of living for all our citizens.

This implies the production and distribution of adequate food, clothing, shelter, education and social services for our people. To achieve these desirable aims through the expanding use of our material and human resources should be our first objective rather than merely "making work" to provide employment.

The tentative pattern of a post-war program for British Columbia contained in this report is not set down as a fixed plan but as suggestive for

approaches to definite and detailed policies which can only be formulated by the Executive Government and enacted by the representatives of the people, the members of the Legislature.

Generally, this report is a preliminary one. Changes may occur in the factors surrounding many of the subjects of our enquiry before war is ended. It would therefore not be prudent nor is it possible to report final conclusions and recommendations on all the matters set out in the Act.

THE IMPLICATIONS OF PEACE FOR BRITISH COLUMBIA

The return of peace will probably see one of three eventualities materialize: the nations of the world will either seek thereafter to establish a basis for unrestricted world trade, or they will turn again towards the ideals of self-sufficiency, or they will attempt to follow a middle-of-the-road position, in so far as international trade is concerned. To a large extent these underlying fundamental issues lie outside the sphere of influence of any Province, and indeed to some extent of the Dominion Government. For that reason the Council has not felt itself called upon to explore these possibilities minutely.

Unquestionably, the outcome, which cannot be seen clearly from this distance, will be fraught with great significance for this Province. The prosperity of British Columbia has been inextricably bound up with the well-being of the thickly populated regions elsewhere on this continent, and, until the war, in Europe and in the Far East. The forest, mining, fishing and certain branches of agricultural industries have been built up by the demands of consumers many miles distant. Their prosperity has in turn induced other industries and services to settle and to flourish. Thus has foreign trade in the past provided a foundation for the provincial economy. Until the day arrives when the population of Canada is sufficiently numerous to provide adequate domestic markets for the bulk of our produce, the prosperity of this Province will probably continue to reflect the ups-and-downs of world trade.

War has already disturbed our peace-time economy. The large number of foreign countries which once provided markets for British Columbia's important export industries has dwindled with the fortunes of war to a few of the largest importing countries--yet the volume of trade has climbed steadily. After a somewhat delayed start, the shipbuilding industry with its numerous auxiliary trades, has expanded enormously under the impetus of wartime demand. The demand for raw materials has placed an abnormal pressure upon almost every section of our basic industries. New manufacturing plants have come into existence and established firms have expanded their facilities as the existing capacity has been strained to meet the urgent need.

The exodus of workers from civilian occupations into the armed forces has created a vacuum. This in turn has attracted an influx of workers from the neighbouring Prairie Provinces, of boys, girls and married women, and the problem of the employable unemployed has been materially reduced. Already the symptoms of man-power "scarcity" have induced the Dominion Government to consider broad and drastic policies of labour control. Reflecting the acceleration in the business tempo, salaries and wages paid in British Columbia have risen from the relatively high total of $165,683,460 in 1939 to $239,525,459 in 1941,(1) and the peak of this wartime development has probably not yet been reached.

Obviously there would be greater cause for gratification if this "full employment" now being experienced were based on more substantial and permanent foundations. As it is, the question, 'What will peace bring?' presents a problem of sober importance. If the transition from war to peace were mormally a smooth and self-readjusting process, the problem would not require special forethought, but, as past experience has so often shown, the aftermath of war is usually a period of serious dislocation.

The Council has assumed that certain "reactions" can be reasonably anticipated on the close of hostilities, if a policy of laissez-faire were to be followed by Dominion, Provincial and Municipal governments alike. Assuming an unconditional victory for the United Nations there might occur: (1) a gradual resumption of foreign trade; (2) a gradual resumption of peace-time production; (3) the ultimate cessation of purely wartime production; (4) ultimately, the demobilization of returned men and women, the displacement of war workers, and

(1) British Columbia Department of Labour Annual Reports, 1940 and 1941.

the rise of a probably over-crowded condition in the labour market.

In British Columbia these eventualities could create a series of difficult and acute questions, particularly when it is recalled that there has been a definite war-time migration of persons from other Provinces who may prefer to remain in this Province when peace returns, and when it is recalled that an entire racial minority - the Japanese - has been uprooted during the war and placed in a suspended temporary position.

In so far as the province of British Columbia is concerned, the appointment of this Council may be taken as an indication of the serious intent of the Government and the Legislative Assembly to reject a policy of laissez-faire for one of intelligent, positive action. Such action necessarily will require in the main to be planned, arranged and conducted in cooperation with the other governmental authorities concerned.

The concensus of opinion among the best authorities in the Dominion, Great Britain and the United States, is that there will be both a short-term and long term employment condition requiring appropriate measures. The Council recognizes similar situations will confront us in British Columbia. As previously indicated our pre-war and present basic industries depend upon markets outside the province. Our secondary industries and home markets are largely dependent upon the activity of basic industries. Hence, in anticipating the conditions that may exist in this Province at the end of the war we must necessarily address ourselves to the post-war situation of our basic industries.

The foundations of the economy and of employment in British Columbia are in its basic natural resources of: Agriculture, Forest Products, Mining and Fisheries. To these can be added, General Industries, (including ship-building, airplane and other war industries). Transportation (including railways, ports, shipping, air, trucking and inland water), and Services (including wholesaling, retailing, building, governmental, etc.).

All these will be seriously affected for good or ill both immediately and probably for a long period when war ceases. Any reduction in any or all of them in employment, in purchases of supplies and in wages will affect the purchasing power of our people for all other products and services. Further, on their expansion or conversion, on new industries, and on projects public and private depend the measure of employment available for persons discharged from military duties.

Alleviation for a short period of dislocations in employment can be expected by the expenditures that may be made to cover the urgent requirements of many industries and persons in equipment, household goods, in travel and transport, in restocking of consumer goods, in construction of new houses and improvements, in exports of lumber, fruit, fish, some minerals and other products to Europe and elsewhere for reconstruction assuming national and international financial arrangements are made. Many economists believe the short term period may acutally be a buoyant and booming one which will require continuation of controls to avoid inflation of prices. While this may be probable it is nevertheless certain that with the cessation or reduction of industrial output for war purposes many persons will be unable to follow their accustomed occupations in British Columbia.

Private investment or expenditures in capital and consumer goods are not likely to be sufficient in quantity or variety in British Columbia to absorb all the displacements that may occur. It is essential the income and purchasing power of our people at least be maintained if we are to avoid depression and unemployment. To ensure continuation of such income and employment throughout the Province it will require in addition to the anticipated private investments and expenditures in capital and consumption goods, considerable expenditures by the Government of Canada in particular and by the Provincial and Municipal Governments of British Columbia, in projects of many kinds throughout the whole province, and in the maintenance and expansion of social and cultural services.

Such public expenditures, if made early enough in advance of any threatened depression, would by themselves motivate and stimulate private investment in connection therewith, and thereby increase employment and demand for consumer goods.

One of the weaknesses of public policy in the last depression was that of public expenditures being "too little and too late."

ORGANIZATION

As originally formed, the Post-war Rehabilitation Council comprised seven members of the Provincial Legislative Assembly. The following were appointed to the Council by Order-in-Council No. 354 of March 23rd, 1942: Chairman, the Hon. H. G. T. Perry, Minister of Education; Mr. W. A. C. Bennett; Mr. E. T. Kenney; Mr. C. G. MacNeil; Mr. J. A. Paton; Mr. W.T. Straith, and Mr. H. E. Winch. By the terms of Order-in-Council No. 1022, dated July 28, 1942, the following members of the Legislative Assembly were also appointed to the Council, bringing the total up to ten members: Mrs. N. Hodges, Mrs. T. J. Rolston, and Mrs. D. G. Steeves.

With the consent of the Executive Council, the Post-war Rehabilitation Council has appointed four inter-departmental advisory sub-committees dealing respectively with Agriculture and Land Settlement, Parks and Forests, Industrial Development and Public Works. Through the cooperation of the Departments concerned, senior officials from the Department of Lands, Agriculture, Mines, Public Works, Labour, Fisheries and Finance have been appointed to these committees. The Activities of these bodies are referred to later in this Report. (1)

(1) The personnel of the four Inter-departmental Advisory Committees will be found in Appendix 1.

POST-WAR RE

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1. TO DETERMINE THE NUMBER OF
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Returned Men and Women:-

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Displaced War Workers:-

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2. TO DETERMINE THE CAPACITY OF E
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FUNCTIONS

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POST-WAR REHABILITATION COUNCIL

DUTIES

Although the terms of the Post-war Rehabilitation Act are clear and concise in their meaning, the Council has found the use of a simple interpretive statement more convenient as a statement of general purpose. The primary or general designs of the Post-war Rehabilitation Council can be said to be four in number, each divided in turn into a number of specific duties:-

1. TO DETERMINE THE NUMBER OF RETURNED MEN AND DISPLACED WAR WORKERS WHO WILL BE SEEKING GAINFUL EMPLOYMENT IN BRITISH COLUMBIA AT THE END OF THE WAR.

Returned Men and Women:-

How many may be expected to seek civil employment in this Province? (Section 6, ss.b)

How many will be fit to enter a civil occupation immediately? (Section 6, ss.b)

How many will require training, and what plans should be made to provide this training? (Section 6, ss.c)

Displaced War Workers:-

How many may be expected to seek other civil employment in this Province? (Section 6, ss.d)

How many will be fit to enter a civil occupation immediately? (Section 6, ss.e)

How many will require training, and what plans should be made to provide this training? (Section 6, ss.e)

2. TO DETERMINE THE CAPACITY OF EXISTING AND POTENTIAL PUBLIC AND PRIVATE ENTERPRISE IN THE PROVINCE TO ABSORB RETURNED MEN AND WOMEN, AND DISPLACED WAR WORKERS, AT THE END OF THE WAR.

Potential employment in Post-war Projects:-

What Dominion, Provincial, Municipal or Industrial projects can be anticipated? (Section 6, ss.g)

What preparations should be made for their timely inauguration? (Section 6, ss.g)

Employment possibilities in Agriculture:-

To what extent, and in what locations, can land settlement be successfully encouraged? (Section 6, ss.i)

What are the future possibilities of the various branches of farming? (Section 6, ss.o)

Employment possibilities in Industry:-

To what extent can war industries be converted into peacetime industries? (Section 6, ss.h)

To what extent can new industries be anticipated? (Section 6, ss.m)

To what extent can established industries be expected to maintain themselves in the face of post-war conditions? (Section 6, ss.k) (and l)

The Utilization of latent resources:-

What resources are now latent, and to what extent can their development be anticipated? (Section 6, ss.j)

To what extent can scientific research assist in their early development? (Section 6, ss.n)

Other employment possibilities:-

In what other ways can the economic development of this Province be assisted and the re-establishment of returned men and women and displaced war workers facilitated? (Section 6, ss.f and p)

3. TO CONSIDER THE VARIOUS POST-WAR MEASURES PROPOSED OR CONTEMPLATED BY THE DOMINION GOVERNMENT.

4. IN THE LIGHT OF ALL THESE FACTORS, TO ADVISE THE PROVINCIAL GOVERNMENT AS TO THE COURSE OF ACTION WHICH WILL BEST PROMOTE THE MAXIMUM EMPLOYMENT OF MEN AND RESOURCES.

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(1) Ref.- Appendix Page 5.
(2) Ref.- Appendix Page 6.

METHODS OF INQUIRY

The Council early decided to avoid in every possible manner, duplication and over-lapping of the inquiries and actions taken, or proposed to be taken, by the Federal Government and its agencies.

Contact was established with the Federal Government and co-operation continues. Particular mention should be made of the valuable data, memoranda and information received from the Honourable Ian Mackenzie, Minister of Pensions and National Health, Mr. J.G. Turgeon, Chairman, House of Commons, Special Committee on Reconstruction and Re-establishment, Dr. F. Cyril James, Chairman of the Committee on Reconstruction, Dr. L.C. Marsh, Research Advisor, Committee on Reconstruction and Mr. R.F. Thompson, Dominion Supervisor of Youth Training.

On September 14th conferences were held in Victoria by Dr. James, with the Chairman and such members of the Post-war Rehabilitation Council as were available, and all members of the Inter-departmental Committees. Conferences were also held by Mr. R.F. Thompson, Dominion Supervisor of Youth Training, Dr. Leonard C. March, Research Advisor, Committee on Reconstruction and Mr. Walter Woods, Associate Deputy Minister, Department of Pensions and National Health, and many others.

The Chairman was called to Ottawa by Dr. F. Cyril James, to attend a conference on December 4th, 1942, which Ministers from all the Provinces attended. Members of the sub-committees, set up by the Committee on Reconstruction, were present for consultation.

Colonel Delano, Chairman of the United States National Resources Planning Board, and several members of his staff, visited Victoria on June 26, 1942, and conferred with the Chairman regarding the inquiries being made by the Post-war Rehabilitation Council. Since then, the Council has received much valuable information from the United States.

Mr. J.C. Rettie, Director of the North Pacific Planning Board, a division of the Office of the President of the United States, visited Victoria for the purpose of establishing contact with the Government of British Columbia, to further co-operation in post war planning, with special reference to the Pacific Northwest.

The Empire Parliamentary Association, London, England, was of valuable assistance in having several British Committees forward data to the Council on several subjects regarding post war matters.

The Ministers of the Provincial Government have afforded the fullest co-operation and assistance of their respective departments.

For the purpose of securing the fullest information from all parts of the Province, letters (1) and copies of the Post-war Rehabilitation Act were sent to all public bodies in the Province. These included:- Cities, District and Village Municipalities, Boards of Trade, Chambers of Commerce, Veterans, Farmers, Labour, Manufacturing, Industrial, Trade and Service Organizations, Women's Institutes and numerous other public organizations.

Many requests for personal visits of the Council were received from all over the Province. It was decided to visit as many centres as was possible and hold public hearings. (2)

The keenest interest was shown by organizations and the general public at these meetings, which were fruitful in bringing the Council hundreds of well-prepared briefs, memoranda and information regarding the possibilities of meeting the post-war problems in many ways. The Council has given considerable study to all the information received. Time has not permitted

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(1) Ref.- Appendix Page 5.
(2) Ref.- Appendix Page 6.

them to deliberate and report upon all the subjects to the fullest extent required. Many of the plans, projects and proposals submitted require the application of the fullest technical advice and consideration.

The highest commendation is due the officers and members of all the organizations and individuals who studied the Act and contributed these valuable suggestions and proposals to the Council. Many of the proposals dealt particularly with the post-war situation in the communities submitting the briefs, and were useful to an understanding of local conditions.

From the briefs, memoranda and information received, a break-down, or synopsis, was made and classified under specific subjects. Copies of this synopsis were prepared, containing over Fifteen Hundred (1500) individual items, and were made available to all Members of the Council. A detailed List (1) of the subjects which have been reviewed by the Council, will be found in the Appendix to this report.

After segregation of the many proposals into their proper classification, these were referred to the several Inter-departmental Committees for their invistigation, consideration and report. Considerable preparatory study has been given to many subjects by the Inter-departmental Committees and reports made to the Council.

Only by their invaluable assistance, based upon their experience and technical knowledge of their respective duties, has it been possible for the Post-war Rehabilitation Council to prepare and submit the factual material in this report in so short a time.

The Council expresses appreciation to members of the staff and all others who have contributed by their advice and assistance towards this report.

(1) Ref:-Appendix Page 7.

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F I S H E R I E S

General Remarks.

It must be emphasized that the principal fisheries of the Province of British Columbia comprise one of the very few of British Columbia's basic industries which is now being managed and regulated on a sustained yield basis. Under this system of management which is broadly illustrated in "A Brief Statistical Review of the Sockeye Fishing and Canning Industry in Rivers Inlet" by the Assistant Commissioner of Fisheries (1) - exploitation is permitted by those engaged in the industry in any one year - only to that extent which will not endanger the supply in future years. It will be seen that this is decidedly a limiting factor on the quantity of fish which may be taken in any one year. It must also be borne in mind that the old idea of an inexhaustible supply of fish in the ocean has been discarded. It is now realized by those responsible for administration of our fisheries, that the supplies of fish are not inexhaustible but rather, on the contrary, are definitely limited. From these two facts it will be observed that the amount of fish which may be taken from the waters of British Columbia in any one year must not exceed a certain quantity, this amount varying from year to year, depending upon the regenerative powers of the species and the mortality rates, and many other factors.

Competitive Aspects of the Fishing Industry.

An examination of the fisheries of the Province will show that this industry, in certain respects, is not unlike all other industries which have existed in the pre-war economy, in that it is a highly competitive business and one conducted for profit. Nevertheless, the fishing industry differs from other industries in that its annual production on a unit basis is definitely limited by the amount of raw material available. This seasonal limit on the amount of raw material available precludes the possibility of lowering production costs, on a unit basis, below a certain minimum for the obvious reason that production cannot be stepped up beyond a certain maximum.

Economic Factors of the Industry.

One of the principal factors in production costs is the cost of salmon. Those engaged in producing the raw material are in the fishing business for profit in the same way as anyone engaged in other lines of business. The fisherman operates on a unit basis. Two principal items contribute to a successful operation, first, the amount he receives for his unit of pro duction and, second, the number of units he produces. In order to maintain himself in business and earn a profit, the product of the number of units times the price per unit must reach a certain level. If, for any reason, the price of fish falls, the fisherman must catch more of them to stay in business. If, on the other hand, there are fewer fish to be caught, the fisherman must receive a higher price per fish if he is to stay in business.

It has been stated that the fisheries are being managed on a sustained yield basis. Notwithstanding this, seasonal fluctuations occur which cause fluctuations in fishermen's earnings from year to year. Introduction of greater numbers of fishermen will not increase total production because of the limiting factors already mentioned but, instead, will tend to spread the catch over a greater number of men and thus reduce the individual fisherman's earnings unless there is a corresponding increase in the amount the fisherman is paid for his catch. This, in turn, increases production costs and as fish - whether canned, cured, or fresh - are disposed of in a highly competitive field, the price demanded from the consumer must not be out of line with the price of other competitive foods or the consumer simply refuses to buy

(1) Ref. Report Commissioner of Fisheries, 1934. Pages 68 - 75.

FISHERIES.

In the salmon fisheries, and to some extent the other fisheries of British Columbia, in the years before the outbreak of hostilities, there were many more men engaged in fishing than were necessary to catch all the fish available in any given year. The retail price of most species had reached the maximum that would permit competition with other protein foods. This combination of cir cumstances resulted in continual strife between fishermen and operators, the fisherman fighting to maintain a decent standard of living for himself and his family, while the operator was forced to resist the demands of the fishermen for higher prices in order to keep production costs down to a level which would permit the selling of his goods in competition with other protein foods.

Following this brief outline of the economic position of our Fishing Industry, the question arises as to the part the Industry will play in providing an outlet for rehabilitation of men to be eventually discharged from the Armed Forces.

In the years preceding the War, labour supply in the fishing industry had reached and passed the saturation point. Many fishermen found themselves in debt to the canning companies at the end of the season's work.

Representations made in the briefs received by the Council from several quarters have suggested that the permanent withdrawal of the Japanese from the Industry on the Pacific Coast will, to a large extent, relieve this condition and provide many opportunities for our own citizens.

The position of the Japanese in the Industry, past and present, therefore, requires some examination.

JAPANESE.

The Japanese fishermen in British Columbia, previous to the outbreak of hostilities with Japan, were not a large factor in the actual fish production of the Province. In 1939, of the total number of fishing licences issued in British Columbia, less than 14% were issued to Japanese. It must be remembered that only British subjects (which of course applies to Japanese who are naturalized) are permitted to hold fishing licences in British Columbia. Attention should also be called to the fact that where British Columbia halibut fishermen are not required to have a licence, practically no Japanese were fishing halibut so that of the total number of men engaged in fishing in British Columbia previous to the war, considerably less than 14% were of Japanese origin.

The slack caused by the removal of the Japanese from the coast districts has been, to a very large extent, already taken up. The removal of the Japanese has not lessened the total production. Practically all of the Japanese-owned vessels have now been disposed of to white fishermen or fishing companies, and, with the exception of a few older and less suitable boats, the whole of the formerly Japanese-owned fleet participated in British Columbia's fisheries in 1942.

Opinions are on record with this Council that regardless of the disposition that is eventually made of the Japanese population in Canada after the cessation of hostilities, these people should not be permitted to re-enter the fisheries of British Columbia. There are many reasons offered to support this action.

Since their evacuation from the Coast one season has proven that the Japanese are not a necessary factor in fisheries production in the Province and public opinion may be said to have emphasized in its consistent reiteration that Japanese should not be permitted to become re-established in the fisheries of British Columbia.

Co-operatives.

The Commissioner of Fisheries reports that for a number of years a very

SUGAR BEET INDUSTRY

The Council made a thorough study of the prospects of establishing a sugar beet industry in British Columbia, including the careful consideration of a very valuable report submitted by the Bureau of Economics and Statistics, Department of Trade and Industry. (See Appendix, page 239). It was found that private enterprise has been reluctant to establish a fully integrated sugar beet industry in British Columbia, and an effort was made to determine, as far as possible, what economic factors have retarded the successful establishment of this industry in the Province.

There is apparently no question about the physical capacity of many areas in British Columbia to grow sugar beets. Between 1924 and 1933 farmers were growing beets under contract for the Bellingham refinery of the Utah-Idaho Sugar Company. If there are any limitations of a physical character, the indications are that it would be in respect to soil. There is some doubt, in the light of the scanty information available, whether the Province has enough acres of deep loam, located in otherwise suitable areas, to make the Province self-supporting. An annual acreage of approximately 23,000 acres and a potential area of 92,000 acres--for adequate crop rotation- would be required to produce enough sugar for our peace time needs. A special survey by technical agriculturists would be necessary, however, to determine the amount of suitable soil available in British Columbia for this industry.

All sugar beet areas on this continent appear to have had a deficiency of inexpensive farm labour. This condition applies to British Columbia, excepting where Oriental and native Indian labour has been available. The cost of labour in the sugar beet industry therefore constitutes a problem.

Among the several fundamental economic factors which have made the establishment of the beet industry a matter of considerable risk, particularly in the Coast section, such as the lower Fraser River Valley, is the question of freight rates. The Alberta sugar beet industry owes its existence largely to the margin of railway freight protection against refined cane sugar from the Pacific seaboard. The new Manitoba sugar beet industry occupies a similar advantageous geographic position. A glance at Chart 1, Appendix, page 244. will show the influence of railway freight rates.

In British Columbia, on the other hand, competition with refined cane sugar would not be alleviated by a "cushion" of freight rates. In the Fraser Valley, which in many respects appears to offer the most suitable conditions for a sugar beet industry, the industry would be directly exposed to competition from refined cane sugar. There would be a small margin of freight protection available in the Okanagan Valley, but the market for refined sugar is thought to be a little too narrow, and there is not the large dairy industry in that region to profit by the extra benefits of beet tops and "beet pulp" as, for example, would be the case in the Fraser Valley.

While additional tariff protection would provide the necessary conditions for a seaboard industry, the resulting industry might be relatively small--depending on the amount of suitable land actually available. It must also be borne in mind that the prospect of obtaining additional tariff protection, in view of the reluctance of the Dominion Government to grant further protection to the sugar beet industry as indicated at the London Sugar Conference of 1937, presents a separate problem of no mean magnitude.

A subsidy would enable the industry to become established, but it is doubtful if the need for some financial aid could be overcome. If the

subsidy were to be withdrawn after a period of time, tariff protection would be necessary in its place. Previous Provincial Governments have, on a number of occasions, rejected requests for financial assistance from groups interested in promoting the sugar beet industry at various points in the Province.

After the present war the question of surplus sugar cane production, which bewildered world markets after the last war, may arise again. Insofar as tariff protection is concerned, the future prospects for this industry are accordingly interwoven with the whole question of post-war trade relations. If Canada adopts a modified form of the self-sufficiency program, either in whole or in part, the prospects for a seaboard sugar beet industry should be relatively favourable. But if world trade in the post-war period is placed on a relatively unrestricted basis, by implication the prospects for a seaboard industry in this Province would probably be less attractive.

This Council is therefore of the opinion that while soil and other conditions are favourable in parts of the Province, the sugar beet industry does not appear to be one that can be developed for purposes of rehabilitation because of the following factors:

1. A supply of cheap labour is required, which would mean a lowering of our standards for a section of the population.

2. In those sections of the province where there is a margin of freight rate protection against cane sugar, the population is not sufficient to permit the establishment of a factory of economic size

3. A substantial subsidy would be required.

4. High tariffs would have to be imposed on imported raw and refined sugar.

SUGAR BEET SEED INDUSTRY.

Some development has already occurred in the growing of sugar beet seeds in the Fraser Valley, the lands of which appear eminently suitable for this crop.

A detailed report on the available markets, possibilities of expansion and limitations of this industry is contained in Appendix - "Prospects for the Establishment of the Sugar Beet Industry in British Columbia." (1)

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(1) Ref. Appendix Page 239.

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H O U S I N G

The evidence placed before the Council in all the principal centres of British Columbia revealed a serious shortage of suitable housing, apart from abnormal conditions of congestion due to war activities. War-time requirements in respect of labour and building materials have increased the "back-log" of construction which had not been overtaken upon the out-break of hositilities. Housing accommodation in rural districts has never received adequate attention and a highly unsatisfactory situation is growing progressively worse. Unwholesome slum conditions and blighted areas exist in towns and cities. Everywhere a high percentage of houses need substantial repairs. Only large scale plans with public aid will meet the situation which will demand action at the end of the war.

A sub-committee of the Special Committee of the House of Commons of War Expenditure (1942) reported as follows:-

> "The substantial housing shortage which existed at the outbreak of the war has been greatly accentuated through increase in the national income. Since September, 1939, the national income has increased about $1,8000,000,000 At the time war was declared many families in Canada were doubled up and many still on relief. The increased national income has taken most families off relief and has enabled many thousands of families to move from their congested living conditions into single family dwelling."
>
> "Insofar as the present housing shortage is permanent in its character as indicated in the above sub-paragraph and the sub-committee finds that more than half of our present housing shortage is of this character, this permanent problem should be solved by the erection of permanent homes under the National Housing Act."

Estimates of home construction necessary at the end of the war are based on data furnished by British Columbia Municipalities, Boards of Trade and other organizations in reply to a questionnaire (1) directed to them by this Council.

Replies to this questionnaire have not yet all been received but a return covering figures of Housing requirements from most of the important centres will be found in the appendix to this report. (2)

General unanimity of opinion prevailed at all public hearings and in sub-missions to the Council as to the desirability of a province-wide home building program in the post-war period. With this opinion the Council concurs. It is of urgent importance that measures be taken to remedy the social and economic evils arising from insanitary, inadequate, and unsafe housing. It is evident that such steps would substantially lower the cost to the public of reclaiming delinquents and fighting disease admittedly occasioned by squalid and unhealthy environment. Experience has demonstrated that public measures in aid of good housing have invariably improved public health and morale.

It is the further opinion of the Council that an adequate housing programme would accomplish more than any other single projects to stimulate business activity and employment. It has been reliably estimated that eighty cents out of every dollar spent on house construction goes directly or indirectly to labour. The bulk of the materials required for British Columbia construction is produced in British Columbia.

In the National Housing Act and the Home Improvement Act, the Dominion Government has already assumed leadership in dealing with this problem. More than half the population of the country is involved and the welfare of the entire economy is at stake. Under these conditions, there would appear to be

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(1) Ref: Appendix Page 409
(2) Ref: Appendix Page 410

no alternative but to make representations to the Dominion Government with respect to a problem of such proportions as to require national planning and financial aid.

The Council regards the housing problem as only a part, though a very important one, of the larger problems of urban replanning and rebuilding as well as rural rehabilitation. A housing program must now be fitted into the larger setting, and not be regarded merely as an expedient to relieve unemployment. In each community, on the basis of available facts and sound judgments it is necessary to plan the direction and form of community development. Here the Provincial Government may give leadership.

Planning should aim at making the resources of the city and countryside available to urban and rural dwellers alike. Such planning cannot be limited by artificial municipal boundary lines. Home construction should now be planned in conjunction with improved transit and parking facilities, industrial and residential zoning, neighborhood community centres with recreational and cultural facilities, and efficient administration of municipal services. Municipalities should be enabled to replace slums with low-cost low-rental housing and plan expansion as to avoid the costly mistakes of the past.

THIS COUNCIL RECOMMENDS:

1. That the Provincial Government appoint a Provincial Planning and Housing Authority to determine and plan an urban and rural development programme and undertake the following duties:-

   (a) The establishment of regional planning and housing authorities.

   (b) The co-ordination of construction plans in all regions to ensure uniform advance for the entire province and economy in administration and use of material.

   (c) The stimulation of the use of mass production methods where possible as in the construction of pre-fabricated houses.

   (d) Supervision of the allocation of funds among various regions and the administration of loans to individuals.

2. That enabling legislation be enacted to permit the establishment of regional planning and housing authorities in those areas able and willing to take advantage of such legislation.

3. That the Federal Government be requested to grant subsidies or loans to municipalities prepared to engage in plans for municipal development in conjunction with housing construction.

4. That the Federal Government be requested to call an interprovincial conference at an early date to prepare recommendations dealing with necessary revision of the National Housing Act and the Home Improvement Act to accomplish the following purposes:-

   (a) The administration of loans by a public agency to individuals in communities and in income groups not served by lending institutions.

   (b) The extension of loans to rural districts.

   (c) Public subsidies for low-cost, low-rental housing projects.

   (d) Substantial aid to municipalities in adjustment of taxation and land acquisition difficulties.

   (e) Uniform and satisfactory adjustment in respect of Provincial

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(f) Loans to co-operative building societies.

(g) Extension of the provisions of the Home Improvement Act with special reference to the needs of rural districts and with easier terms.

(h) More adequate provision for architectural and functional advice in designing plans for houses with special provision for advice from experienced women.

Signed at Victoria, British Columbia, this Sixteenth day
day of January in the Year of our Lord Nineteen Hundred and
forty-three, A.D.

H.G.T. Perry
CHAIRMAN.

C. A. B. Emerson

Nancy Hodges

E. V. Bellamy

C. G. Marshall

J. A. Paton

Tilly Jean Rolston

Dorothy G. Steeves

Wm. J. Asselstine

Harold C. Winch